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S. A. SALAM's

Sales Tax Ready Reference

246th Update – September 15, 2026

Please find enclosed **94** updated pages so as to complete and update your copy of Sales Tax Ready Reference. Kindly insert as follows:–

Existing Pages to be removed	Updated Pages to be inserted	Existing Pages to be removed	Updated Pages to be inserted
Pt-III –Notifications			
1 to 4(2)	1 to 4(2)		
18(3) to (5)	18(3) to (6)		
31, 32	31, 32		
58B(xi)	58B(xi)		
Pt-V –Sales Tax Rules			
v, vi	v, vi		
37, 38	37, 38		
46(7) to (10)	46(7) to (10)		
	58(1) to (6)		
Pt-VI –General Orders			
v, vi	v to vii		
129 to 136	129 to 156		
Pt-VII –Sales Tax Circulars			
2I, 2J	2I to 2K		
181	181 to 194		
Pt-X –Federal Excise Rules			
72(1) to (3)	72(1) to (3)		
134A, 134B	134(1) to 134(10)		
-	144(1) to (6)		

Yours sincerely
Manager

Note from the Author

It gives me great pleasure to complete the 246th update of Sales Tax Ready Reference. This update covers:-

-SROs: 1134(I)/2026, 1168(I)/2026, 1169(I)/2026, 1237(I)/2026, 1238(I)/2026, 1245(I)/2026, 1343(I)/2026, 1498(I)/2026, 1525(I)/2026 & 1586(I)/2026;

-General Orders: 02 to 05, 07, 09 to 23 of 2026; and

-Circulars: C. No. 1(1)ST-L&P/2024/IRIS-Proc, C. No. 1(200)ST-L&P/2026/ 82342-R, C. No. 1(500)SA-M(IR-Ops)/2026-27/96554-R & Circular No. 1 of 2026-C. No. 3/2-STB/2026(1)/101537-R.

These are briefly explained as under:–

Part III – Notifications

1. On page III-18(4), **SRO 297(I)/2023** dated March 08, 2023 has been amended by **SRO 1525(I)/2026** dated September 13, 2026. This is re: **Supply of locally manufactured goods.**

2. On page III-18(5) onwards, **SRO 1245(I)/2026** dated July 31, 2026 has been reproduced. This is re: **Imposition of Fixed Sales Tax on Steel Melters and Re-Rollers on The basis of per unit of electricity consumed.**

3. On page III-31, SRO 1190(I)/2019 dated October 02, 2019 has been amended by **SRO 1343(I)/2026** dated August 12, 2026. This is re: **Steel Melters and Re-Rollers.**

4. On page III-58B(xi), **SRO 1134(I)/2026** dated July 17, 2026 has been reproduced. This is re: **Exempt whole of the amount of default surcharge and penalty (PIACL).**

Part V – Sales Tax Rules

5. On pages V-37 & 46(7), Rules 29(2) and 39F of the **Sales Tax Rules, 2006** have been amended by **SRO 1498(I)/2026** dated September 04, 2026. These are re: **Risk management system & Processing in FASTER module.**

6. On page V-58(1), new Rule 62A in the **Sales Tax Rules, 2006** has been added by **SRO 1169(I)/2026** dated July 27, 2026, later on amended by **SRO 1237(I)/2026** dated July 30, 2026. This is re: **Independent Case Scrutiny Committee.**

Part VI – General Orders

7. On page VI-130, **General Order No. 02 of 2026** dated April 01, 2026 has been reproduced. This is re: **Electronic Monitoring of Tiles Production through Video Analytics.**

8. On page VI-131, **General Order No. 03 of 2026** dated May 15, 2026 has been reproduced. This is re: **Electronic Monitoring of Bottled Water Production.**

9. On page VI-132, **General Order No. 04 of 2026** dated May 15, 2026 has been reproduced. This is re: **Electronic Monitoring of Packaged Juices Production.**

10. On page VI-134, **General Order No. 05 of 2026** dated May 18, 2026 has been reproduced. This is re: **ICT Service Providers - Integration with FBR's POS System.**

11. On page VI-136 onwards, **General Order No. 07 of 2026** dated June 02, 2026 has been reproduced. This is re: **Electronic Monitoring of Aerated Waters or Beverages.**

12. On page VI-142, **General Order No. 09 of 2026** dated July 07, 2026 has been reproduced. This is re: **Procedure and Conditions for Application of Minimum Value Addition Tax** at the Rate of one percent on Import of Coal under Clause (6) of the Twelfth Schedule to the Sales Tax Act, 1990**.**

13. On page VI-144, **General Order No. 10 of 2026** dated July 14, 2026 has been reproduced. This is re: **Removal of Difficulty for Voluntary Corporatization of Iron and Steel Manufacturers.**

14. On page VI-145, **General Order No. 11 of 2026** dated July 17, 2026 has been reproduced. This is re: Implementation of Serial No 65 of the Third Schedule to the Sales Tax Act, 1990 in **Respect of Supplies made through FBR Digitally Integrated and POS-Compliant Retailers.** Later on it has been amended **STGO 19 of 2026** dated August 20, 2026.

15. On page VI-147, **General Order No. 12 of 2026** dated July 31, 2026 has been reproduced. This is re: **Removal of Difficulty for Voluntary Corporatization of Iron and Steel Manufacturers.** Later on this STGO is amended by **General Order No. 13 of 2026** dated August 03, 2026, by **General Order No. 18 of 2026** dated August 12, 2026 and by **General Order No. 21 of 2026** dated August 27, 2026. This is re: **Removal of Difficulty for Voluntary Corporatization of Iron and Steel Manufacturers.**

16. On page VI-151, **General Order No. 14 of 2026** dated August 04, 2026 has been reproduced. This is re: **Application of Sales Tax at the Rate of Rupees Five per Unit of Electricity Consumed by Iron and Steel Manufacturers (Melters, Re-Rollers and Composite Units).** Later on it has been superseded **STGO 16 of 2026**.

17. On page VI-151, **General Order No. 15 of 2026** dated August 05, 2026 has been reproduced and amended by **STGO 17 of 2026** dated August 12, 2026. This is re: **Clarification regarding Printing Requirements Prescribed under Sales Tax General Order No. 08 of 2026 and other Related Issues.**

18. On page VI-152, **General Order No. 16 of 2026** dated August 06, 2026 has been reproduced. This is re: **Application of Sales Tax at the Rate of Rupees Five per Unit of Electricity Consumed by Iron and Steel Manufacturers (Melters, Re-Rollers and Composite Units)**. It also superseded STGO 14 of 2026.

19. On page VI-153, **General Order No. 20 of 2026** dated August 24, 2026 has been reproduced. This is re: **Time-Bound Sales Tax Registration of Low-Risk Applicants** and Pre-Registration Certification of Manufacturers by the Respective Trade Bodies.

20. On page VI-155, **General Order No. 22 of 2026** dated September 05, 2026 has been reproduced. This is re: **Application of Sales Tax at the Rate of Rupees Five per Unit of Electricity Consumed by Iron and Steel Manufacturers (Melters, Re-Rollers and Composite Units)-**Amendment to STGO 16/2026.

21. On page VI-150, General Order No. 12 of 2026 dated July 31, 2026 table has been amended by **General Order No. 23 of 2026** dated September 16, 2026. This is re: **Removal of Difficulty for Voluntary Corporatization of Iron and Steel Manufacturers**.

Part VII – Sales Tax Circulars

22. On page VII-182, **C. No. 1(1) ST-L&P/2024/IRIS-Proc** dated July 20, 2026 has been reproduced. This is re: **Procedure for Claiming Credit against Sales Tax Withheld by FTN Holders.**

23. On page VII-182, **C. No. 1(200) ST-L&P/2026/82342-R** dated July 29, 2026 has been reproduced. This is re: **Extension in time for Voluntary Corporatization of Iron and Steel Manufacturers.**

24. On page VII-183 onwards, **Circular No. 1 of 2026 - C. No. 3/2-STB/2026(1)/101537-R** dated September 11, 2026 has been reproduced. This is re: **Finance Act, 2026-Explanation regarding Important Amendments made in Sales Tax Act, 1990 and Federal Excise Act, 2005.**

Part X – Federal Excise Rules

25. On page X-134(3), new Chapter XIVA containing Rules 73B to 73P have been added in the **Federal Excise Rules, 2005** by **SRO 1586(I)/2026** dated September 16, 2026. These are re: **Electronic Production Monitoring of Excisable Goods.**

26. On page X-144(1), new Rule 93 has been added in the **Federal Excise Rules, 2005** by **SRO 1168(I)/2026** dated July 27, 2026, later on amended by **SRO 1238(I)/2026** dated July 30, 2026. This is re: **Independent Case Scrutiny Committee.**

Your suggestions and comments are very useful for improvement of the work which will be highly appreciated.

Sheikh Asif Salam
Chartered Accountant

FEDERAL EXCISE RULES, 2005

*Arrangement of Rules

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*This Arrangement of Rules is not part of the Rules or Gazette containing it and has been prepared for convenience of readers, modified in line with amendments from time to time.

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*It should be XVIII

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FEDERAL EXCISE RULES, 2005

S. R. O. 534(I)/2005, Islamabad, June 06, 2005.- In exercise of the powers conferred by [1][sub-section (3) of section 6, sub-section (5) of section 12 and] section 40 of the Federal Excise Act, 2005 (of 2005), the Central Board of Revenue is pleased to make the following rules, namely:-

CHAPTER I
PRELIMINARY

1. Short title and commencement.– (1) These rules may be called the Federal Excise Rules, 2005,

(2) These rules shall take effect from the 1st day of July, 2005.

2. Definitions.– In these Rules, unless there is anything repugnant in the subject or context-

(a) 'Act' means the Federal Excise Act, 2005;

(b) 'Agreement' means the agreement executed between the Board and the Bank for the purpose of receipt of duty of excise and allied matters under the Act or these rules;

(c) 'aggrieved person' means a person or a class of persons who has brought a dispute for resolution under section 38 of the Act;

[2][[3]/(ca) "aircraft operator" 'includes any airline or person or company undertaking the carriage of passengers on an air journey within Pakistan or outside Pakistan from any airport or aerodrome located within the territory of Pakistan;/

(cb) "air ticket" means a ticket or electronic record on the basis of which a person is treated as being entitled to travel as a passenger on a particular flight or flights;]

(d) 'Bank' means the National Bank of Pakistan or any of its branches designated, by notification in the official Gazette, for the purpose of receiving duties of excise under the Act or these rules;

[4][(da) "Banking company" means a banking company as defined in the Banking Companies Ordinance, 1962 (LVII of 1962), and includes any body corporate which transacts the business of banking in Pakistan;]

---

[1]Inserted by SRO 561(I)/2006 dated June 05, 2006.

[2]Clauses (ca) and (cb) inserted by SRO 780(I)/2006 dated August 01, 2006.

[3]Clause (ca) substituted by 656(I)/2007 dated June 29, 2007. Earlier it was inserted by SRO 780(I)/2006 dated August 01, 2006.
Before substitution it read as follows:-

"(ca) "aircraft operator" includes any airline or person or company undertaking the carriage of passengers on an air journey within Pakistan or outside Pakistan from any airport or aerodrome located within the territory or Pakistan;"

[4]Clause (da) inserted by SRO 561(I)/2006 dated June 05, 2006.

(e) 'cable TV [1][operator] means a person, a company, a firm, an establishment or an organization involved in the collection and distribution or dissemination of audio-video signals for public viewing whether through a cable, MMDS, LMDS or DTH (through satellite receiver);

[2][(f) "challan" means challan STR-11 Form as prescribed under Sales Tax Rules 2006;]

[3][(g) 'Collector' means a Federal Excise Officer appointed to exercise powers and discharge duties conferred or imposed upon Collector under this Act or rules made thereunder in relation to the areas or as the case may be, cases falling under the jurisdiction of Regional Tax Offices or as the case may be, Large Taxpayers Units notified by the Board for the purposes of the Sales Tax Act, 1990;]

[4][(ga) 'Collectorate' means the office of the Collector of Federal Excise having jurisdiction and includes the Large Taxpayers Units (LTUs) and the Regional Tax Offices (RTOs), where the offices of Income Tax, Sales Tax and Federal Excise are co-located;]

(h) 'committee' means a committee constituted under sub-section (2) of section 38 of the Act;

(i) 'declared premises' means any premises declared in the application for registration for the purposes of the Act or these rules and such premises shall be treated as registered premises;

(j) 'curing' includes wilting, drying, fermenting and any process of rendering an unmanufactured product fit for marketing or manufacture;

(k) 'dispute' means, a case where, for evidently valid reasons, a registered person is aggrieved in connection with any matter of Federal excise specified in sub-section (1) of section 38 of the Act and prima facie deserves relief for the elimination of possible hardship;

(l) 'Federal excise practitioner' means a person registered as Federal excise practitioner in the prescribed manner;

[5][(la) "foreign exchange dealer" includes an exchange company or money changer;]

---

[1]Substituted for "network" by SRO 561(I)/2006 dated June 05, 2006.

[2]Substituted by SRO 546(I)/2008 dated June 11, 2008. **Before substitution it read as follows**:- "(f) 'challan' means T.R-6 prescribed under rule 92 of the Treasury Rules Vol. I."

[3]Substituted by SRO 546(I)/2008 dated June 11, 2008. **Before substitution it read as follows**:- "(g) 'Collector' means a Federal Excise Officer appointed to exercise powers and discharge duties conferred or imposed on Collector under the Act or these rules in relation to the following Collectorate below, namely:- (detail not reproduced here)"

[4]Inserted by SRO 546(I)/2008 dated June 11, 2008.

[5]Clause (la) inserted by SRO 561(I)/2006 dated June 05, 2006.

[1][(m) "Form" means the STR Form as annexed to the Sales Tax Rules, 2006;]

[2][ ]

[3][(mb) "franchiser" means any person who enters into franchise and includes any associate of franchiser to enter into franchise on his behalf, and the term 'franchisee' shall be construed accordingly;

(mc) "Non-banking finance company" means a company or a body corporate licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003;]

(n) 'head of account' means the relevant head of account specified by the Federal Government;

(o) 'officer' means a Federal excise officer by whatever designation or rank he is called ; and

[4][(oa) "Port Operator" includes Karachi Port Trust (KPT) or any other person or organization managing the operations of any customs-port as declared under section 9 of the Customs Act, 1969 (IV of 1969);]

[5][[6]*[*(ob)*]* "post paid telecommunication service" means the service in respect of which charges are collected by the service provider after the use of the telecommunication services; and

[6]*[*(oc)*]* "pre-paid telecommunication service" means the service in respect of which charges are collected by the service provider prior to the use of the telecommunication services;]

(p) 'shipping agent' means a person, whether licensed or not under the Customs Act, 1969 (IV of 1969), or the rules made thereunder, who provides or renders any service in relation to entrance or clearance of a conveyance at a customs port and

---

[1]Substituted by SRO 546(I)/2008 dated June 11, 2008. **Before substitution it read as follows**:-

"(m) 'Form' means the Federal Excise series of forms prescribed under these rules;"

[2]Clause (ma) omitted by SRO 546(I)/2008 dated June 11, 2008. Earlier it was inserted by SRO 561(I)/2006 dated June 05, 2006. **Before omission it read as follows**:-

"(ma) "franchise" means an agreement by which the franchisee is granted representational rights to sell or manufacture goods or to provide service or to undertake any process identified with franchiser against an agreed fee or consideration including royalty, whether or not a trade mark, service mark, trade name or logo or any such symbol, as the case may be, is involved;"

[3]Clauses "(ma) to (mc)" inserted by SRO 561(I)/2006 dated June 05, 2006.

[4]Inserted by SRO 475(I)/2009 dated June 13, 2009.

[5]Inserted by SRO 561(I)/2006 dated June 05, 2006.

[6]Re-lettered by SRO 475(I)/2009 dated June 13, 2009.

issues line or carrier bill of lading, for or on behalf of a shipping line and includes non-vessel operating common carriers (NVOCC), slot carriers, charters, international freight forwarders and consolidators, rendering services in relation to import and export of cargo, whether independently or as subsidiary of shipping line, carrier and non-vessel operating common carriers.

[1][(q) "Terminal Operator" includes Karachi International Container Terminal (KICT), Pakistan International Container Terminal (PICT) and Qasim International Container Terminal (QICT);

(2) The words and expressions used but not defined herein, shall have the same meaning as assigned to them in the Act.

---

[1] Inserted by SRO 475(I)/2009 dated June 13, 2009.

CHAPTER II

REGISTRATION AND ALLIED MATTERS

3. Application for registration.– (1) A person required to be registered under the Act shall, if not already registered before commencing manufacturing of any excisable goods or before rendering or providing any excisable services, shall apply to the Collector for registration in the form [1][STR-I].

(2) In case of a corporate person, that is, a listed public limited company or an unlisted public limited company or a private limited company the application for registration shall be filed to the Collector having jurisdiction over that area where the registered head office of such company is located.

(3) A non-corporate person, having a single manufacturing unit, whose business premises and manufacturing unit are located in different areas, shall apply to the Collector of the area in whose jurisdiction his manufacturing unit is located:

Provided that a corporate person shall have the option to apply for transfer of registration to the Collector having jurisdiction over the area where manufacturing unit is located.

(4) In case of excisable services, application for registration shall be filed to the Collector of the area where the head office of the applicant is located.

(5) Where the application for registration is complete in all respects, the Collector or an officer authorized by him in this behalf, after conducting such verification or inquiry as is deemed necessary, shall forward the application to the Central Registration Office in the Board who shall issue a certificate of registration containing the registration number to the applicant in the form [2][STR-5].

(6) The application for registration may be filed electronically.

[3][**3A. Failure to get registration.—**(1) Where a person is required to be registered under section 13 of the Act, does not apply for registration, the Collector or any other officer authorized by him in this behalf shall, if after such inquiry as deemed appropriate is satisfied that such person is required to be registered, issue notice to such person informing him about the grounds for the proposed registration and offering an opportunity of showing cause within fifteen days against such registration.

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[1]Substituted for "FE-I" by SRO 546(I)/2008 dated June 11, 2008.
[2]Substituted for "FE-II" by SRO 546(I)/2008 dated June 11, 2008.
[3]Rule 3A inserted by SRO 27(I)/2007 dated January 10, 2007.

(2) In case the Collector, or the authorized officer, receives a written reply from the person required to be registered within the time specified in the notice contesting his liability to be registered, the Collector or the officer shall grant such person an opportunity of personal hearing, if so desired by the person, and shall thereafter pass an order whether or not such person is liable to be registered compulsorily.

(3) Where the person to whom a notice is given under sub-rule (1), does not respond within the time specified in the notice, the Collector or the authorized officer may pass an order for compulsory registration specifying therein the reasons for such registration.

(4) A copy of the order as referred to in sub-rules (2) and (3), shall be provided to the person registered under these rules. Another copy thereof shall be sent to the Central Registration Office (CRO), CBR, along with the relevant particulars of the person to be registered. The CRO shall compulsorily register the person and allot him a registration number which shall be delivered to the person either in person through the Collectorate or through registered mail or through courier service.

(5) A person registered compulsorily under this rule is required to comply with all the provisions of the Act and rules made thereunder from the date of compulsory registration, and in case of failure to do so, the Collector having jurisdiction may order an audit of his records in terms of section 46 and recovery of dues in terms of section 14 of the Act.

(6) If at any time it is established that a person was not liable to registration but was wrongly registered under this rule due to inadvertence, error or misconstruction, the CRO shall cancel his registration. In case of such cancellation of registration, such person shall not be liable to pay any duty, default surcharge or penalty under the Act or rules made thereunder, subject to the conditions, limitations and restrictions prescribed under section 11 of the Act.]

4. Change in the particulars of registration.– (1) In case there is a change in the name, address or other particulars as stated in the registration application or registration certificate, the registered person shall notify the change to the Collector concerned within fourteen days of such change.

5. Transfer of Registration.- (1) The Board may, subject to such conditions, limitations or restrictions as it may deem fit to impose, by an order, transfer the registration of a registered person from the jurisdiction of one Collectorate to another Collectorate or, as the case may be, to the Large Taxpayers Unit.

(2) In case of transfer of registration, the Collector in whose jurisdiction the registration has been transferred, shall issue a new certificate of registration to the taxpayer in lieu of the previous certificate, and such new certificate shall contain a reference to the previous certificate of registration.

(3) Where a registered person intends to shift his business activity from the jurisdiction of one Collector to another, or he has any other valid reason for such transfer, he shall apply to the Collector for transfer of his registration and the provisions of this rule shall, mutatis mutandis, apply to such cases.

(4) In cases, where registration of any person has been transferred by the Board from one Collectorate to another or to the Large Taxpayers' Unit for the purposes of Sales Tax Act, 1990, the registration of such person for the purpose of the Act shall ipso facto stand so transferred.

6. Other matters relating to registration.-(1) In case a person ceases to manufacture excisable goods or provide or render excisable services, he shall apply to the Collector for cancellation of his registration in the form [1][STR-3] and the Collector may, after such enquiry or audit as he may deem fit to have, cancel the registration of that person from such date as may be specified, but not later than three months from the date of such application or the date on which all the dues under the Act or these rules and arrears, if any, outstanding against such person are deposited by him, whichever is later.

(2) Where a Collector has reasons to believe that a registered person is found to have issued false invoices, or evaded duty or has committed any offence or irregularity to evade duty or avoid his obligations under the Act or these rules, he may, after confirming the facts and veracity of the information and giving opportunity to such person to clarify his position, suspend his registration.

(3) In case a person, whose registration has been suspended under sub-rule (2) subsequently approaches the Collector for withdrawing the order for suspension of registration, the Collector may, after conducting such inquiry as he may deem fit, including consultation with the concerned trade association or body, withdraw such order subject to his satisfaction that such person is not engaged in the activities specified in sub-rule (2).

(4) A person manufacturing or producing more than one excisable goods or excisable as well as non-excisable goods or providing or rendering more than one excisable services or excisable as well as non-excisable services, shall apply for and take or shall be issued only one registration provided that in cases where goods are liable to excise duty and are also chargeable to sales tax, the registration issued for sales tax purpose shall be valid for excise purpose as well.

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[1]Substituted for "FE-III" by SRO 546(I)/2008 dated June 11, 2008.

(5) Notwithstanding anything contained in this Chapter, in case of persons who are registered also for the purposes of sales tax, the procedures prescribed under the Sales Tax Law relating to the following matters shall mutatis mutandis apply,—

(a) de-registration;

(b) supersession or cancellation of registration;

(c) transfer of registration; and

(d) changes or amendments in registration.

CHAPTER III

ASSESSMENT AND COLLECTION OF DUTY

7. Liability of duty.– Every person who produces or manufactures any excisable goods or provides or renders any excisable services shall pay duty due on such goods or services on such date and in such manner as is prescribed under the Act or these rules provided that the duty in respect of goods imported into Pakistan shall be charged and collected in the same manner and at the same time as if it were a duty of customs payable under the Customs Act, 1969 (IV of 1969).

8. No refund of duty erroneously levied or paid, unless claimed within one year.– No duty or part thereof which has been paid or overpaid through inadvertence, error or misconstruction, shall be refunded unless a written claim is lodged to the Collector within one year from the date of such payment.

9. Payment of duty not to be postponed.- Under no circumstances whatsoever, any registered person shall on his own or otherwise defer or postpone the payment of duty on the pretext or ground that he has not received the price inclusive of duty or the amount of duty from a person to whom he has sold excisable goods or rendered or provided excisable services.

10. No default surcharge for holidays.- In situations where any amount of duty due to be paid on a given day is not deposited owing to holiday, no default surcharge shall be paid or required to be paid if such amount of duty is paid on the next working day.

CHAPTER IV

INVOICING AND DUTY ADJUSTMENT

11. Numbering of invoices.- (1) The application of this rule is restricted to persons who are not required to issue invoice for the purposes of sales tax.

(2) A person engaged in the manufacture of excisable goods or providing or rendering of excisable services shall issue a serially numbered invoice in triplicate and serial numbering shall unless otherwise required due to commencement of business at any point of time during the year, commence from the first day of each financial year.

(3) Unless otherwise required under the Act or these rules, invoice shall be issued at the time when goods are physically removed from the registered premises for intended sale or export and in case of services, on the day when services are provided or rendered regardless of the time or day of receipt of the price of such goods or services from the buyer.

(4) Consolidated, clubbed or aggregated invoices shall not be issued under any circumstances.

12. Computer generated invoices.– A registered person may issue computer generated invoices provided that each copy of such invoice shall invariably be signed by him or a person authorized by him in this behalf.

13. Proof in support of adjustment.– (1) No adjustment of duty already paid shall be admissible against duty payable on any excisable goods unless a registered person has a valid proof in the form of purchase invoice or goods declaration or any other lawful document in his own name besides a proof to the effect that he has paid the price of goods inclusive of duty at previous stage through banking channels as laid down in the Act.

(2) Where the excisable raw materials or input goods can not be procured or purchased by any person directly from a manufacturer of such raw materials or input goods due to the policy or regulations of the Government, a photocopy of excise invoices issued by the manufacturer to an authorized marketing company alongwith concerned invoice issued by such marketing company shall be treated as valid document for the purpose of duty adjustment provided other requirements of the Act and these rules are fulfilled.

(3) Notwithstanding anything contained in the Act or these rules, a registered person shall be entitled to claim adjustment of duty already paid on his inputs within a period of six months provided that in case of un-manufactured tobacco, the manufacturers of cigarettes shall be entitled to claim adjustment within two years.

14. Apportionment of adjustment.– In case a registered person is manufacturing and selling both excisable and non-excisable goods manufactured or produced from duty-paid inputs, he shall be entitled to adjustment of duty only to the extent and in respect of excisable goods.

[1][**14A. Credit and debit notes.--** Where a registered person has issued an invoice in respect of a supply made by him and as a result of cancellation of supply or return of goods or a change in the nature of supply or some such event, the amount shown in the invoice or the return needs to be modified, the registered person may, issue a debit or credit note and make corresponding adjustment in the return in the manner, as far as applicable, as prescribed in Chapter III of the Sales Tax Rules, 2006.]

[1]Rule 14A inserted by SRO 371(I)/2008 dated April 14, 2008.

CHAPTER V

MANUFACTURING OF GOODS AND REMOVAL THEREOF

15. Declaration of business premises and equipment.– Every manufacturer or service provider in respect of dutiable goods or services shall, at the time of applying for registration, declare in writing all details of his business premises including godowns along with the name, address, copy of National Identity Card, details of plant, machinery, raw materials, dutiable or other goods to be produced or dutiable or other services to be provided and any change in these particulars shall be intimated to the Collector within fifteen days of the change.

16. Storage of excisable goods.– (1) Every manufacturer of excisable goods shall maintain a separate store-room or any other place of storage on his registered manufacturing premises and deposit in such room or place all excisable goods manufactured or produced by him.

(2) No duty paid goods or goods other than excisable goods shall be deposited in such store room or place of storage.

17. Daily account of production, clearance and balances of excisable goods.– (1) Every manufacturer shall maintain a production account in appropriate manner and shall enter daily in such account the description, quantity and rating of all excisable and other goods which are–

(a) manufactured or produced in his factory;

(b) removed on payment of duty from the factory for home consumption;

(c) removed without payment of duty from factory for export outside Pakistan;

(d) issued for use in the manufacture of other goods within the factory or reprocessing or remanufacture;

(e) goods sent for value addition or further processing to other manufacturing premises; and

(f) in balance at the close of each day.

(2) In the case of removal of exempted goods, or of excisable goods on payment of duty, or without payment of duty for export, the manufacturer shall maintain accounts, separately for each type of such removal.

(3) The manufacturer shall also maintain records of such inputs used in connection with manufacturing of goods within the factory like electricity, fuel (used in manufacturing process) gas, telephone, wages of labour and salaries and other emoluments of staff and rent paid for the premises.

18. The manner of maintaining records and accounts etc.– Where any person is required by the Act or these rules to maintain any record or account in respect of excisable goods produced or manufactured by him or in respect of excisable services provided or rendered by him, he shall,–

(a) at the time of making any entry, insert the date when the entry is made;

(b) keep the record at all times ready for the inspection of the officers, and shall permit any officer to inspect it and make any such entry therein or take out any extract therefrom as the officer thinks fit, and shall, at any time, if demanded, send it to such officer; and

(c) preserve them for a period of three years from the close of the financial year to which they relate.

19. Determination of duty in case proper records and accounts are not maintained.– (1) If the manufacturer of any excisable goods fails to keep or render proper accounts regarding the manufacture, storage, or disposal of such goods or of the receipt, storage, utilisation or disposal of raw materials including manufactured and semi-manufactured products acquired and used in the manufacture of such goods to the satisfaction of the officer not below the rank of Assistant Collector, the said officer shall determine the amount of duty payable in respect of such goods in his discretion in accordance with the Act or rules made thereunder.

(2) If the officer is satisfied that the accounts maintained by a manufacturer show a lesser quantity of excisable goods manufactured on the basis of the quantities of raw materials including manufactured and semi-manufactured products received by the manufacturer, he may demand from the manufacturer such amount of duty as is, in his discretion under the Act or rules made thereunder, payable by the manufacturer.

(3) The provisions of sub-rules (1) and (2) shall *mutatis mutandis* apply to excisable services.

(4) Any demand for duty under this rule shall not prejudice action under any other provisions of the Act or these rules.

20. Destruction of excisable goods.– Where any excisable goods are rendered unfit for consumption or for further manufacture and the owner intends to claim immunity from duty thereon, he shall, after obtaining the permission in writing of the Collector, destroy them in the presence of the officer deputed by the Collector for the purpose.

Explanation: For the purpose of this rule, immunity includes repayment of duty already paid on the sale of goods in case such goods have been received back from or returned by the buyer due to genuine reasons.

21. Power to forgo duty on excisable goods lost or destroyed while lodged within registered premises.– (1) If any excisable goods lodged within a registered premises or during movement therein are lost or destroyed by any unavoidable accident, the Collector may after such verification as he may deem necessary to satisfy himself about such incident, forego duty which might be payable on their future sale had they not been so lost or destroyed.

(2) Notwithstanding anything contained in sub-rule (1) no adjustment of duty paid on the inputs shall be admissible or allowed under any circumstances in respect of excisable goods lost or destroyed under these rules.

22. Record of destructions and remissions.- In each Collectorate there shall be maintained a register relating to all destructions and remissions recording all particulars about the name and address of the applicant, date of application, number and date of Collector's order, description and quantity of goods, value of goods and the amount of duty involved and remitted, date of destruction and name of the officer with designation who supervised the destructions and each entry in the register shall be signed by the said officer alongwith the Assistant or Deputy Collector incharge of the section or branch where such register is maintained.

CHAPTER VI
TOBACCO AND TOBACCO PRODUCTS

23. Receipt of non-duty paid un-manufactured tobacco in a factory.– (1) If a manufacturer of cigarettes, smoking mixtures for pipes and cigarettes and dutiable cigars and cheroots receives from outside the registered premises any un-manufactured tobacco, then, the weight of each package, bale or bag shall be legibly marked and numbered serially and record the same accordingly so as to render them easily identifiable from their entries in the relevant accounts and records.

(2) The refuse, dust or sand obtained from the processes of duty paid tobacco during the manufacture of cigarettes or other tobacco products, shall be accounted for by the person manufacturing such products.

24. Manufacture and disposal of excisable tobacco products.– No excisable tobacco products other than cigarettes shall be sold from any registered premises except under the following conditions, namely:–

(a) such products shall be packed into separate packages of distinct specifications, sizes or weights;

(b) each such packet shall be enclosed in a wrapper or other outer covering the expenses of which shall be borne by the manufacturer; and

(c) the duty on the products shall be paid at the rates applicable on such products under the Act, unless such products are intended for export out of Pakistan.

[1]**[24A. Printing of retail price, health warning and the name of the manufacturer on each packet of cigarettes.—**(1) No packet of cigarettes for consumption in domestic market shall be cleared from the manufacturing premises without printing thereon the retail price, health warning and the name of the manufacturer.

(2) The cigarette packets cleared from manufacturing premises for export shall bear the marks, as specified under clause (c) of sub-rule (2) of rule 33.

24B. Minimum retail price of cigarettes.— For the purposes of payment of Federal excise duty, the minimum retail price (excluding sales tax) of cigarettes, shall not be less than [2][sixty-five] per cent of the retail price specified under column ([3][2]) of serial No. [4][10] of Table I of the First Schedule to the Act.]

[1]Rules 24A, 24B and 24C inserted by SRO 561(I)/2006 dated June 05, 2006.
[2]Substituted for "eighth-four" by SRO 801(I)/2013 dated September 19, 2013.
[3]Substituted for "4" by SRO 647(I)/2006 dated June 21, 2006.
[4]Substituted for "11" by SRO 801(I)/2013 dated September 19, 2013.

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[1][ ]

25. Excise stamps in respect of cigarettes.– From such date as may be prescribed by the Central Board of Revenue, no packet of cigarettes shall be removed and sold by the manufacturer or any other person without affixing excise stamp in such style and manner as may be prescribed by the Board in this behalf.

26. Affixing banderole in respect of cigarettes.– From such date as may be prescribed by the Board, no packet of cigarettes shall be removed and sold by the manufacturer or any other person without affixing banderole in such form, style and manner as may be prescribed by the Board in this behalf.

27. Expenditure or cost of excise-stamping and banderoles.– All expenses or cost incurred or required to be incurred on printing, making and affixing excise stamps and banderoles under rules 25 and 26 shall be borne by the manufacturer or as the case may be, by the concerned person.

28. Imported cigarettes.– If so required by the Board, the provisions of rules 25, 26 and 27 shall mutatis mutandis apply in case of cigarettes imported from abroad for consumption in Pakistan and all obligations in this behalf shall be discharged by a person importing and selling such cigarettes.

[2][**28A. Declaration regarding machinery used in the manufacture of cigarettes and other tobacco products.-** - (1) Every manufacturer of cigarettes and other tobacco products shall make a written declaration to the Collector of Federal Excise having jurisdiction stating the number of machines, their make and model, minimum production capacity in respect of each machine and the brand names of the products he intends to manufacture.

(2) The declaration given under sub-rule (1) shall also include on offer from the manufacturer that any machine not intended to be used for production of taxable goods shall be permanently closed by sealing it with argon gas welding.

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[1]Rule 24C omitted by SRO 656(I)/2007 dated June 29, 2007. Earlier it was inserted by SRO 561(I)/2006 dated June 05, 2006. **Before omission it read as follows:-**

"24C. **Time and manner of payment of duty.-** (1) Federal Excise duty chargeable on the clearances made during a month shall be deposited on the last working day of the month, in the designated branch of National Bank of Pakistan:

Provided that the duty chargeable on the clearances, if any, made after the business or office hours on the last working day of a month, shall be deposited on the first working day of the following month.

(2) The Federal Excise return shall be furnished on the 15th day of the month following the tax period."

[2]Rule 28A inserted by SRO 91(I)/2006 dated February 04, 2006.

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(3) The impression of the signatures of a Federal Excise Officer, not below in rank of a Deputy Collector of Federal Excise, shall be affixed on each such closed and sealed machine with the Stamping Seal. The affixing of signatures shall be done in such a manner that any tempering with the sealed machine is immediately detectable on inspection.

(4) The owner, if desirous of getting any of the sealed machinery under sub-rule (3) to be de-sealed, shall make a written request to the Collector of Federal Excise having jurisdiction that he intends to increase the production of cigarettes or any other tobacco products, for which he needs to utilize the sealed machinery.

(5) Notwithstanding the provisions of sub-rules (1) and (2), if any installed machine is remodeled, repaired or reconditioned in such manner that the declared production capacity thereof is enhanced, the manufacturer shall inform in writing the Collector of Federal Excise having jurisdictions to redetermine the production capacity of such machine after such inquiry of inspection, as he may deem fit to make.

(6) A Federal Excise Officer, not below in rank of an Assistant or a Deputy Collector of Federal Excise having reasons to believe that certain machinery declared to be used in production of taxable goods is actually being used for production of non-duty paid cigarettes of any other tobacco products, may, subject to the approval of the Collector of Federal Excise, seal such machinery after serving upon the owner or his authorized representative a notice to this effect.

(7) The machinery sealed under sub-rule (3) or (6) shall, subject to approval of the Collector of Federal Excise, be de-sealed in the presence of a Federal Excise Officer.

(8) Any person who de-seals or attempts to de-seal the sealed machinery without approval of the authorized Federal Excise Officer or in any way tampers with the seal, shall be liable to a fine that may extend to ten times of the value of machinery, besides confiscation thereof.]

29. Confiscation of cigarettes in case of violation.– The cigarettes removed and sold in violation of this Chapter shall be liable to outright confiscation and ownership of such confiscated cigarettes shall rest with the Federal Government.

30. Disposal of confiscated cigarettes.– The cigarettes confiscated under rule 29 shall be disposed-off in such manner as may be specified by the Collector of Federal excise.

Explanation: For the purpose of this rule, disposal includes destruction.

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31. Printing of nicotine and tar contents etc.– (1) From such date as the Board may specify, no cigarettes shall be cleared from any factory unless these conform to the health standards prescribed by the Federal Government and nicotine and tar contents are duly printed on each packet of cigarettes and in case of failure to observe any such condition, embargo shall be imposed on clearance of cigarettes in such manner as may be directed by the Collector.

(2) From such date as may be specified by the Federal Government or the Board, every manufacturer of cigarettes or other tobacco products shall meet all the conditions and restrictions which may be imposed by the Federal Government in compliance of the Framework Convention for Tobacco Control (FCTC) adopted on the 23rd May, 2003.

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CHAPTER VII

EXPORT [1][DRAWBACK] AND REFUND OF DUTY

32. [1][**Drawback**] **of duty paid on goods exported**.– (1) Subject to the conditions and limitations contained in this Chapter, rebate of duty paid on any excisable goods may be granted by the Collector of Federal excise or the officer authorized by him in this behalf, if such goods are exported.

(2) The Board may withdraw or disallow grant of rebate of duty paid on any excisable goods.

(3) The claim for the rebate of duty shall be lodged, within three months of the date on which the goods were exported, with the Collector in whose jurisdiction the person is registered.

(4) The rebate may be granted by the Collector or the authorized officer if he is satisfied that duty had actually been paid on the goods which were exported and that the goods were duly exported in accordance with the prescribed procedure.

(5) No rebate under this rule shall be admissible if the goods, after removal from the factory on payment of duty, were subjected to any further process of manufacture or otherwise tampered with after such removal and before export.

33. [1][**Drawback**] **of duty on exported goods which are made from excisable goods**.– (1) The Central Board of Revenue may, by notification in the official Gazette, grant rebate of duty paid on any goods used in the manufacture of any goods exported out of Pakistan, except those specified by the Board under sub-rule (2) of rule 32 at such rate or rates and subject to such conditions and limitations as may be specified in the notification.

(2) No rebate of Federal excise duty shall be granted in the following cases, namely:-

(a) goods exported from Pakistan by land route except as declared exportable against rebate of Federal excise duty as per conditions prescribed under the relevant Export Policy;

(b) export of consumer goods to any country, in retail packings, bearing the retail price in Pakistani rupees; and

(c) export of exciseable goods in retail packing not printed, in bold letters, with the words-

(i) "NOT FOR SALE IN PAKISTAN" or such other code as the Central Board of Revenue may, for reasons to be recorded in writing, approve;

[1]Substituted for "Rebate" by SRO 561(I)/2006 dated June 05, 2006.

(ii) "FOR EXPORT ONLY"; or

MANUFACTURED FOR _____ *(the name of their customer)* [1]*[:]*

[2][Provided that the Board may waive the condition of printing of code on the packs of cigarette exported out of Pakistan in cases where importing country has different pack printing requirement subject to the condition that style and design of such products indicate that the same are not meant for sale within Pakistan.]

(3) A person desiring to be granted a rebate of duty under sub-rule (1) in respect of goods in the manufacture of which excisable goods have been used and which are to be exported shall make an application in quadruplicate signed by him or his authorized agent, to the Board declaring therein the name and address of his business, the description, quantity and value of excisable and non-excisable goods used, the rate and amount of excise duty levied and the value of goods for export.

(4) On the receipt of an application under sub-rule (3), the Board may cause such surveys or enquiries to be made as it deems necessary to enable it to decide whether any rebate should be granted and if so, at what rate or rates and from what date.

(5) In order to obtain payment of rebate, the applicant shall produce before the officer authorized by the Collector of Federal excise in this behalf, the shipping documents certifying the export of the consignment. After satisfying himself that the claim is in order, officer shall sanction the payment of the rebate in accordance with the relevant notification and these rules.

(6) If any of the particulars entered in the application submitted under this rule is found to be incorrect, either before or after the export of goods, the applicant shall be liable-

(a) to a penalty under the Act and these rules for each breach of any provision of this rule;

(b) to refund to the Government the sums received by him as rebate; and

(c) to be deprived of the benefit of such rebate for a period of one year.

(7) No rebate shall be granted if the claim for rebate is filed after one hundred and twenty days of the exportation or of the publication of notification, whichever is later.

1-188-15-04-19

[1]Substituted for full stop by SRO 371(I)/2019 dated March 15, 2019.
[2]Proviso inserted by SRO 371(I)/2019 dated March 15, 2019.

34. Pecuniary competence to sanction [1][**drawback**] **or refund.-** The claims for refund or rebate of duty of excise shall be decided by the following officers of Federal excise, namely:-

S.No.	Description	Limit in each claim
(1)	(2)	(3)
1.	Assistant Collector	Not exceeding rupees two hundred thousand.
2.	Deputy Collector	Not exceeding rupees one million.
3.	Additional Collector	Unlimited.

35. Additional documents in support of refund claims in certain cases.- In a case where goods involved in any refund claim have been purchased by or sold and supplied to any government, semi-government, public-sector agency or department on account of the entitlement of the later for any concession or exemption of duty of excise, the claim shall, in addition to other necessary documents, be supported with a copy of the relevant contract or purchase order and an undertaking of the claimant that benefit of the admissible refund has been passed on to such agency or department and outcome of such claim shall be communicated to such department or agency in such manner as may be deemed proper by the officer dealing with the claim.

36. Refund in case of POL products sold to diplomats and diplomatic missions.- (1) The refund claims of duty of excise in respect of petrol sold to diplomats and diplomatic missions for use in their official and personal vehicles shall be admissible on reciprocity basis as certified by the Ministry of Foreign Affairs and filed on monthly basis accompanied by the suppliers receipt and statement-cum-certificate showing the names and designations of the foreign missions and the quantity of petrol purchased by each during the preceding month duly certified and signed by the officer concerned of the mission confirming that the quantities supplied were either for personal or for official use.

(2) The Assistant Collector of Federal excise after necessary scrutiny of the refund claim, shall issue refund sanction order alongwith advice to the Treasury Officer of the Collectorate retaining one copy thereof for his official record, for payment of the sanctioned amount and the Treasury Officer shall make payment accordingly and return the advice back to the Assistant Collector after giving the date of encashment under his signature and official stamp and the supplier's receipt shall be cancelled as paid.

(3) Verification of original credit of duty shall not be done and the Accounts Officer of the Collectorate shall not be required to countersign the refund sanction orders in such cases.

1-188-15-04-19

[1]Substituted for "Rebate" by SRO 561(I)/2006 dated June 05, 2006.

(4) The Assistant Collector who grants refund in these cases shall maintain a register of such refunds and entries in the register shall be kept mission-wise and payments shall be reconciled with the Treasury Officer and the concerned mission on monthly basis and consolidated position of such monthly payments and reconciliation shall be reported to the Collector for onward intimation to the Central Board of Revenue.

(5) The provisions of rule 34 shall not apply to cases of refund covered under this rule and the Assistant Collector of Federal excise shall be competent to process and decide these cases without any financial limit.

37. Refund in case of POL products used in official cars and air crafts of the President, Prime Minister and Provincial Governors.- The provisions of rule 36 shall mutatis mutandis, apply in case of refund claims filed in respect of POL products purchased for use in the official cars and air crafts of the President, Prime Minister and Provincial Governments provided that necessary verifications and certifications shall be done by the concerned Military Secretary or an officer duly authorized by him under intimation to the Collector and the principle of reciprocity shall not be relevant to such cases.

38. Treatment of imported POL products.– The facility provided under rules 36 and 37 shall also be admissible in case of such POL products as are imported on payment of duty of excise and supplied under the said rules without involving any process of manufacture and in such case the amount of duty of excise paid at import stage shall be refunded.

39. Rejection of refund or export [1][**drawback**] **claim**.- No claim for refund of duty of excise or rebate of such duty on exported goods shall be rejected on any account unless a written show cause notice has been issued and opportunity for hearing has been afforded to the claimant and order for rejection shall be issued in the form and manner of an adjudication order.

[1]Substituted for "Rebate" by SRO 561(I)/2006 dated June 05, 2006.

CHAPTER VIII

SPECIAL PROCEDURES FOR EXCISABLE SERVICES

40. Special procedure for insurance companies.– (1) All insurance companies shall pay the Federal excise duty leviable on services provided or rendered by them in respect of [1][all kind of insurance except life insurance] [2][health insurance, crop insurance and marine insurance for export].

[3][(2) The duty shall be paid on the gross amount of premium charged on risk covered in the insurance policy.

(3) The duty in respect of an insurance policy shall be accounted for in the same month when the premium is received and shall be deposited by the insurance company [4][as provided in rule 44 along with the return in the manner prescribed in rule 47].

[5][ ]

(5) In case duty is not paid by any insurance company by the due date, the insurance company shall, in addition to the payment of duty and default surcharge, be also liable to penalty under the Act or these rules.

(6) An insurance company shall not be liable to pay the duty in respect of the contract or any part thereof is cancelled.

(7) The insurance companies shall maintain such records and submit such returns as the Collector [6][or Board] may prescribe from time to time.

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[1]Substituted for "goods insurance" by SRO 561(I)/2006 dated June 05, 2006.

[2]Inserted by SRO 475(I)/2009 dated June 13, 2009.

[3]Sub-rules (2) to (4) substituted by SRO 561(I)/2006 dated June 05, 2006. **Before substitution read as follows:-**

"(2) The duty shall be paid on the premium received by the insurance companies on goods insured.

(3) Each of the insurance companies shall pay the duty due for a month by 15th day of the following second month and, within ten days of such payment, furnish the proof of payment of duty to the Collector in whose jurisdiction the head office of each insurance company is situated.

(4) The insurance companies shall, alongwith the proof of payment of duty, submit a statement showing region-wise total premium received by them during a month and leviable duty thereon."

[4]Substituted for "on the 7th day following the month in which the premium is received" by SRO 371(I)/2008 dated April 14, 2008.

[5]Sub-rule (4) omitted by SRO 371(I)/2008 dated April 14, 2008. **Before omission it read as follows:-**

"(4) For every month, the insurance company shall file a return electronically in the Form FE-IV(a) by the 15th day of the following month to the Collectorate in whose jurisdiction the insurance company is registered."

[6]Words inserted by SRO 561(I)/2006 dated June 05, 2006.

(8) A copy of annual audit report, duly audited by a chartered accountant, shall be submitted to the Collector within fifteen days of its receipt by the insurance company from its chartered accountant and any short payment of duty found out as a result of such audit shall be paid by the insurance company within fifteen days of the receipt of the audit report and proof of such payment shall be furnished to the Collector.

[1][**40A. Special procedure for collection of excise duty on** [2][ ] **services provided by banking companies, financial institutions and non-banking finance companies**.– (1) The provisions of these rules shall apply for collection and payment of excise duty by persons providing or rendering financial services as [3][notified under the First Schedule to the Act].

[4][(2) Every banking company and non-banking financial company shall pay the excise duty leviable on all [5][ ] services rendered or provided to any person except the services of utility collection, Umra and Hajj service, cheque book issuance [6][, cheque return, Musharika and Modaraba Financing].

(3) The Head Offices of the banking companies, financial institutions and non-banking financial companies shall apply to the Central Registration Office located at Central Board of Revenue for excise registration in the form, [7][STR-1] under rule 3.

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[1]Rules 40A and 40B inserted by SRO 561(I)/2006 dated June 05, 2006.

[2]Words "non-fund" omitted by SRO 475(I)/2009 dated June 13, 2009. Earlier it was inserted by SRO 656(I)/2007 dated June 29, 2007.

[3]Substituted for "defined under these rules" by SRO 656(I)/2007 dated June 29, 2007.

[4]Substituted by SRO 656(I)/2007 dated 29.6.2007. Earlier it was inserted by SRO 561(I)/2006 dated June 05, 2006. **Before substitution it read as follows**:-

"(2) Every banking company, financial institution and non-banking finance company shall pay the Federal excise duty leviable on the services rendered or provided by the company or institution to any person. For the purpose of levy of excise duty under these rules, the services provided by the banking companies, financial institutions and non-banking finance companies shall represent:-

(a) L/C commission;
(b) guarantee commission;
(c) brokerage commission;
(d) issuance of pay order and demand drafts;
(e) bill of exchange charges;
(f) transfer of money including telegraphic transfer, mail transfer and electronic transfer;
(g) providing bank guarantees;
(h) bill discounting commission;
(i) safe deposit lockers fee;
(j) safe vaults;
(k) credit and debit card issuance, processing, operation charges; and
(l) commission and brokerage on foreign exchange dealings."

[5]Words "non-fund" omitted by SRO 475(I)/2009 dated June 13, 2009.

[6]Substituted for words "and cheque return" by SRO 475(I)/2009 dated June 13, 2009.

[7]Substituted for "FE-I" by SRO 546(I)/2008 dated June 11, 2008.

(4) The duty under these rules shall be paid by the banking company or financial institution or non-banking finance company on the gross amount charged for service provided to the customers [1][, excluding mark-up or interest].

[2][(5) The duty due for each month shall be paid by the Head Office of the company or institution as provided in rule 44 along with the return in the manner as prescribed in rule 47.]

(6) In case duty is not deposited by the company or institution by the due date, it shall, in addition to the payment of duty and default surcharge, be also liable to penalty under the Act or these rules.

[3][(6A) The banking companies [4][and non-banking financial companies] shall not be required to issue invoices in respect of the services provided or rendered. A reconciliation statement in the format set out in Annex to these rules shall be filed by banking companies [4][and non-banking financial companies] registered under the Act by the 15th of the month following the end of every quarter]

[5][**Annex**

[See rule 40A(6A)]

Quarterly reconciliation of Federal Excise Services provided by the Banking & Non-Banking Financial Companies under Rule 40A of the Federal Excise Rules, 2005

Name of the Bank/Non-Banking Financial Companies

_____

Federal Excise Registration No. Quarter ended

_____ _____

S. No.	Particulars of Service	Value of Services as per Return (in Rs.)

[1]Words inserted by SRO 475(I)/2009 dated June 13, 2009.

[2]Sub-rule (5) substituted by SRO 371(I)/2008 dated April 14, 2008. Earlier it was inserted by SRO 561(I)/2006 dated June 05, 2006. **Before substitution it read as follows**:-

"(5) The duty due for each month shall be paid by the Head Office of the company or institution by the 14th day of the following month in respect of the services provided up to the last working day of each calendar month. For every month, the company or institution shall file a return electronically in the Form FE-IV(b) under rule [1][47] by the 15th day of the following month to the Collectorate in whose jurisdiction it is registered."

[1]Substituted for "49" by SRO 647(I)/2006 dated June 21, 2006.

[3]Sub-rule (6A) inserted by SRO 647(I)/2006 dated June 21, 2006.

[4]Inserted by SRO 656(I)/2007 dated June 29, 2007.

[5]Annex substituted by SRO 475(I)/2009 dated June 13, 2009.

		Month 1	Month 2	Month 3	Total
(a)	L/C commission;				
(b)	guarantee commission;				
(c)	brokerage commission				
(d)	issuance of pay order and demand drafts;				
(e)	Bill of exchange charge;				
(f)	transfer of money including telegraphic transfer, mail transfer and electronic transfer;				
(g)	providing bank guarantees;				
(h)	Bill discounting commission;				
(i)	safe deposit lockers fee;				
(j)	safe vaults;				
(k)	credit and debit card issuance, processing, operation charges; and				
(l)	commission and brokerage on foreign exchange dealings;				
(m)	advances & loans				
(n)	financial Leasing				
(o)	commodity or equipment leasing				
(p)	hire-purchase leasing				
(q)	other leasing				
(r)	Services provided as a banker to an issue				
(s)	Others.				
	Total				

Reconciliation

(in Rs.)

	Value of services as above	FED paid @ 16%	Input tax adjustment claimed	Net FED Paid
Month 1				
Month 2				
Month 3				
Total				

Amount of Services as per published accounts:

_____

Difference if any:

_____]

(7) The Head Office of the company shall maintain records of the services provided or rendered under these rules and the collection of duty thereon in such manner as will enable the distinct ascertainment of payment of excise duty on each of the services mentioned in the scope of these rules. The Head Office shall also submit a copy of annual audit report to the Collector of Federal Excise within 15th day of its publication and any short payment of duty found out as a result of such audit report shall be paid by the registered person within 15th day of the notice received for such payment.

[1][ ]

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[1]Rule 40B omitted by SRO 656(I)/2007 dated June 29, 2007. Earlier it was inserted by SRO 561(I)/2006 dated June 05, 2006. **Before omission it read as follows**:-

"(40B) **Special procedure for collection of excise duty on services provided by foreign exchange dealers including exchange companies and money changers.** (1) The provisions of these rules shall apply for collection and payment of excise duty by foreign exchange dealers including exchange companies and money changers whether or not licensed by the State Bank of Pakistan to conduct foreign exchange dealings.

(2) Every foreign exchange dealer including an exchange company and money changer shall pay the Federal Excise duty leviable on the services rendered or provided to any person. For the purpose of levy of excise duty under these rules, the services provided by the foreign exchange dealers shall represent the commission and brokerage on foreign exchange dealings.

(3) The Head Offices of the foreign exchange dealers shall apply to the Central Registration Office located at Central Board of Revenue for excise registration in the Form, FE-I under rule 3.

(4) The duty under these rules shall be paid by the foreign exchange dealers on the gross amount of commission or brokerage charged for service provided to the customers.

(5) The duty due for each month shall be paid by the Head Office of the foreign exchange dealer by the 14th day of the following month in respect of the services provided up to the last working day of each calendar month. For every month, the foreign exchange dealer shall file a return electronically in the Form FE-IV(c) under rule [1][47] by the 15th day of the following month to the Collectorate in whose jurisdiction he is registered.

(6) In case duty is not deposited by the dealer by the due date, it shall, in addition to the payment of duty and default surcharge, be also liable to penalty under the Act or these rules.

(7) The Head Office of the foreign exchange dealer shall maintain records of the services provided or rendered under these rules and the collection of duty thereon in such manner as will enable the distinct ascertainment of payment of excise duty on each of the services mentioned in the scope of these rules.

(8) Audit of the records for verification of payment of excise duty under these rules, shall be conducted by concerned Collectorate of Sales Tax and Federal Excise as and when required but not more than once a year."

[1]Substituted-for "49" by SRO 647(I)/2006 dated June 21, 2006.

[1][**41. Special procedure for payment of Federal excise duty by shipping agents.-** (1) Every shipping agent, hereinafter referred to as the agent, shall charge, collect and pay the duty in respect of each ship handled by him which calls at any port of Pakistan after calling on a foreign port.

(2) Every agent shall pay duty at the rate of fifteen *per cent* of the value of excisable services which shall be the commission charged by an agent on the net ocean freight amount of cost and freight export cargo for such services provided or rendered by him:

Provided that in case of Non-Vessel Operating Common Carriers (NVOCC), International Freight Forwarders, Consolidators and Slot Carriers, duty shall be charged and paid at the rate of two hundred rupees per house bill of lading negotiated in the bank, instead of the rate specified above.

(3) For the purposes of levy of Federal excise duty, the value of excisable services shall not include reimbursable expenses incurred by an agent, such as freight, pilotage and berth-hiring charges, port dues, cargo expenses, brokerage paid on export cargo and ship handling expenses paid to the stevedores including all ancillary charges.

(4) The Assistant Collector of the concerned Customs House shall not grant final port clearance to a ship unless the agent furnishes proof of payment of duty.

(5) The agent shall furnish to the Collector of Federal excise a monthly statement in respect of ships handled by him by the 15th day of the following month, in the following form, namely:-

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[1]Rule 41 substituted by SRO 561(I)/2006 dated June 05, 2006. **Before substitution it read as follows**:-

"41. **Special procedure for shipping agents.-** (1) Every shipping agent, hereinafter called the agent, shall pay the Federal Excise duty leviable in respect of each ship handled by him which calls at any port of Pakistan after calling on a foreign port.

(2) The Assistant Collector (Exports) of the concerned Customs House shall not grant final port clearance to a ship unless proof of payment of duty is furnished to him by the agent of the ship.

(3) The agent shall furnish to the Collector of Federal excise a monthly statement in respect of ships handled by him by the 15th day of the following month, in the following Form, namely:-

Monthly Statement for services rendered by Shipping Agents

(i) Name of shipping agent ……

(ii) Month to which return relates ……

S. No	Date of arrival of ship handled by him	IGM No. and date	Port at which ship arrived	Amount of Federal excise duty paid	Treasury challan No. & date	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)"

MONTHLY STATEMENT FOR SERVICES RENDERED BY SHIPPING AGENTS

(i) Name of shipping agent ……..

(ii) Month to which return relates …….

S. No.	Date of arrival of ship handled by the agent	IGM No. and date	Port of Arrival	Amount of FED paid	Treasury challan No. & date
1	2	3	4	5	6]

[1][**41A. Special procedure for collection of excise duty on services provided by aircraft operators in respect of travel by air of passengers within Pakistan and international air travel of passengers embarking from Pakistan for abroad** [2][ ]**.**–

(1) The provisions of these rules shall apply for collection and payment of excise duty by the aircrafts operators in respect carriage of passengers on an air journey within Pakistan and international air travel of passengers embarking from Pakistan for abroad [2][ ] including chartered flights. Excise duty shall not be charged from Hajj passengers, transit passengers, supernumerary crew, and diplomats.

(2) The Head Offices of the airlines and aircraft operators, if not already registered, shall apply to the Central Registration Office located at Central Board of Revenue for registration in the form, [3][STR-1] under Rule 3. The foreign airlines shall have the option to obtain a single registration of an authorized office or separate registrations of each branch office. In case of single registration, the centralized office shall be responsible for the payment of excise duty in respect of all the branch offices.

(3) For the purpose of levy of excise duty on travel by air of passengers within the territorial jurisdiction of Pakistan, the value of services provided by the aircraft operators shall represent the total charges received from the passengers excluding the amount of excise duty leviable thereon.

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[1]Rule 41A substituted by SRO 656(I)/2007 dated June 29, 2007. Earlier it was substituted by SRO 780(I)/2006 dated August 01, 2006 and was inserted by SRO 561(I)/2006 dated June 05, 2006. **Before substitution by SRO 656(I)/2007 it read as follows**:-

"41A. **Special procedure for collection of excise duty on services provided by aircraft operators in respect of travel by air of passengers within the territorial limits of Pakistan and travel by air of passengers embarking on international journey from Pakistan.-** (1) The provisions of these rules shall apply for collection and payment of excise duty by the aircrafts operators in respect of travel by air of passengers within the territorial jurisdiction of Pakistan and in respect of passengers embarking on international journey from Pakistan including chartered flights. The duty shall not be charged from Hajj passengers, transit passengers, supernumerary crew, diplomats and passengers having arrived in Pakistan from abroad on tickets issued outside Pakistan and are embarking only for return journey from Pakistan.

[2]Words "or embarking for Pakistan from anywhere in the world" omitted by SRO 600(I)/2012 dated June 01, 2012, effective from July 01, 2012.

[3]Substituted for "FE-I" by SRO 546(I)/2008 dated June 11, 2008.

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(2) The Head Offices of the airlines and aircraft operators, if not already registered, shall apply to the Central Registration Officer located at Central Board of Revenue for excise registration in the Form FE-I under Rule 3 of the Federal Excise Rules, 2005. The foreign airlines shall have the option to obtain a single registration of an authorized office or separate registrations of branch offices. In case of single registration, the centralized office shall be responsible for the payment of excise duty in respect of all the branch offices.

(3) For the purpose of levy of excise duty on travel by air of passengers within the territorial jurisdiction of Pakistan, the services provided by the aircraft operators shall represent the total charges received from the passengers excluding the amount of excise duty leviable thereon.

(4) Where a passenger performs a domestic journey at concessional rate or without being charged any fare, the fare ordinarily payable for the journey shall, for the purposes of these rules, be deemed to have been paid by such passenger for the purpose of levey of excise duty.

(5) Excise duty shall be leviable on international air travel originating from Pakistan as per rates specified by the Federal Government by notification in the official Gazette.

(6) The excise duty shall be chargeable on all international air tickets issued directly by the airlines or through their agents for the international journey starting from any where in Pakistan, whether such tickets are issued in Pakistan or outside Pakistan.

(7) An air ticket issued for international travel covering more than one destination on flights operated by two or more airlines shall be chargeable to excise duty by the airline issuing the ticket and shall be charged at the rate of excise duty applicable for the further destination in terms of distance from Pakistan."

Before substitution by SRO 780(I)/2006 it read as follows:-

"41A. **Special procedure for collection of excise duty on services provided by aircraft operators in respect of passengers embarking on international journey from Pakistan.-** (1) The provisions of these rules shall apply for collection and payment of excise duty by the aircraft operators in respect of passengers embarking on international journey from Pakistan including chartered flights. Hajj passengers, transit passengers and supernumerary crew shall be excluded from the scope of these rules.

(2) Every aircraft operator, including foreign airlines operating from Pakistan, engaged in providing services of international travel from anywhere in Pakistan shall charge and pay the excise duty leviable on such services rendered or provided to any person. For the purpose of levy of excise duty under these rules, the services provided by the aircraft operators shall represent the total charges received from the passengers excluding the taxes and fees leviable thereon.

(3) The airlines and aircraft operators shall, if not already registered, shall apply to the Central Registration Office located at Central Board of Revenue for excise registration in the Form, FE-I under rule 3.

(4) The duty under these rules shall be charged and paid by the airline on the face value of the ticket excluding the taxes and fees leviable thereon. In case of chartered flights duty shall be charged on the amount of charter charges excluding the taxes and fees leviable thereon.

(5) The duty due for each month shall be paid by the airline by the 14th day of the following second month in respect of the services provided up to the last working day of each calendar month. The airlines and aircraft operators shall file a monthly return electronically in the Form FE-IV(d) under rule [1][47] by the 15th day of the month to the Collectorate in whose jurisdiction it is registered.

(6) In case duty is not deposited by the airline by the due date, it shall, I addition to the payment of duty and default surcharge, be also liable to penalty under the Act or these rules.

[1]Substituted-for "49" by SRO 647(I)/2006 dated June 21, 2006.

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(4) Where a passenger undertakes a domestic journey at concessional rate or without being charged any fare, the fare ordinarily payable for the journey shall, for the purposes of these rules, be deemed to have been paid by such passenger for the purpose of levy of excise duty.

(5) Excise duty shall be leviable on travel by air as per rates specified in the First Schedule to the Act.

(6) The excise duty shall be chargeable on all international air tickets issued directly by the airlines or through their agents for the international journey starting from any where in Pakistan [1][ ], whether such tickets are issued in Pakistan or outside Pakistan.

[2][(7) Where an airline operating in Pakistan uplifts passengers from Pakistan for another airline, the liability to charge, collect and pay Federal Excise Duty with respect to such passengers, shall be of the uplifting airline.]

(8) Excise duty under these rules shall be charged and collected by the airline itself or through its authorized sales or travel agents at the time of issuance of tickets or at the time of chartering of flights:

Provided that if due to some unavoidable reasons excise duty is not colleted at the time of issuance of tickets the same shall be charged before boarding of the passenger on the aircraft.

[3][(9) The duty due for each month shall be deposited by the airline by the 15th day of the following second month in respect of the services provided up to the last working day of each calendar month. The procedure for payment of duty and filing of the return shall be the same as provided in rules 44 and 47.]

(10) In case excise duty is not deposited by the airline by the due date, it shall, in addition to the payment of duty be, liable to pay default surcharge at the rate given in section 8 of the Act and shall also be liable to penalty of ten thousand rupees on every such ticket on which excise duty has not been paid under the Act or these rules.

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[1]Words "or terminating in Pakistan" omitted by SRO 600(I)/2012 dated June 01, 2012, effective from July 01, 2012.
[2]Sub-rule (7) substituted by SRO 600(I)/2012 dated June 01, 2012, effective from July 01, 2012.
[3]Sub-rule (9) substituted by SRO 371(I)/2008 dated April 14, 2008.

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(7) The Head Office of the airlines shall maintain records of the services provided or rendered under these rules and the collection of duty thereon in such manner as will enable the ascertainment of payment of excise duty on the services mentioned in the scope of these rules."

Substitution sub-rule (7).- Before substitution it read as follows:-

(7) An air ticket issued for international travel covering more than one destination on flights operated by one or more airlines shall be chargeable to excise duty by the airline issuing the ticket and shall be charged at the rate of excise duty applicable for the farther destination in terms of distance from Pakistan.

Substitution sub-rule (9).- Before substitution it read as follows:-

"(9) The duty due for each month shall be deposited by the airline by the 15th day of the following second month in respect of the services provided upto the last working day of each calendar month."

(11) No airline or person-in-charge of aircraft shall allow any passenger to board the aircraft unless such passenger has paid the excise duty.

[1][(11a) The Collector of Federal Excise having jurisdiction may require an aircraft operator to furnish a copy of the passengers manifest in such form and manner as may be specified by him, in respect of the flights carrying passengers on inland or international journey.]

(12) Excise duty charged on tickets which are subsequently cancelled or not utilized for travel shall be refundable to the passengers in the same manner as the fare is refunded. The refunded amount in respect of tickets cancelled during a tax period shall be adjustable against the total liability of the airline for the same tax period. However no refund of excise duty shall be admissible on tickets which are partially utilized. Record of cancelled tickets shall be kept separately.

(13) [2][ ] The airlines shall maintain the records prescribed under section 17 of the Federal Excise Act, 2005 for a period of five years. Copies of all treasury challans or vouchers indicating the amounts deposited as excise duty shall also be preserved in the records by the airlines.

(14) The airlines shall deposit in the treasury of Government of Pakistan, the entire amount of excise duty collected on international air travel without making any input tax adjustments.

(15) The excise duty collected under these rules on international travel [3][ ] from Pakistan shall be called Air Travel Tax (ATT). The component of net collection proceeds of excise duty on international travel equivalent to the share of the erstwhile Government Airport Tax and Foreign Travel Tax, as may be specified by the Board, shall not be utilized for the purpose of allocation to Divisible Pool.]

[4][ ]

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[1]Inserted by SRO 546(I)/2008 dated June 11, 2008.

[2]Words "The airlines and aircraft operators shall file a monthly return electronically in the Form FE-IV(d) under rule 47 by the 15th day of the following second month to the Collectorate in whose jurisdiction it is registered." omitted by SRO 371(I)/2008 dated June14, 2008.

[3]Words "to and" omitted by SRO 600(I)/2012 dated June 01, 2012, effective from July 01, 2012.

[4]Rules "41B to 41H" omitted by SRO 546(I)/2008 dated June 11, 2008. Earlier these were inserted by SRO 780(I)/2006 dated August 01, 2006. **Before omission these read as follows:-**

"41B. **Manner of collection and payment.-** (1) The duty under these rules shall be charged and collected by the airline itself or through its authorized sales or travel agents at the time of issuance of tickets or at the time of chartering of flights:

Provided if due to some unavoidable reasons the duty is not collected at the time of issuance of tickets the same shall be charged before the boarding of the passengers on the aircraft.

(2) The duty due for each month shall be deposited by the airline by the 27th day of the following month in respect of the services provided up to the last working day of each calendar month."

"41C. **Penalty.-** In case duty is not deposited by the airline by the due date, it shall, in addition to the payment of duty be liable to pay default surcharge at the rate of one per cent per month for the first six months and at the rate of one and half per cent per month thereafter and shall also be liable to penalty of ten thousand rupees on every such ticket on which the duty has not been collected under the Act or these rules."

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42. Special procedure for advertising agents.– (1) Every person providing or rendering services as an advertising agent shall pay duty in the manner specified hereinafter provided that no duty shall be payable on the salary and allowances ancillary to the salary of such person.

(2) The advertising agent shall maintain account of all services provided or rendered by them and shall issue a bill of charges for each transaction from a duly bound book of serially-numbered bills of charges which shall include the particulars of the person providing or rendering service, description of the service provided or rendered and the amount charged.

(3) A copy of the bill referred to in sub-rule (2) shall be given to the person to whom such services have been provided or rendered and one copy thereof shall be retained by the person providing or rendering services in the said bound book of bills of charges.

(4) Not more than one book of bill of charges shall be used at one time provided that where such person has one or more branches of the establishment, separate book of bill of charges may be used for each such branch.

(5) The advertising agent shall also maintain accounts in register on a weekly basis ending every Thursday in the following form, namely:-

Name and location of the agent.....

"41D. **Passengers not to board the aircraft without payment of duty.**- No airline or person in charge of aircraft shall allow any passenger to board the aircraft unless such passenger has paid the excise duty."

"41E. **Submission of passenger manifest.**- The Collector of Sales Tax and Federal Excise having jurisdiction may require an aircraft operator to file a copy of the passengers manifest in such form and manner before such officer as may be specified by him, in respect of the flights carrying passenger on inland or international journey."

"41F. **Refund.**- The duty charged on tickets which are subsequently cancelled or not utilized for travel shall be refundable to the passengers in the same manner as the fare is refunded. However no refund of excise duty shall be admissible on tickets which are partially utilized."

"41G. **Monthly return and records.**- The airlines and aircraft operators shall file a monthly return electronically in the Form FE-IV(d) under rule 47 by the 28th day of the month to the Collectorate in whose jurisdiction it is registered. The airlines shall maintain the records prescribed under section 17 of the Federal Excise Act, 2005 for a period of three years. Copies of all treasury challans or vouchers indicating the amounts deposited as duty shall also be preserved in the records by the airlines."

"41H. **Input tax adjustment.**- For the purpose of payment of excise duty chargeable on international air travel, no input tax adjustment shall be allowed to the airlines. The airlines shall deposit in the Government treasury, the entire amount of excise duty collected on international air travel without making any deductions."

Bill of charges No. and date	Name of client/ customer	Name of the media company	Brief of the job	Amount of charges bills/ to be billed	Commission involved	Amount of Federal excise duty
1	2	3	4	5	6	7

(6) The person providing or rendering service shall pay duty on quarterly basis by the 15th day of November, February, May and August on the basis of the amount of commission charged or billed during the last quarter.

(7) The person liable to pay duty shall, alongwith the evidence of payment of duty, submit to the Collector quarterly statement, before the last day of the month of November, February, May and August, in the following form, namely:-

Quarterly statement for services rendered by M/s .....…….…….. for the

(Name and complete address)

quarter ending ..... 20 ..……....

1. Amount of commission billed during the quarter.
2. Excise duty paid by the agent:

(i) Treasury's name

(ii) Treasury Challan number and date

(iii) Amount

3. Excise duty paid by others as withholding duty:

(i) Name of the person paying the withholding duty.

(ii) Treasury's name.

(iii) Treasury Challan number and date.

(iv) Amount.

(8) The advertisements sponsored out of funds provided under grant-in-aid agreements shall not be charged to duty and the registered person shall keep the proper record of all such advertisements.

[1][ ]

[1]Rule 42A omitted by SRO 656(I)/2007 dated June 29, 2007. Earlier it was inserted by SRO 561(I)/2006 dated June 05, 2006. **Before omission it read as follows:-**

"42A. **Special procedure for cable TV operators.**- (1) Every person providing or rendering services as cable TV operator shall obtain Federal Excise registration from the Collector of Federal Excise having jurisdiction and shall pay Federal Excise duty leviable on the services provided or rendered by him at the rate specified in Table-II of the First Schedule to the Act.

(2) The cable TV operator shall charge, collect and pay Federal Excise duty on monthly basis through the designated branch of the National Bank of Pakistan by the 14th day of the month following the month in which such services were provided or rendered. For every month, the cable TV operator shall file a return in the Form FE-IV(e) under rule [1][47] by the 15th day of the following month to the Collectorate in whose jurisdiction it is registered.

[1]Substituted for "49" by SRO 647(I)/2006 dated June 21, 2006.

[1][**43. Special procedure for collection of Federal excise duty on telecommunication services.-** (1) Every person, firm or company, hereinafter referred to as the person, engaged in providing or rendering telecommunication services as mentioned in the First Schedule to the Act, if not already registered, shall obtain Federal excise registration from the Collector of Federal Excise in whose jurisdiction the said person, or as the case may be, his head office is located:

Provided that where the person is already registered under the Sales Tax Act, 1990, he shall not be required to take separate registration for excise purposes and his Sales Tax registration shall be deemed to be a registration for the purpose of the Act.

(2) The person shall pay duty in the following mode and manner, namely:–

(a) in case of post paid telephone services, duty shall be paid by the 21st day of the following second month;

(b) in case of pre-paid telephone services, duty shall be paid by the 21st day of the following month; and

(c) in case of other telecommunication services, duty shall be paid by the 21st day of the following month.

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(3) No adjustment of Federal Excise duty or sales tax shall be admissible to the cable TV operators.

(4) Each cable TV operator shall maintain a list of all subscribers to whom cable TV network services are provided or rendered and shall issue a bill of charges on monthly basis from a serially numbered bill book indicating the name and address of the subscriber as well as the amount charged from him."

[1]Rule 43 substituted by SRO 561(I)/2006 dated June 05, 2006. Earlier it was substituted by SRO 1004(I)/2005 dated September 23, 2005. **Before substitution by 2006 it read as follows**:-

"43. **Special Procedure for Collection of Federal Excise duty on Telecommunication services.-** (1) Every person, firm or company, hereinafter referred to as the said person, providing or rendering telecommunication services shall pay the Federal Excise duty leviable under section 3 of the Act at the rate specified in the First Schedule.

(2) The duty shall be paid by the said person on the total amount of charges in the following manner, namely:

(a) the duty due for a month in respect of all prepaid telecommunication services including pay-phone cards used in public telephone booths, prepaid calling cards used on land lines, prepaid cellular phone cards, and prepaid WLL cards shall be paid by the 21st day of the following month and the proof of payment of duty shall be furnished to the Collector of Federal Excise in whose jurisdiction the head office of the said person is located, by the end of the same month.

(b) the duty due for a month in respect of all post-paid telecommunication services shall be paid by the 21st day of the following second month and the proof of payment of duty shall be furnished to the Collector of Federal Excise in whose jurisdiction the head office of the said person is located, by the end of the same month.

(3) While determining his liability, the person shall be entitled to deduct input tax paid on procurement of any equipment or the duty paid on acquiring services in connection with the provision of telecommunication services.

(4) The person, or as the case may be, the head office of the person shall, along with the proof of payment of duty, submit its Revenue Office-wise or, as the case may be, service outlet-wise statement by the date specified in sub-rule (2), in the following [1][Form], namely:-

[1]Substituted for "Forms" by 475(I)/2009 dated June 13, 2009.

Explanation.-For the purpose of these rules, the term prepaid telecommunication service represents the procedure where the charges are collected from the customers by the said person before the use of telecommunications services and the term post-paid telecommunication service means the service in respect of which charges are collected by the said person after the use of the telecommunication services.

(3) The head office of the said person shall, alongwith the proof of payment of duty, submit its separate revenue office-wise statements by the daes specified in clauses (a) and (b) of sub-rule (2) in the following forms respectively, namely:-

Form-I

Monthly Return for Prepaid Telecom Services rendered by M/s. _____

During the Billing Month of _____

Name of the revenue office	Description of pre-paid telecommunication service	Tariff-heading/ sub-heading	No. of prepaid cards supplied during the month	Amount billed or ought to be billed during the month
(1)	(2)	(3)	(4)	(5)

Federal excise duty payable	Federal excise duty paid	Balance payable	No. and date of Treasury challan	Remarks
(5)	(7)	(8)	(9)	(10)

Form-II

Monthly Return for Post-paid Telecom Services rendered by M/s. _____

During the Billing Month of _____

Name of the revenue office	Description of post-paid telecommunication service	Tariff- heading/ sub-heading	Amount billed or ought to be billed during the month
(1)	(2)	(3)	(4)

Federal excise duty payable	Federal excise duty paid	Balance payable	No. and date of Treasury challan	Remarks
(5)	(6)	(7)	(9)	(9)

(4) In case duty is not paid by the due dates, as specified in sub-rule (2), the head office of the said person shall, in addition to the payment of duty and default surcharge, be liable to a penalty under the Act.

(5) In addition to the record mentioned in sub-rule (3), the head office of the said person shall maintain such other records and submit such other returns as may be specified, with prior approval of the Board, by the Collector of Federal Excise in charge of the area where the head office of the said person is located.

(6) The records maintained by the head office of the said person shall be open to inspection and audit by such officer or officers as are deputed by the Collector of Federal Excise in whose jurisdiction the head office is located."

Before substitution by 2005 it read as follows:-

"43. **Special procedure for collection of Federal Excise duty on telecommunication services.-** (1) Every person, firm or company engaged in providing or rendering telecommunication services, hereinafter referred to as the said person, shall pay the Federal excise duty leviable on services provided or rendered by it.

(2) The duty shall be paid by the head office of the said person on the total amount of charges billed or ought to be billed for the services provided or rendered during a month.

(3) The head office of the said person shall pay the duty due for a month by the 27th day of the following second month and furnish the proof of payment of duty to the Collector of Federal Excise, in whose jurisdiction head office of the said person is located, by the end of the same month.

(4) The head office of the said person shall, along with the proof of payment of duty, submit its Revenue Office-wise statement by the date specified in sub-rule (3) in the following Form, namely:-

Monthly Return for Services Rendered by M/s. _____

During the Billing Month of _____

Name of the revenue office	Description of telecommunication service	Tariff- heading/ sub-heading	Amount billed or ought to be billed during the month
(1)	(2)	(3)	(4)

F. E. D. payable	F.E.D. Paid	Balance payable	No. and date of Treasury challan	Remarks
(5)	(6)	(7)	(8)	(9)

(5) In case duty is not paid by the due date, as specified in sub-rule (3), the head office of the said person shall, in addition to the payment of duty and default surcharge, be liable to a penalty under the Act and these rules.

(6) In addition to the record mentioned in sub-rule (4), the head office of the said person shall maintain such other records and submit such other returns as may be specified, with prior approval of the Board, by the Collector of Federal Excise, incharge of the area where head office of the said person is located.

(7) The records maintained by the head office of the said person shall be open to inspection and audit by such officer or officers as are deputed by the Collector of Federal Excise in whose jurisdiction the head office is located."

[1][**FORM-I**

MONTHLY STATEMENT FOR TELECOM SERVICES RENDERED BY M/S
---------- DURING THE TAX PERIOD ----------

S. No	**Description**	**Value**	**Federal Excise Duty/ Sales Tax paid**
1.	Pre-paid mobile services (cards sold/easyload/top-up etc.)		
2.	Post-paid mobile service		
3.	Activation charges		
4.	SMS Nos. _____		
5	Other telecom services provided		
6.	Other taxable services/ supplies		
7.	Input Tax adjustable		
8.	Net FED/ Sales Tax paid on the return		]

[1]Substituted for "Form-I, Form-II and Form-III" by 475(I)/2009 dated June 13, 2009. **Before substitution it read as follows:-**

"Form-I

Monthly Return for Post Paid Telephone Services rendered by M/s. _____

During the Billing Month of _____

Name and location of the revenue office/ service outlet	Description of telecommunication service provided/ rendered	Tariff- heading/ sub-heading as per First Schedule to the Act	Amount billed or ought to be billed during the month
(1)	(2)	(3)	(4)

F. E. D. payable	F.E.D. Paid	Balance payable	No. and date of Treasury challan
(5)	(6)	(7)	(8)

Form-II

Monthly Return for Pre-Paid Telephone Services rendered by M/s. _____

During the Billing Month of _____

Name and location of the service outlet	Description of telecommunication service provided/ rendered	Tariff- heading/ sub-heading as per First Schedule to the Act	No. and value of pre-paid cards sold during the month	
			No	Amount or value
(1)	(2)	(3)	(4)	(5)

F. E. D. payable	F.E.D. Paid	Balance payable (if any)	No. and date of Treasury challan
(6)	(7)	(8)	(9)

(5) Failure to pay the duty by the due date, as specified in sub-rule (2), shall render the person, or as the case may be, the head office of the person, liable to a penalty under the Act in addition to payment of duty and default surcharge payable thereon under section 8 of the Act.

(6) In addition to the statement specified under sub-rule (4), the person, or as the case may be, the head office of the person shall also maintain such other records and submit such other statements, as may be specified, with prior approval of the Board, to the Collector of Federal Excise having jurisdiction.

(7) An officer or officers of Federal Excise as are deputed by the Collector of Federal Excise having jurisdiction, shall have access to any of the records maintained by the said person, or as the case may be, the head office of the said person.]

[1][**43A. Special procedure for payment of Federal excise duty on franchise fee or technical fee or royalty under a franchise agreement**.- (1) Every person, firm or company, hereinafter referred to as franchisee, [2][availing any right under a franchise as defined under clause 12(a) of section 2 of the Act], if not already registered, shall obtain Federal excise registration from the Collector of Federal Excise in whose jurisdiction the franchisee or as the case may be, his head office is located:

Provided that where a franchisee is already registered under the Sales Tax Act, 1990, he shall not be required to take separate registration for excise purposes and his Sales Tax registration shall be deemed to be a registration for the purpose of the Act.

[1]Rule 43A inserted by SRO 561(I)/2006 dated June 05, 2006.

[2]Substituted for "using the right to deal with the goods or services of the franchiser under a franchise agreement against a pre-determined fee or royalty" by SRO 546(I)/2008 dated June 11, 2008.

Form-III

Monthly Return for Pre-Paid Telecommunication Services rendered by M/s._____

During the Billing Month of _____

Name and location of the revenue office/ service outlet	Description of telecommunication service provided/ rendered	Tariff- heading/ sub-heading as per First Schedule to the Act	Amount billed or ought to be billed during the month
(1)	(2)	(3)	(4)

F. E. D. payable	F.E.D. Paid	Balance payable (if any)	No. and date of Treasury challan
(5)	(6)	(7)	(8)"

(2) The duty shall be paid by the franchisee, or as the case may be, the head office of the franchisee at the rate of [1][ten] *per cent* of the value of taxable service, which shall be the gross amount or the franchise fee or the deemed franchise fee or technical fee or royalty charged by the franchiser from the franchisee for using the right to deal with the goods or services of the franchiser.

[2][(3) The franchisee, or as the case may be, the head office of the franchisee shall pay the duty due for a month as provided in rule 44 along with the return in the manner as prescribed in rule 47.]

(4) Failure to pay the duty by the due date, as specified in sub-rule (3), shall render the franchisee, or as the case may be, the head office of the franchisee, liable to a penalty under the Act, in addition to the payment of duty and default surcharge.

(5) The Collector of Federal Excise having jurisdiction shall obtain from the State Bank of Pakistan the statistics or data concerning payment of franchise fee or technical fee or royalty paid by a franchisee to the franchiser, on a quarterly basis and shall use such statistics or data to determine or verify the amount of duty paid by a franchisee during the said period.

(6) An officer of Federal Excise as are deputed by the Collector of Federal Excise having jurisdiction, shall have access to the records maintained by the franchisee, or as the case may be, the head office of the franchisee.]

[3][(7) Where any remittance is made through any bank on account of a franchise fee, technical fee or royalty and the bank is satisfied that the franchisee has not paid duty as required under this rule, the bank shall,-(a) deduct the amount of the duty at the applicable rate from such remittance;

(b) issue a certificate on its letter head showing the name and registration number of the franchisee and the amount of duty so deducted; and

(c) deposit the said amount of duty against its own monthly return without any adjustment or deduction whatsoever:

Provided that where duty has been deducted under this sub-rule, the franchisee shall declare the amount of such duty in the relevant column of his return.]

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[1]Substituted for "five" by SRO 488(I)/2011 dated June 03, 2011, effective from 04-06-2011.

[2]Sub-rule (3) substituted by SRO 371(I)/2008 dated April 14, 2008. **Before substitution it read as follows**:-

"(3) The franchisee, or as the case may be, the head office of the franchisee shall pay the duty due for a month on the last day of each month. For every month, the franchisee or the Head Office of the franchisee shall file a return in the Form FE-IV(f) under rule [1][47] by the 15th day of the following month to the Collectorate in whose jurisdiction it is registered."

[1]Substituted for "49" by SRO 647(I)/2006 dated June 21, 2006.

[3]Sub-rule (7) inserted by SRO 546(I)/2008 dated June 11, 2008.

[1][**43B. Special procedure for services provided Port Operator and Terminal Operator in relation to imports.**- (1) All import related services provided by a Port Operator and Terminal Operator, shall be leviable to duty, namely:-

(i) Piloting and mooring;

(ii) delivery charges;

(iii) storage in port area including demurrage;

(iv) wharfage; and

(v) other import related services provided in port area.

(2) Value of excisable services for the purpose of levy of duty shall be the gross amount charged for the services.

(3) The Port Operator and Terminal Operator shall maintain such records as stipulated in section 17 of the Act in such manner as well enable distinct ascertainment of payment of duty due.

43C. Special procedure for services provided by stockbrokers.- (1) Value of excisable services for the purpose of levy of duty shall be the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange.

(2) The Stock brokers shall maintain records as stipulated in section 17 of the Act in such manner as will enable distinct ascertainment of payment of duty due.]

[1]Rules 43B & 43C inserted by SRO 475(I)/2009 dated June 13, 2009.

CHAPTER IX

PAYMENT OF DUTY AND FILING OF MONTHLY RETURNS

[1][**44. Payment of duty.-** Every person required to pay excise duty shall deposit the same at the time of filing of return under section 4 of the Act. In case no amount of excise duty is payable by the registered person for a tax period, he shall file a nil return.]

45. Receipt of payment by the Bank.- (1) The Bank official shall ensure that the particulars entered in all the three copies of the [2][return] are identical and that the amount deposited by the person tallies with the amount indicated as payable in the return, and shall thereafter sign and stamp the [2][return] indicating the date of payment of duty and submission of the [2][return].

(2) The Bank shall forward the original copy of the [2][return] to the concerned Collector of Federal excise or as the case may be the Large Taxpayers Unit, and the duplicate shall be delivered to the registered person as a token of receipt of payment of duty and the third copy shall be retained by the Bank for its record.

(3) In case of payment through cheque, pay order or bank draft, the Bank will receive the [2][return] in triplicate along with the instrument of payment for the amount of duty payable indicated in the [2][return] and issue a provisional acknowledgement receipt to the registered person.

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[1]Rule 44 substituted by SRO 656(I)/2007 dated June 29, 2007. Earlier it was substituted by SRO 561(I)/2006 dated June 05, 2006. **Before substitution 656(I)/2007 it read as follows**:-

"44. **Payment of duty.**- (1) Every person required to pay Federal Excise duty shall prepare challan indicating the amount of duty payable during that month and present such challan in designated branch of the National Bank of Pakistan.

(2) A person registered in the jurisdiction of a Large Taxpayers' Unit or, as the case may be, Regional Tax Office, shall at the time of presenting his challan, legibly and conspicuously indicate the expression "LTU" or, as the case may be, "RTO", on the top right corner of the challan.

(3) The registered person shall deposit the amount of Federal Excise duty due for a month on the last working day of each month."

Before substitution 656(I)/2007 it read as follows:-

"44. **Payment of duty through challan.**- (1) Every person required to pay Federal excise duty shall prepare challan in triplicate in T.R. 6 and present it in a Bank located in the jurisdiction of the Collectorate where he is registered.

Provided that a person registered in the jurisdiction of a Large Taxpayer Unit, shall at the time of presenting his challan, legibly and conspicuously indicate the expression "LTU" on the top right corner of the challan.

(2) The registered person shall deposit the amount of Federal excise duty due for the month at the time of presenting challan in the Bank.

(3) In case no amount of duty is payable by the registered person, no challan shall be so prepared or presented."

(4) On clearance of the instrument, the Bank official shall sign and stamp the [1][return] indicating the date on which payment is received by the Bank and in cases where the payments are received through pay order or bank draft, the bank shall affix two stamps on the [1][return] indicating the date on which the pay order or bank draft was received for clearing and the date on which the pay order or bank draft was cleared for payment by transfer.

(5) The date of payment, in case of payment through cash or cheque, shall be treated as the date on which the payment is received by the bank and in case of payment through pay order or Bank draft, the date on which the pay order or Bank draft is tendered at the Bank counter shall be treated as the date of payment and where the pay order or Bank draft, so tendered at the Bank counter, is not cleared on its presentation for Bank clearing, the registered person shall, without prejudice to any other action, be liable to pay default surcharge and penalties prescribed under the Act or these rules.

46. Payment of service charges to the Bank.- (1) The Bank shall charge ten rupees per [1][return] as service charges from the Collectorates having jurisdiction in the area where the bank branches are located.

(2) For the purpose of claiming service charges referred to in sub-rule (1), the Manager of the main branch of the Bank shall submit the claim to the Assistant Collector of Federal excise of the concerned Collectorate in the first week of the following month supported by a statement indicating date, number of [1][return] received, number of [1][return] submitted to the Collectorate, amount of duty collected and amount of duty deposited in the State Bank of Pakistan.

(3) The Assistant Collector shall verify the statement submitted under sub-rule (2) from the Accounts Section of the Collectorate. If the claim is found to be in order and the Assistant Collector is satisfied that the Bank has fulfilled its responsibility under the Agreement, he shall sanction the claim and issue a cheque within a week from the date of submission of the claim, provided that in case of delay by the Collectorate, it shall pay a penalty at the rate of fifteen per cent per annum for the amount late paid.

(4) If the Bank fails to fulfill the conditions specified in the Agreement, the Assistant Collector shall deduct the amount of penalty leviable thereunder on the Bank at the rate of fifteen per cent per annum against the amount late deposited in the State Bank of Pakistan from the service charges admissible to the Bank.

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[1]Substituted for "challan" by SRO 656(I)/2007 dated June 29, 2007.

(5) If the [2][returns] are not submitted to the Collectorate within forty-eight hours of the receipt thereof in the designated branches of the Bank, the service charges in respect of the [1][returns] submitted late shall also be deducted and the remaining amount, if any, shall be sanctioned by the Assistant Collector and cheque therefor shall be issued to the Bank.

(6) For deduction of any amount under sub-rule (4), the Assistant Collector shall intimate the Bank the reasons thereof within seven days of deduction.

(7) Where it is not clear as to whether deduction should be made, the Assistant Collector shall require the Bank for clarification before taking a decision.

(8) All public holidays and the number of days the Collectorate is prevented from functioning due to factors beyond its control, shall be excluded while calculating delay in sanctioning the claim for service charges.

(9) Where the Assistant Collector requires any clarification from the Bank, the time taken by the Bank for this purpose shall be excluded from the time specified for sanctioning the service charges claim.

[2][**47. Submission of monthly return.-** (1) Every registered person shall file a monthly return [3][, electronically or otherwise] in the form STR-7 as set out in the Sales Tax Rules, 2006, by the 15th day of the following month, in the manner as provided in Chapter II of the aforesaid rules.

(2) On receipt of return, the computer section of the Collectorate shall compare the amount declared thereon as payable with the amount of duty actually deposited in the bank and in case of any discrepancy, the Manager of the concerned bank branch and the registered person shall be informed thereof, provided that where it is confirmed that due duty has been under-paid or short-paid or has not been paid, necessary action for recovery of such duty shall be taken promptly besides any other legal action against the registered person.]

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[1]Substituted for "challans" by SRO 656(I)/2007 dated June 29, 2007.

[2]Rule 47 substituted by SRO 371(I)/2008 dated April 14, 2008. **Before substation it read as follows**:-

"47. **Submission of monthly return.**- [1][(1) Every registered person shall file a monthly return in the Forms set out at FE-IV and FE-IV (a to f) in accordance with the instructions printed on its reverse, by the 15th day of the following month, to the Collector of Federal Excise having jurisdiction.]

(2) On receipt of return, the Computer Section of the Collectorate shall compare the amount declared thereon as payable with the amount of duty deposited in the bank against the relevant challan of the registered person and in case any discrepancy is discovered, the Manager of the concerned bank branch and the registered person shall be informed thereof provided that where it is confirmed that due duty has been under paid or short paid or has not been paid, necessary action for recovery of such duty shall be taken promptly besides other legal action against the registered person."

[1]Sub-section (1) substituted by SRO 561(I)/2006 dated June 05, 2006. **Before substitution it read as follows**:-

"(1) Within three days of the payment of duty under this Chapter, a registered person shall file a monthly return in the Form FE-IV to the Collector of Federal Excise having jurisdiction over him."

[3]Inserted by SRO 656(I)/2007 dated June 29, 2007.

CHAPTER X
APPEALS AND ALLIED MATTERS

[1][**48. Procedure for appeals to Commissioner (Appeals)**.- (1) An appeal under section 33 of the Act shall be in the form and verified in the manner indicated in form prescribed under rule-48A.

(2) An appeal filed to the Commissioner (Appeals) under section 33 of the Act after the expiry of thirty days may be admitted by the Commissioner (Appeals) if he is satisfied that the appellant had sufficient cause for not preferring the appeal within thirty days.

(3) An appeal under this rule shall be accompanied by a fee of one thousand rupees.

(4) The Commissioner (Appeals) shall give an opportunity to the appellant to be heard if he so desires and if so requested by the appellant.

(5) The Commissioner (Appeals) may, at the hearing of an appeal, allow the appellant to go into any ground of appeal not specified in the grounds of appeals, if he is satisfied that the omission of such ground from the grounds of appeal was not willful or unreasonable.

(6) The Commissioner (Appeals) may, after making such further verification or inquiry as may be necessary, pass such order as he thinks fit confirming, modifying or annulling the decision or order appealed against, after taking additional evidence, if necessary.

(7) The order of the Commissioner (Appeals) disposing of the appeal shall be in writing and shall state the points for determination, the decision thereon and the reasons for the decision.

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[1]Rule 48 substituted by SRO 278(I)/2018 dated March 05, 2018. Before substitution it read as follows:-

"48. Procedure for appeals to Collector (Appeals).– (1) An appeal filed to the Collector (Appeals) under section 33 of the Act after the expiry of thirty days may be admitted by the Collector (Appeals) if he is satisfied that the appellant had sufficient cause for not preferring the appeal within thirty days.

(2) An appeal under this rule shall be accompanied by a fee of one thousand rupees.

(3) The Collector (Appeals) shall give an opportunity to the appellant to be heard if he so desires and if so requested by the appellant, such opportunity shall be provided to the person authorized by him in writing.

(4) The Collector (Appeals) may, at the hearing of an appeal, allow the appellant to go into any ground of appeal not specified in the grounds of appeal, if he is satisfied that the omission of such ground from the grounds of appeal was not willful or unreasonable.

(5) The Collector (Appeals) may, after making such further verification or inquiry as may be necessary, pass such order as he thinks fit confirming, modifying or annulling the decision or order appealed against, [1][ ] after taking additional evidence, if necessary.

(6) The order of the Collector (Appeals) disposing of the appeal shall be in writing and shall state the points for determination, the decision thereon and the reasons for the decision.

(7) On the disposal of appeal, the Collector (Appeals) shall communicate the order passed by him to the appellant, the adjudicating authority and the Collector of Federal excise."

[1]Words "or may refer the case back to the adjudicating authority with such directions as he may think fit for a fresh adjudication or decision," omitted by SRO 561(I)/2006 dated June 05, 2006.

(8) On disposal of appeal, the Commissioner (Appeals) shall communicate the order passed by him to the · appellant, the adjudicating authority and the concerned Commissioner Inland Revenue.]

[1][**48A. Prescribed form of appeal to the Commissioner (Appeals)**.- An appeal under section 33 shall be in the following form and verified in the manner indicated therein, namely:-

FORM OF APPEAL

APPEAL NO. _____

APPEAL DATE _____

(For office use only)

To

THE COMMISSIONER

(APPEALS) ZONE _____

Amount of appeal fee paid		Date of payment of appeal fee	
Amount of F.E.D. demand based on return filed.		Date of payment	

Amount of F.E.D. levied additionally whether requirement of tax payment for filling of appeal met or not? Yes ☐ No ☐

STRN of Appellant

or CNIC

Tax Year

Zone _____ Jurisdiction _____

Name of Appellant

Appellant's status	Individual	AOP	Company	Other

(Please tick the appropriate box)

Address of Appellant

Name of Authorized Representative (if any)

Status of Representative	CA	C&MA	ADV	ITP	AR

(Please tick the appropriate box)

Address to which the Notice may be sent

1-182-10-06-18

[1]Rules 48A to 48O inserted by SRO 278(I)/2018 dated March 05, 2018.

Name of the Officer Inland Revenue (who passed the order)

Code of Officer Inland Revenue

F.E.D. Declared Assessed

Signature of the official _____

(who received the appeal) _____

Name _____

(in capital letter)

Designation _____

DUTY ASSESSED

(a) F.E.D.										**General Guidelines.**
(b) Default Surcharge										1. Indicate the section and sub-section of the Federal Excise Act, 2005 under which appeal filed.
(c) Penalty										2. Where payment made on more than one date please give details on a separate sheet.
(d) Others										3. AOP: Association of Persons
(e) Total										4. CMA: Cost & Management Accountant.
(f) Undisputed liability. (This shall not be less than the F.E.D. due on the basis of return).										5. AR: Authorized Representative
(g) Duty Demand										

N.B. The appeal should be filed in duplicate and should be accompanied with:

(a) the order appealed against;

(b) notice of demand;

(c) proof of payment of appeal fee;

(d) a certificate showing the date of service of notice of demand or the impugned order to the appellant; and

(e) a certificate showing the date of communication of the memorandum of appeal and grounds of appeal to the respondent department alongwith evidence of service.

BRIEF HISTORY AND FACTS OF THE CASE

_____

_____

_____

_____

R. 48A Federal Excise Rules, 2005

GROUNDS OF APPEAL

(Attach separate sheets, if required)

1. _____
2. _____
3. _____
4. _____

BRIEF CLAIM IN APPEAL/ PRAYER

_____

_____

VERIFICATION

1. I, _____ S/o _____ the proprietor/partner/managing director/member of M/s. _____the appellant, do hereby declare that whatever is stated above is true to the best of my knowledge and belief.

2. I am competent to file the appeal in my capacity as _____

3. 1 further certify that a true copy of this form of appeal has been sent by Registered Post/AD/ Courier service, or delivered personally to the concerned Office of the Commissioner Inland Revenue, Zone _____ on _____(date).

Evidence of service by any of the following modes attached:-

(Please tick the relevant box)

(i) Receipt of registered post ☐

(ii) Receipt of courier service ☐

(iii) Receipt of personal service ☐

Signature of Appellant _____

Name (in capital letters) _____

CNIC Number of person signing the appeal _____

The form of appeal and verification form appended thereto shall be signed:-

(a) in case of an individual by the individual himself

(b) in case of a company by the principal officer.

(c) In case of AOP by member/partner.

This portion is for official use

Appeal received by transfer From Zone/Range	Date appeal received by transfer	In ward register No.
_____	☐☐☐☐☐☐☐☐☐☐	☐☐☐☐
Appeal transferred to Zone/Range _____	Date of appeal transferred out _____	Out ward register No.

1-182-10-06-18

UDC/LDC/ Officer of Appeal Section _____ CIR(Appeal) _____

(Initial) *(Initial)*

APPEAL ACKNOWLEDGEMENT RECEIPT

Appeal Zone/ _____ City _____

STRN / CNIC. | | | | | | | | | | | | | Appeal No. _____

Appellant Name _____

Signature of Appellant | Date of receipt of Appeal | Signature, and name of receiving Official Designation _____

48B. Date of presentation and filing of Appeals.- Any official authorized by the Commissioner (Appeals) in this behalf shall endorse on the front page of every memorandum of Appeal the date on which it is presented, sign the endorsement and the appeal so endorsed shall be entered in a register as provided under rule 48L.

48C. Documents to accompany Appeal.- (1) Every memorandum of Appeal shall be accompanied with the following certified documents along with checklist specifying the documents attached with the memorandum in duplicate, namely:-,

(a) the order appealed against; ☐

(b) notice of demand; ☐

(c) proof of payment of appeal fee; ☐

(d) a certificate showing the date of service of notice of demand or the impugned order to the appellant; and ☐

(e) a certificate showing the date of communication of the memorandum of appeal and grounds of appeal to the respondent department. ☐

(2) The appellant shall annex an index on the face of memorandum of Appeal, showing the documents filed under this rule along with paging in paper book form in duplicate.

48D. Intimation of filing .of appeal to the respondent.- [1][(1)] The appellant shall before filing of appeal send a copy of the memorandum of Appeal and grounds of appeal to the respondent and a certificate to this effect shall be appended with the appeal.

[2][(1) The appellant shall before filing of appeal in the Appellate Tribunal, send a copy of the memorandum and grounds of appeal to the respondent. In case of filing of reference by the appellant before the High Court, copy of reference shall be sent to the respondent.]

[1]Renumbered as (1) by SRO 44(I)/2022 dated January 10, 2022.

[2]Sub-rule (2) inserted by SRO 44(I)/2022 dated January 10, 2022.

1-215-31-01-2022

48E. Filing of affidavit regarding contrary facts.- Where a fact, which cannot be borne out by or is contrary to the record, is alleged, it shall be stated clearly and concisely by a duly sworn affidavit and shall have to be filed with the memorandum of Appeal.

48F. Defective appeals etc.- (1) Where a memorandum of Appeal is not filed in the manner specified in these · rules, the official authorized under rule 48B after examination at the time of filing may, within three working days, require the appellant or his authorized representative, if any, to bring the memorandum of Appeal in conformity with the form set out herein above in rule 48C, within the time as specified in section 33(1) of the Act subject to just exceptions under rule 48(1) of Federal Excise Rules, 2005 and the appeal so received shall not be deemed to have been filed unless the provisions of these rules have been fully complied with.

(2) Where the appellant or his authorized representative does not meet the requirement under sub-Rule (1), the authorized official shall place the matter before the Commissioner (Appeals) for appropriate orders.

48G. Power of attorney etc., by authorized representative.- (1) Where an authorized representative has been appointed, as defined in section 47 of the Act, he shall annex with the memorandum, the document showing his authority and his acceptance thereof, which shall be signed and dated by the representative and shall also specify his capacity in which he is acting as such.

48H. Procedure for filing and disposal of stay application.- (1) On receipt of stay application the official authorized in this behalf shall fix the application for hearing in the following manner, namely:-

(a) For applications received before 01:00PM on a working day, hearing shall be fixed on the next working day.

(b) For applications received after 01:00PM on a working day, hearing shall be fixed on the day after the next working day.

(2) Stay applications shall be disposed by the Commissioner (Appeals) within seven working days of fixation.

48I. Date and place of hearing of appeal and stay applications.- (1) The Commissioner (Appeals) shall issue and properly serve notices to both the parties to the appeal informing them about the date and place of hearing of appeal or the stay application as the case may be.

(2) The Commissioner (Appeals) may, where deemed necessary, require the respondent Department to submit para-wise comments in response to the appellant's written submissions, if any, on or before the due date of hearing.

1-215-31-01-2022

48J. Hearing of appeal or stay application.- On the day fixed for hearing or any other day to which the hearing is adjourned the appellant shall be heard and the Commissioner (Appeals) shall then hear the respondent against the appeal or stay application and in that case the appellant shall have a right to reply.

48K. Maintenance and preservation of registers.- The following registers shall be maintained according to the format, namely:-

S. No.	Name of Register
1.	Appeals Register
2.	Stay Application Register
3.	Early hearing Register
4.	Register for Compliance of Court

FORMAT OF REGISTERS

APPEAL REGISTER

S #	Appeal No.	Date of institutions of Appeal	Name/ address taxpayer/ registered person	STRN/ CNIC	Tax year	Zone/ Field formation	Revenue involved	Date of appellate order	Status (confirmation / varied / altered / set aside/ annulled / other
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

STAY APPLICATION REGISTER

S #	Appeal No.	Date of institutions of Appeal	Name/ STRN/ CNIC	Date of receipt	Tax period	Zone/ Field formation	Revenue involved	Stay granted for number of days/ not granted	Date of order
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

EARLY HEARING REGISTER

S #	Appeal No.	Date of institutions of Appeal	Name/ STRN/ CNIC	Tax period	Request date	Request made by (Taxpayer / Dept)	Zone / Field formation	Revenue involved	Date of Appellate order
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

COMPLIANCE REGISTER OF COURT DIRECTIONS/ORDERS

S #	Appeal No.	Name/ STRN/ CNIC	Date of receipt of Court Order	Direction / Order of the Court	Last Date for Disposal	Date of Appellate order
(1)	(2)	(3)	(5)	(6)	(7)	(8)

48L. Reports.- (1) Commissioner Inland Revenue (Appeals) shall submit the monthly performance report by the 5th of every month as set out in the Table, namely:-

Table

MPR (APPEALS) FOR THE MONTH OF _____ (CIR APPEALS)

Particulars of reporting officer:

Code	Name of CIR	Telephone / Mobile No.	E-mail Address	City
(1)	(2)	(3)	(4)	(5)

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Appeals for Disposal

Opening Balance	Transfer			Remand Back	Fresh Filing	Revenue involved (M)	Available for Disposal
(1)	(2)			(3)	(4)	(5)	(6)
	In	Out	Net				

Disposal		Revenue Involved		Balance Pendency		Revenue Involved (M)	
During the month	Upto the Month	During the month (M)	Upto the Month (M)	During the month	Upto the Month	During the month (M)	Upto the Month (M)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Withdrawn		Revenue (Million)		Stay of Proceedings as per ADRC		Revenue (M)	
During the month	Upto the Month	During the month	Upto the Month	During the month	Upto the Month	During the month	Upto the Month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Aging Composition

3 Months Old		4 to 6 Months Old		7 to 12 Months Old		More than year Old	
No. of Cases	Revenue involving (M)	No. of Cases	Revenue involving (M)	No. of Cases	Revenue involving (M)	No. of Cases	Revenue involving (M)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Analysis of Appeals decided.

	No of Appeals	Confirmed	Varied	Altered	Set aside	Annulled	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
For the Month							
Up to the Month							

Disposal of Stay Applications

Opening Balance of Stay Applications	New stay application filed in the month	No. of applications decided during month	Stay application pending for more than 10 days	Closing balance (end of month)
(1)	(2)	(3)	(4)	(5)

Disposal of cases on directions of Superior Courts.

Opening balance of cases remanded by Superior Courts	New cases referred / remanded during the month	Cases decided during the month	Closing Balance
(1)	(2)	(3)	(4)

(2) Commissioner Inland Revenue (Appeals) shall submit the Stay Applications disposal Report as set out below by the 5th and 20th day of every month:-

STAY APPLICATIONS DISPOSAL REPORT

FOR THE MONTH OF _____

S #	Appeal No.	Name of Taxpayer	NTN / CNIC	Date of Receipt of Application	Date of Fixation	Date of Disposal
(1)	(2)	(3)	(4)	(5)	(6)	(7)

48M. Arrangement and preservation of record.- (1) The record of appeals and other applications shall consist of two parts, namely 'Part-A' and 'Part-B':-

Part-A

(a) folder containing the particulars of appeals, applications and brief abstract of the impugned orders of the Commissioner;

(b) order sheet or chronological abstract of orders;

(c) original copy of memorandum of appeal;

(d) original copies of grounds of Appeal;

(e) affidavits;

(f) judgment or any other final order against which appeal is preferred; and

(g) judgments and orders of High Courts and Supreme Court.

(2) The document specified in sub-rule-I shall form Part-A of the record unless otherwise directed by the Board, all other documents shall form Part-B of the record.

(3) The documents forming part of appeals, and other applications specified in this rule shall be preserved for a period specified below, which shall be reckoned from the date of final order.

Explanation: The expression documents used in this rule includes all forms of electronic record.

(4) The documents as mentioned above shall be preserved as follows;

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(a) Documents to ·be preserved permanently.

(i) Part A of the appeals, and applications; and

(ii) Judgments of the High Court, Supreme Court in constitutional petitions.

(b) Documents to be preserved for twelve years mentioned in Part-B, any other documents as directed by the Board; and

(c) Destruction of record, after the prescribed period as provided in clause (b), shall be in the manner as directed by the Board.

48N. Manner of destruction of record.- (1) After the expiry of the period of preservation specified in rule 48M above, the record of the appeals, and other applications shall be destroyed in supervision of Commissioner (Appeals).

(2) All court fee stamps, affixed to documents which are to be destroyed, shall be removed there from and burnt.

(3) The record shall be destroyed by tearing or otherwise so that no document may be used again.

(4) After destruction of the record, the Commissioner (Appeals) under whose supervision the record was destroyed shall certify that the destruction has been rendered such record of no use.

(5) The fact of destruction of appeals and other applications shall be recorded under the signatures of commissioner (Appeals) immediately after their destruction in the register in which such appeals, applications are entered and also in the index prefixed to the record.

48O. Seal of the Commissioner (Appeals).- (1) There shall be a seal of the Commissioner (Appeals) on which shall be inscribed his name and insignia.

(2) The seal shall remain in the custody of the official as the Commissioner (Appeals) may direct and shall be affixed on every order passed by the Commissioner (Appeals).]

49. Appeal to the Appellate Tribunal.– (1) In case an appeal under section 34 of the Act has been filed in the Appellate Tribunal after the expiry of sixty days from the date on which the decision or order sought to be appealed against is communicated to the persons preferring the appeal, the appeal may be admitted by the Tribunal if it is satisfied that the appellant had sufficient cause of not preferring the appeal within sixty days.

[1]Rules 48A to 48O inserted by SRO 278(I)/2018 dated March 05, 2018.

(2) On receipt of notice that an appeal has been preferred, the party against whom the appeal has been preferred may, notwithstanding that he may not have appealed against such order or any part thereof, file within thirty days of the receipt of the notice a memorandum of cross-objections against any part of the order appealed against and such memorandum shall be disposed of by the Tribunal as if it were an appeal presented within the time specified in sub-section (1) of section 34 of the Act.

(3) The Tribunal may admit the filing of a memorandum of cross-objections after the expiry of the relevant period referred to in sub-rule (2), if it is satisfied that there was sufficient cause for not presenting it within that period.

(4) An appeal to the Tribunal shall be accompanied by a fee of one thousand rupees and shall be in such form and verified in such manner as may be specified by rules made in this behalf.

50. Order of the Appellate Tribunal.– (1) The Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or annulling the decision or order appealed against or may refer the case back to the authority which passed such decision or order with such directions as the Tribunal may think fit, for a fresh adjudication or decision after taking additional evidence, if necessary.

(2) The Appellate Tribunal may, at any time within three years from the date of order, with a view to rectifying any mistake apparent from the record, amend any order passed by it under sub-rule (1) and shall make such amendments if the mistake is brought to its notice by the Collector of Federal excise or the other party to the appeal:

Provided that an amendment which has the effect of enhancing an assessment or reducing a refund or otherwise increasing the liability of the other party shall not be made under this rule, unless the Tribunal has given notice to him of its intention to do so and has allowed him a reasonable opportunity of being heard.

(3) The Tribunal shall send a copy of every order passed by it under this section, disposing of an appeal, to the Collector of Federal excise concerned, Collector (Appeals) concerned and the other party to the appeal.

(4) Save as otherwise provided in the Act, an order passed by the Tribunal shall be final.

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51. Procedure of Appellate Tribunal.– (1) The provisions of sub-sections (1), (2), (5) and (6) of section 194-C of the Customs Act, 1969 (IV of 1969), shall apply to the Appellate Tribunal in the discharge of its functions under this Act as they apply to it in the discharge of its functions under the said Act.

(2) Every appeal against a decision or order relating, among other things, to the determination of any question having a relation to the rate of duty of excise or to the value of excisable goods and services for purposes of assessment, shall be heard by a Special Bench constituted by the Chairman of the Tribunal for hearing such appeal and such Bench shall consist of not less than two members and shall include at least one judicial member and one technical member.

(3) The Chairman or any other member of the Tribunal authorized in this behalf by the Chairman may, sitting singly, dispose of any case which has been allotted to the Bench of which he is a member where–

(a) in any disputed case, other than a case where the determination of any question having a relation to the rate of duty of excise or to the value of excisable goods and services for purpose of assessment is in issue or is one of the points in issue, the difference in duty involved or the duty involved; or

(b) the amount of fine or penalty involved does not exceed [1][fifteen] hundred thousand rupees.

(4) If the members of a Bench differ in opinion on any point, the point shall be decided according to the opinion of the majority, if there is a majority, but if the members are equally divided, they shall state the point or points on which they differ and the case shall be referred by the Chairman for hearing on such point or points to one or more of the other members of the Tribunal, and such point or points shall be decided according to the opinion of the majority of the members of the Tribunal who have heard the case including those who first heard it:

Provided that, where the members of a Special Bench are equally divided, the point or points on which they differ shall be decided by the Chairman.

Subject to the provisions of the Act and these rules, the Appellate Tribunal shall have power to regulate its own procedure and the procedure of the Benches thereof in all matters arising out of the exercise of its powers or of the discharge of its functions, including the places at which the Benches shall hold their sittings.

52. Payment of fee in appeals.- The fee for filing appeals before the Collector (Appeals) or the Appellate Tribunal shall be deposited in any of the designated branches of National Bank of Pakistan against T.R-6 challan under the relevant head of account.

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[1]Substituted for word “five” by SRO 647(I)/2006 dated June 21, 2006.

CHAPTER XI

[1][ALTERNATIVE] DISPUTE RESOLUTION

[2][**53. Application**.- (1) This chapter shall apply to all cases of disputes brought or specified for resolution under section 38 of the Act.

54. Definitions.- In this chapter, unless there is anything repugnant in the subject or context,-

(a) "applicant" means an aggrieved person or a class of persons [3][in case identical issues are involved] who has brought a dispute for resolution under section 38 of the Act;

(b) "Committee" means a Committee constituted under sub-section (2) of section 38 of the Act; and

(c) "dispute" means any grievance of the applicant pertaining to matter specified in sub-section (1) of section 38 of the Act.

55. Application for Alternative Dispute Resolution Committee and Appointment of Committee.- (1) Any person interested for resolution of any dispute under section 38 shall submit a written application for alternative dispute resolution to the Board in the Form as set out in the Annexure at the end of this chapter.

(2) The Board, after examination of the contents of the application submitted under sub-rule (1) and facts stated therein and on satisfaction that the application may be referred to a Committee for the resolution of the hardship or dispute, shall appoint and notify a Committee, within a period of sixty days from the receipt of the application consisting of persons as specified under sub-section (2) of section 38 of the Act.

(3) [4][Chief Commissioner Inland Revenue having jurisdiction over the case] shall be the Chairperson of the Committee.

[5][ ]

56. Procedure to be followed.- The Chairperson of the Committee shall be responsible for deciding the procedure to be followed by the Committee which may, inter-alia, include the following, namely:-

---

[1]Substituted for "ALTERNATE" by SRO 561(I)/2006 dated June 05, 2006.

[2]Rules 53 to 59 substituted by SRO 489(I)/2019 dated April 25, 2019.

[3]Words inserted by SRO 844(I)/2020 dated September 09, 2020.

[4]Substituted for "A retired judge not below the rank of District & Sessions Judge, appointed in the manner as aforesaid," by SRO 844(I)/2020 dated September 09, 2020.

[5]Sub-rule (4) & (5) deleted by SRO 844(I)/2020 dated September 09, 2020. Before omission, these read as follows:-

"(4) After notification of the Committee under sub-rule (2), the applicant or the Commissioner or both, as the case may be, shall withdraw appeal pending before any court of law or an appellate authority relating to the hardship or dispute stated in the application filed under sub-rule (1).

(5) Subject to the proviso to sub-section (4) of section 38 of the Act, the Committee appointed and notified under sub-rule (2) shall commence proceedings after receipt of order of withdrawal of appeal from the Board."

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(a) to decide about the place of sitting of the Committee [1][ ];

(b) to specify date and time for conducting proceedings by the Committee;

[2][(c) to conduct the proceedings of the Committee as he thinks appropriate;]

(d) to issue notices by courier or registered post or electronic mail to the applicant;

(e) to requisition and produce relevant records or witnesses from the Commissioner or other concerned quarters;

(f) to ensure attendance of the applicant for hearing either in person or through an advocate, representative or a tax consultant;

(g) to consolidate decision of the Committee and communicate it to the Board, the Commissioner and the applicant; and

(h) for any other matter covered under these rules.

57. Working of the Committee.- (1) The Committee may conduct inquiry, seek expert opinion, direct any officer of Inland Revenue or any other person to conduct an audit and make recommendations to the Committee in respect of dispute or hardship.

(2) The Committee may determine the issue and may thereafter seek further information or data or expert opinion or make or cause to be made such inquiries or audit as it may deem fit, to decide the matter specified in sub-section (1) of section 38 of the Act.

58. Decision of the Committee.- [3][(1) The Committee shall decide the dispute through consensus within one hundred and twenty days from the date of its appointment by the Board. The Committee shall communicate its decision to the Board, the Commissioner having jurisdiction and the applicant.]

---

[1]Words ", in consultation with the Chief Commissioner having jurisdiction over the applicant" deleted by SRO 844(I)/2020 dated September 09, 2020.

[2]Clause (c) substituted by SRO 844(I)/2020 dated September 09, 2020. Before substitution it read as follows:- "(c) to supervise the proceedings of the Committee;"

[3]Rule 58(1) substituted by SRO 844(I)/2020 dated September 09, 2020. Before substitution it read as follows:-

"(1) The Committee shall decide the dispute within one hundred and twenty days from the date of receipt of order of withdrawal from the Board mentioned in sub-rule (5) of rule 55. Decision of majority members of the Committee shall be construed decision of the Committee which shall be communicated by the Committee to the Board, the Commissioner having jurisdiction and the applicant."

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(2) The decision of the Committee under sub-rule (1) shall be binding on the Commissioner [1][where the aggrieved person, or class of persons, have withdrawn the appeal pending before any appellate authority or the court of law and has communicated the order of withdrawal to the Commissioner:

Provided that if the order of withdrawal is not communicated to the Commissioner within sixty days of the service of decision of the committee upon the aggrieved person, the decision of the committee shall not be binding on the Commissioner.]

(3) On receipt of the Committee's decision, the applicant shall make payment of federal excise duty and other taxes as specified by the Committee in its decision and the Commissioner shall modify order as per decision of the Committee.

59. Remuneration.- [2][ ]

(2) A member of the Committee appointed under clause (ii) of sub-section (2) of section 38 shall be paid a lump sum one time remuneration of one hundred thousand rupees for his services.

(3) The remuneration specified in [3][sub-rule] (2) shall be paid by the Board from its budget allocation within fifteen days of the receipt of the decision of the Committee under sub-rule (1) of rule 58.

---

[1]Substituted for "and the aggrieved person" by SRO 844(I)/2020 dated September 09, 2020.

[2]Rule 59(1) deleted by SRO 844(I)/2020 dated September 09, 2020. Before omission it read as follows:-

"(1) The Chairperson of the Committee appointed under sub-rule (3) of rule 55 shall be paid a lump sum one-time remuneration of two hundred thousand rupees for his services."

[3]Substituted for "sub-rules (1) and" by SRO 844(I)/2020 dated September 09, 2020.

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[1][**Annexure**

[see sub-rule (1) of rule 55]

Application for Alternative Dispute Resolution under section 38 of the Federal Excise Act, 2005

To,
The Chairman,
Federal Board of Revenue,
Islamabad

Dear Sir,

The undersigned being _____ (name and address of the applicant) duly authorized hereby apply for hardship and dispute resolution under section 38 of the Federal Excise Act, 2005.

2. Necessary details of the dispute or hardship are set out below and in the Addendum to this application.

_____

_____

3. A request is made to constitute a Committee as provided under sub-rule (2) of rule 55 of Federal Excise Rules, 2005.

4. The following documents as are necessary for the resolution of the dispute or hardship are enclosed.

(a) _____

(b) _____

(c) _____

Yours faithfully,

Signature _____

Name (in Block letters) _____

NTN / STRN _____

Address _____

Date _____

Addendum

[see paragraph 2 of the Annexure]

(1) Name of the applicant (in block letters) _____

(2) National tax number/STRN_____

(3) CNIC (for individuals)_____

(4) Address of the applicant_____

[1]Annexure substituted by SRO 844(I)/2020 dated September 09, 2020.

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(5) Telephone Number_____ e-mail address _____ Fax Number _____

(6) Tax period to which the dispute or hardship relates_____

(7) The Commissioner with whom a dispute has arisen_____

(8) The following is the statement of the relevant facts and law with respect to dispute or hardship having bearing on the questions on which the resolution is required (Please annex extra sheet, if required):-

_____

_____

(9) Statement containing the applicant's interpretation of law or facts, as the case may be, in respect of questions on which resolution is required is as follows (Please annex extra sheet, if required):

_____

_____

(10) The extend or the amount of tax which the applicant agrees to pay, if any Rs. _____

(11) The undersigned, solemnly declares that-

a) full and true particulars of the dispute or hardship for the purposes of resolution have been disclosed and no material aspect affecting the determination of the application filed under section 38 of the Federal Excise Act, 2005, in this behalf has been withheld;

b) the above issues are pending before (name of the appellate forum, ATIR or Court)/not pending before any forum, ATIR, High Court or Supreme Court of Pakistan for adjudication.

Yours faithfully,

Signature

_____

Name (in block letters)

_____

Designation

_____

Date _____]

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Annexure Before substitution it read as follows:-

"Annexure

[see sub-rule (1) of Rule 55]

Application for Alternative Dispute Resolution under section 38 of the Federal Excise Act, 2005

To,

The Chairman,

Federal Board of Revenue,

Islamabad

Dear Sir,

The undersigned being _____ (name and address of the applicant) duly authorized hereby apply for hardship and dispute resolution under section 38 of the Federal Excise Act, 2005.

2. Necessary details of the dispute or hardship are set out below and in the Addendum to this application.

_____

_____

3. A request is made to constitute a Committee as provided under sub-rule (2) of rule 55 of the Federal Excise Rules, 2005.

4. As provided in clause (ii) of sub-section (2) of section 38, I hereby nominate Mr/Ms_____ (name and address of the senior chartered accountant or senior advocate or reputable businessman from a panel notified by the Board). To be a member of the said Committee.

5. The following documents as are necessary for the resolution of the dispute or hardship are enclosed.

(a) _____

(b) _____

(c) _____

Yours faithfully,

Signature _____

Name (in block letters) _____

NTN/STRN

_____

Address _____

Date _____

Addendum

[see paragraph 2 of the Annexure]

(1) Name of the applicant (in block letters) _____

(2) National tax number/STRN_____

(3) CNIC (for individuals) _____

(4) Address of the applicant _____

(5) Telephone Number _____ e-mail address _____

Fax Number _____

(6) Tax period to which the dispute or hardship relates _____

(7) The Commissioner with whom a dispute has arisen _____

(8) The following is the statement of the relevant facts and law with respect to dispute or hardship having bearing on the questions on which the resolution is required (Please annex extra sheet, if required):-

_____

_____

_____

(9) Statement containing the applicant's interpretation of law or facts, as the case may be, in respect of questions on which resolution is required is as follows (Please annex extra sheet, if required):-

_____
_____
_____

(10) The extent or the amount of tax which the applicant agrees to pay, if any, Rs. _____

(11) The undersigned, solemnly declares that-

(a) full and true particulars of the dispute or hardship for the purposes of resolution have been disclosed and no material aspect affecting the determination of the application filed under section 38 of the Federal Excise Act, 2005, in this behalf has been withheld;

(b) the above issues are pending before (name of the appellate forum, ATIR or Court)/ not pending before any forum, ATIR, High Court or Supreme Court of Pakistan for adjudication.

Yours faithfully,

Signature _____

Name (in block letters) _____

Designation _____

Date _____"

Rules 53 to 59-Substitution.- Before substitution these read as follows:-

"53. Application for [1][**alternative**] **dispute resolution.-** Any registered person interested for resolution of any dispute under section 38 of the Act may submit a written application for [1][alternative] dispute resolution to the Central Board of Revenue, stating inter alia, the following, namely:-

(a) the Collectorate of Federal excise with whom a dispute has arisen;

(b) the particulars of the case;

(c) the grounds on the basis of which a resolution of a dispute is being sought by the applicant duly supported with relevant documents;

(d) the extent or the amount of excise duty, default surcharge and penalties etc., which the applicant agrees to pay, if any;

(e) details of amounts already paid, if any; and

(f) the particulars of any person who will represent the applicant.

54. Appointment of [1][**Alternative**] **Dispute Resolution Committee.-** (1) The Board, after examination of the contents of an application by a registered person and facts stated therein and on satisfaction that a dispute deserves consideration for resolution for the removal of hardship under section 38 of the Act, may constitute a committee for examination of the issues involved in the dispute and for taking other actions as provided under sub-section (3) of section 38 of the Act.

(2) The Board may appoint one of the members of the committee, other than a public servant, to be its Chairman.

(3) The Board may specify the time within which the committee shall be required to submit its report to the Board:

Provided that the time so specified may, if requested by the Chairman of the committee for reasons to be recorded in the request, be extended by the Board to such extent and subject to such conditions and limitations as it may deem proper.

55. Working of the Committee.- The Chairman of the committee shall be responsible for deciding the procedure to be followed by the committee which may inter alia, include the following, namely:-

(a) to decide about the place of sitting of the committee;

(b) to specify date and time for conducting proceedings by the committee;

(c) to supervise the proceedings of the committee;

(d) to issue notices by courier, registered post or electronic mail to the applicant;

(e) to requisition and produce relevant records or witnesses from the Collectorate or other concerned quarters;

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(f) to ensure attendance for hearings either in person or through an advocate, representative or a tax consultant;

(g) to co-opt any other technical, professional, or legal expert;

(h) to consolidate recommendations of the committee and submission of the conclusive report to the Board; and

(i) for any other matter covered under this chapter.

56. Recommendations of the committee.- (1) The committee may determine the issue and may thereafter seek further information or data or expert opinion or make or cause to be made such inquires or audit as it may deem fit and shall eventually formulate its recommendations in respect of any matter mentioned in sub-section (1) of section 38 of the Act.

(2) The Chairman of the committee shall send a copy of the recommendations of the committee to the Board, applicant and the concerned Collector simultaneously.

57. Reconsideration by the committee.- (1) The Board of its own motion, or on the request of the applicant, may refer back the recommendations of the committee for rectification of any obvious error or for reconsideration of the facts not considered earlier.

(2) The committee after rectification of the error or reconsideration of the facts as aforesaid shall furnish to the Board its fresh or amended recommendations within such period as may be specified by the Board.

[1]Substituted for "alternate" by SRO 561(I)/2006 dated June 05, 2006.

58. Decision of the Board.- (1) The Board, after examining the recommendations of the committee, shall finally decide the dispute and make such orders in such manner as it may deem fit for the resolution of the dispute under intimation to the applicant, the Chairman of the committee and the concerned Collectorate.

(2) On receipt of the Board's order as aforesaid, the concerned Collectorate shall implement the order in such manner and within such period as may be specified by the Board in the order.

59. Record of Alternate Dispute Resolution cases.– A complete record of all proceedings of the cases dealt with under the alternate dispute resolution scheme shall be maintained by the concerned Collectorate and the concerned Collector shall ensure that proper arrangements are made for the purpose of maintaining such records in appropriate manner."

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CHAPTER XII

RECOVERY OF ARREARS OF DUTY

60. Recovery of arrears of duty.– (1) Where any amount of Federal excise duty or any other sum under the Act or these rules is due from any person, the officer of Federal excise may take or cause to be taken the following actions, namely:–

(a) deduct the amount from any money owing to person from whom such amount is recoverable and which may be at the disposal or in the control of such officer or any officer of Income Tax, Customs or Sales Tax Department;

(b) require by a notice in writing any person who holds or may subsequently hold any money for or on account of the person from whom duty may be recoverable to pay to such officer the amount specified in the notice;

(c) stop removal of any goods from the business premises of such person till such time the amount of duty is paid or recovered in full;

(d) require by a notice in writing any person to stop clearance of imported goods or manufactured goods or attach bank accounts;

(e) seal the business premises till such time the amount of duty is paid or recovered in full;

(f) attach and sell or sell without attachment any movable or immovable property of the registered person from whom duty is due; and

(g) may recover such amount by attachment and sale of any moveable or immovable property of the guarantor, person, company, bank or financial institution where a guarantor or any other person, company, bank or financial institution fails to make payment under such guarantee, bond or instrument.

(2) The officer of Federal excise, while making recovery of arrears of duty under this rule may dispense with the sequence of actions specified in clauses (a) to (g) of sub-rule (1).

(3) The procedure laid down in the Sales Tax Rules, 2005 regarding recovery shall, mutatis mutandis, be followed for the purpose of recovery of arrears of duty under this Chapter.

(4) For the purpose of recovery of duty, penalty or any other demand raised under the Act, or these rules, the officer of Federal excise shall have the same powers which under the Code of Civil Procedure 1908 (V of 1908), a Civil Court has for the purpose of recovery of an amount due under a decree.

61. Payment of arrears in installments.- The Collector of Federal excise may, if requested in writing, may for reasons to be recorded in writing, allow any registered person to deposit arrears of duty recoverable from him in installments subject to such reasonable conditions or limitations as he may deem appropriate.

CHAPTER XIII

ENTRY, SEARCH, SEIZURE, INVESTIGATION AND CONFISCATION

62. Authorised officer to have free access to premises, equipment, stocks and accounts relating to excisable goods and excisable services.– Any officer authorised in writing by the Collector in this behalf, shall have free access at all times to any premises and to any place where excisable goods are processed, stored, sold or manufactured, or where excisable services are provided or rendered, and may [1][, with notice to the owner,] , inspect the building, the plant, the machinery, and the stocks, and the accounts, and may at any time check the records of the goods stocked in, or removed from the factory, or place, or their transfer within a factory, to that part of the premises, if any, in which they are to be used for the manufacture of any other commodity, or the record being maintained where excisable services are provided or rendered, whether for the purpose of testing the accuracy of any return or statement submitted under the Act or these rules, or of informing himself as to any particulars regarding which information is required for the purposes of the Act or these rules.

63. Powers of the authorised officer.– (1) Any officer duly empowered by the Collector may stop and search any vessel, cart or other means of conveyance for excisable goods, and may seize and remove or detain any goods in respect of which it appears to him that duty should have been, but has not been levied, or that any contravention of the provisions of the Act or these rules has occurred subject to Chapter IV of the Act.

(2) Every officer of Customs duly empowered by the Collector shall have, use, and exercise all such and the like powers and authority for the search, examination, removal, seizure, detention and confiscation of any vessel, cart, or other means of conveyance, or any horse or other animal, or any goods liable to confiscation under the Act or these rules, as are, or may be, conferred on the like officer of Federal excise.

Explanation: For the purpose of this rule, excisable goods means cigarettes and beverages.

64. Power to enter and search.– (1) The Central Board of Revenue may empower any officer of any department under its control to enter and search at any time by day or by night any land, building, enclosed place, premises, or other place upon or in which he has reason to believe that excisable goods are being processed, sorted, stored, manufactured or excisable services are provided or rendered in contravention of the provisions of the Act or these rules subject to Chapter IV of the Act.

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[1]Words inserted by SRO 561(I)/2006 dated June 05, 2006.

65. Notices.– Every notice under the Act or these rules shall be deemed to be served on the date on which a copy thereof is tendered or delivered to the person on whom it is to be served, or to his agent, if he has any or, when the notice has not been so served, the date which shall appear to the officer holding the inquiry to be the date on which the person on whom the same is to be served has become aware of the issue.

66. Confiscation and disposal of goods.– (1) When anything is confiscated under the Act or these rules, such thing shall thereupon vest in the Government.

(2) The officer adjudging confiscation shall take and hold possession of the thing confiscated, and every officer of Federal excise or of Police, on the requisition of such officer, shall assist him in taking and holding such possession.

(3) Articles of which confiscation has been adjudged and in respect of which the option of paying a penalty in lieu of confiscation has not been exercised, shall be sold, destroyed or otherwise disposed of in such manner as the Collector may direct.

67. Seizure of plant and machinery.- (1) In cases where any plant or machinery is being used for the manufacture or production of counterfeit goods, such plant or machinery shall be seized by the authorized officer of Federal excise not below the rank of Additional Collector.

(2) The plant and machinery seized under sub-rule (1) shall be liable to outright confiscation and destroyed in such manner as may be approved by the Collector subject to the law.

CHAPTER XIV
AUDIT

68. Audit.- (1) The Collector may depute any Federal excise officer subordinate to him to conduct audit of the records and accounts etc., of any person registered under the Act.

(2) The Federal Excise officer who has conducted audit shall issue audit observation pointing out the contraventions of the Act or rules and the amount of duty of excise or any amount payable under this Act or the rules made thereunder and the registered person may, within a period of fifteen days of the receipt of audit observation, submit his point of view in writing.

(3) If, within the period prescribed in sub-rule (2), no reply is received or the reply furnished by the registered person is found unsatisfactory, the Federal Excise Officer shall issue an audit report specifying the amount due from him under any of the provisions of this Act or the Rules made thereunder.

(3) Notwithstanding the penalties prescribed in section 19, if a registered person wishes to deposit the amount of duty not paid, short paid or the amount of duty evaded along with default surcharge voluntarily, whenever it comes to his notice, before receipt of notice of audit, no penalty shall be recovered from him:

Provided that if a registered person wishes to deposit the amount of duty not paid, short paid or amount of duty evaded along with default surcharge during the audit, or at any time after issuance of show cause notice he may deposit such amount alongwith twenty five percent of the amount of penalty prescribed under this Act or the rules made thereunder and in such case, further proceedings on the show cause notice shall abate.

69. Scope of audit.- The scope of the audit shall unless otherwise specified, be the expression of professional opinion about the propriety and accruing of the following, namely:–

(a) the quality of the records, accounts, invoices, returns and statements maintained, issued or furnished;

(b) the declarations, assessments and payments made on the monthly returns and challans submitted;

(c) performance of the obligations under the provisions of the Act and these rules;

(d) comparison of production vis-à-vis installed capacity;

(e) comparison of production vis-à-vis raw materials and inputs acquired;

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(f) the valuation of the goods as made and declared;

(g) adjustments of duty availed;

(h) refunds and rebates taken;

(i) concessions and exemptions availed;

(j) stocks of inputs and outputs; and

(k) need and direction for further enquiries or investigation.

70. Rectification of genuine errors in records.- A registered person shall be allowed to rectify genuine errors in records identified during audit provided that he discharges the liability, if any, accruing from the identification of such errors prior to the rectification thereof and each such rectification allowed and made shall be recorded in the audit report.

71. Stock-taking during audit.- Where needed, stock-taking shall be conducted during audit.

72. Audit of composite units.– In case of registered persons who are paying Federal excise duty as well as sales tax, the audit shall be conducted on composite basis by such team of officers as may be constituted by the Collector.

73. Period of audit.- All audits for the purpose of Federal excise duty shall be conducted on annual basis unless the Collector specifically directs audit of any registered person for a shorter period.

[1][**73A. Selection and conduct of audit.-** (1) This rule shall apply to selection of cases for audit by the FBR under section 42B of the Federal Excise Act, 2005.

(2) This following steps shall he followed for selection of cases for audit through a computer ballot on random and parametric selection basis for tax periods mentioned therein, namely:-

(a) data of all returns (e-filed and manually filed) shall be utilized as a basic data;

(b) the Board shall decide the cases of persons or classes of persons which are to be excluded from audit selection and such exclusions shall be publicized each year through FBR's web-portal for information, prior to the process of balloting or selection;

(c) cases falling under exclusions shall be identified and such cases shall be excluded from the data to be used for balloting;

(d) the data of the remaining cases shall be utilized for computer ballot for audit selection;

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[1]Rule 73A inserted by SRO 55(I)/2016 dated January 28, 2016

(e) for each tax period cases for audit shall be selected in accordance with the predetermined percentage, to be publicized through FBR's web-portal, and prior to the balloting process, each year;

(f) immediately after computer ballot, the lists of selected case shall be generated and placed on FBR's web-portal;

(g) the whole balloting system for audit selection shall be bases only on the NTNs/CNICs of the filers;

(h) the NTNs and CNICs of the cases selected for audit shall be communicated to concerned RTOs and LTUs as per their respective jurisdiction;

(i) for the purpose of selection of cases on parametric basis, risk parameters for persons or classes of persons to be used for balloting, wherever necessary, shall be determined by the Board, as under:-

(I) risk parameters for persons or classes of persons to be used for balloting shall be determined by the Board;

(II) audit selection parameters may be based upon the following:-

(A) financial ratios for the year viz a viz the history of the ease;

(B) financial ratios vir. a viz industrial, sectoral or national ratios;

(C) industrial comparisons or bench marks;

(D) quantum of loses or refunds beyond certain thresholds; or

(E) compliance history; and

j) computer balloting process in both categories of selection for audit shall be held in the presence of representatives from Chambers of Commerce and Industries and representatives of Tax Bar Associations.

(3) The cases selected for audit by the Board shall be processed as per the procedures given below:-

(I) Commissioner Inland Revenue concerned shall issue intimation letter to the taxpayer about the selection of his case for audit with the following details:

(A) section under which selection has been made;

(B) tax period for which the case has been selected for audit;

(C) mode of selection whether random or parametric;

(D) compliance requirements on the part or taxpayer e.g.-

(a) provision of prescribed books of accounts;

(b) supporting information and documents etc;

(c) computerized data, access to computerized data or provision of attested hard copies of computerized data.

(4) On completion of examination of books or accounts, data or information under this rule the discrepancies, if found, shall be intimated to the taxpayer for obtaining taxpayers' explanation, in the form of audit report, seeking taxpayer's explanation on these points.

(5) Explanations of the taxpayer, where found not acceptable, shall be intimated to the taxpayer, through a notice under section 46{2A) of the Federal Excise Act, 2005 about the assessment of duty alongwith the rationale or basis of such amendment and necessary tax assessment order shall be passed under section 46 of the said Act after affording adequate opportunity of hearing to the taxpayer.]

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CHAPTER XV

MISCELLANEOUS

74. Authorisation, delegation and exercise of powers.– (1) The Director General Large Taxpayers' Unit and other officers posted in such Units are authorized to exercise all the powers conferred by the Act and rules in respect of the taxpayers falling in the jurisdiction of such Large Taxpayers' Units.

(2) The powers to arrest, prosecute, summon and confiscation shall be exercised by all Federal excise officers,-

(a) not below the rank of a Deputy Superintendent of Federal excise for the purposes of sub-section (1) of section 22 of the Act;

(b) not below the rank of a Superintendent of Federal excise for the purposes of section 23 of the Act; and

(c) all officers of Customs not below the rank of an Assistant Collector for the purposes of section 27 of the Act.

(3) The Board may authorize any Federal excise officer to exercise all or any of the powers conferred by the Act or these rules.

(4) Unless the Board in any case otherwise directs, the Collector may authorise any officer subordinate to him to exercise throughout his jurisdiction, or in any specified area therein, all or any of the power of a Collector under these rules.

(5) The officer of Federal Excise shall be competent to exercise all powers and discharge all duties conferred or imposed on any officer lower in rank to him.

75. Agent of registered person.– In case any person is authorized by the registered person to act on his behalf in connection with matters relating to Federal excise whether under his employment or not, any act done by such person in violation of the provisions of the Act or rules made thereunder shall be deemed to have been done by the registered person and shall be dealt with accordingly under the law.

76. Installation and use of any specified device or equipment etc.- The Board or the Collector may in case of any excisable goods or registered persons or class thereof, require the installation and use of any specific instrument, device, equipment or system for the purpose of excise stamping or banderole of cigarettes, measurement, quantification, weighment, testing, grading, segregation, categorization, record keeping, documentation or for similar other purposes and every person required to do so shall be bound to meet the requirements and obligations specified in this regard at his cost.

77. Disputes regarding contents of excisable goods.– All disputes with regard to the contents and classification of excisable goods shall be determined by reference to such authority or laboratory as the Board may, by general or special order, empower in this behalf.

78. Extension of time and period.– Where any rule specifies any time or period within which any application is to be made or other act or thing is to be done, the Board, may in the particular circumstances of a case or class of cases, permit it to be made or done within such longer or shorter time or period as it may consider appropriate.

79. Power to issue supplementary instructions.– The Board may issue instructions providing for any supplemental matters arising out of these rules.

80. Repeal.– Subject to the provisions of section 24 of the General Clauses Act, 1897 (X of 1897), the Central Excise Rules, 1944 are hereby repealed.

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[*] Forms FE-IV, FE-IV (a), FE-IV(c), FE-IV (d), FE-IV (e) and FE-IV (f) omitted by SRO 371(I)/2008 dated April 14, 2008.

[^] Forms "FE-I, FE-II and FE-III omitted by SRO 546(I)/2008 dated June 11, 2008.

[1][CHAPTER XVI

RULES FOR MAINTENANCE OF RECORDS AND PAYMENT OF FEDERAL EXCISE DUTY BY TOBACCO GREEN LEAF THRESHING (GLT) UNITS

81. Interpretation and application.– (1) "Tobacco Green Leaf Threshing units" mean those units which are processing and converting tobacco green leaf into unmanufactured tobacco useable for manufacture of cigarettes.

(2) The provisions of this Chapter shall apply to the Tobacco Green Leaf Threshing units working independently or operating in the premises of cigarette manufacturing factories.

[2][**82. Issue of tax invoice**.– (1) At the time of sale of processed unmanufactured tobacco to a cigarette manufacturing unit or any other person, in case of an independent Green Leaf Threshing (GLT) unit, or transfer thereof for in-house manufacturing of cigarettes by a composite GLT unit, a tax invoice, as set out in Annexure-I, shall be issued. In case of export of processed unmanufactured tobacco by GLT units, such manufacturer or person shall be entitled to zero rating in terms of section 5 of the Act and shall issue zero rated invoice.

(2) In case of contract processing or toll manufacturing by GLT units, the duty shall be charged at the rate as specified at serial 7 of the First Schedule to the Act and the same shall be shown on the tax invoice along with processing charges.]

[3][**82A. Bar on sale to inactive persons**.- A GLT unit shall not sell unmanufactured tobacco to any person who is not on Active Taxpayers' List maintained under the Act.]

83. Monthly return by GLT units.– GLT units shall furnish monthly return as prescribed in rule 47. Registered cigarette manufacturing factories shall be entitled to claim adjustment of federal excise duty paid by them on processed unmanufactured tobacco purchased from GLT units [4][or as transferred from in-house GLT facility].

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[1]Chapter XVI inserted by SRO 370(I)/2008 dated April 14, 2008.

[2]Rule 82 substituted by SRO 1149(I)/2018 dated September 18, 2018. Before substitution read as follows:-

"82. Issue of tax invoice.– (1) At the time of sale of processed unmanufactured tobacco, the GLT units shall issue a tax invoice as per Annex-I, to a cigarette manufacturer or any other person. In case of export of processed unmanufactured tobacco by GLT units, such manufacturer or person shall be entitled to zero-rating in terms of section 5 of the Act and shall be issued zero-rated invoice.

(2) Contract processing of unmanufactured tobacco by GLT for any person shall be specifically mentioned in tax invoice indicating process charges and federal excise duty leviable thereon."

[3]Rule 82A inserted by SRO 1149(I)/2018 dated September 18, 2018.

[4]Words inserted by SRO 1149(I)/2018 dated September 18, 2018.

84. Declaration by GLT units.– The GLT units [1][(whether stand alone or composite)] shall declare all their warehouses, depots and stores for storage of processed unmanufactured tobacco to the Collector of respective jurisdiction. Such declaration shall be made in the first month of every year unless the status changes during the year which shall require an amendment.

[2][**85. Cigarette manufacturing factories operating their own GLT**.– Cigarette manufacturing factories operating their own GLT units shall be required to issue invoices and pay duty as stipulated in rule 82 and shall maintain separate invoice book, register of receipts, issue and balances as prescribed in Annex-II.]

86. Single monthly return.– Cigarette manufacturing factories, operating GLT units within their premises, shall file single monthly return as prescribed in these rules.

[3][**87. Mandatory monitoring of GLT Units**.- (1) The Commissioner having jurisdiction shall post officers of Inland Revenue at the premises of GLT Units, whether working separately or as part of a cigarette manufacturing units, for monitoring the receipts, processing, wastage, storage, issue of un-manufactured tobacco for sale, transfer or self consumption. They shall also stamp and sign the tax invoice issued by the GLT units.

(2) It shall be the responsibility of GLT units to provide the officers so posted, with in-house accommodation and office space to enable them to perform their duties in an efficient manner.

(3) The officers posted at the GLT units shall be responsible for framing a daily report of receipts, processing, wastage and issuance of tobacco and duty leviable thereon to the concerned Commissioner for reconciliation with monthly returns.]

[3][**88. Federal excise invoice to accompany vehicles**.- All vehicles transporting un-manufactured tobacco shall be liable to carry a copy of Federal excise invoice as evidence of charge ability of Federal excise.]

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[1]Words inserted by SRO 1149(I)/2018 dated September 18, 2018.

[2]Rule 85 substituted by SRO 1149(I)/2018 dated September 18, 2018. Before substitution read as follows:-

"85. Cigarette manufacturing factories operating their own GLT.– Cigarette manufacturing factories operating their own GLT units shall not be required to issue invoices for self-consumption of processed unmanufactured tobacco for manufacture of cigarettes. They shall make a separate entry for each receipt of processed unmanufactured tobacco and shall maintain a register of receipts, issues and balances as prescribed in Annex-II."

[3]Rules 87 to 89 inserted by SRO 1149(I)/2018 dated September 18, 2018.

[1][**89. Requirements under federal excise Notification No. S.R.O. 217(1)/2010, dated the 31st March, 2010 to be applicable**.- (1) The documents and requirements prescribed in the federal excise Notification No. S.R.O. 217(1)2010, dated the 31st March, 2010 shall also be applicable, *mutatis mutandis*, to unmanufactured tobacco, along with additional requirement, as specified in sub-rules (2) and (3). The additional requirements shall also be applicable to cigarettes.

(2) Tax invoice-unmanufactured tobacco, stock transport advice-cigarettes, sales-cum-transport invoice shall be generated through FBR's e-portal.

(3) The invoices and advices as prescribed shall bear unique and distinguishable serial numbers.

Provided that till such time, the FBR's e-portal is not developed for the transactions stipulated herein, or in the event of a natural disaster, national calamity or a Government ordered network and data services shutdown, which result in severed internet connectivity, the manually prepared invoices or advices, duly authenticated by the officers posted, may be used and the same should be uploaded when the connection is restored.]

[1]Rules 87 to 89 inserted by SRO 1149(I)/2018 dated September 18, 2018.

1-184-25-10-18

ANNEX-I

[see rule 82]

Date _____ Invoice No. _____

TAX INVOICE OF CLEARANCE OF PROCESSED UN-MANUFACTURED TOBACCO	
Name of the Seller/ Manufacturer:	_____

Sales Tax/FED Registration No: Name & address of Consignee/Buyer CNIC/NTN	_____ _____ _____

Description of excisable goods (Tobacco-Variety)	**Type of packaging**	**No. of packages**	**Quantity**	**Value of goods**		**Excise Duty**	
				Rate/ Kg.	**Amount**	**Rate/Kg.**	**Amount**

Excise Duty	

*In case of stock movement other than sale, the column pertaining to value is not mandatory to be failed.

1-184-225-10-18

ANNEX-II

[see rule 85]

Register of Receipts, Issues & Balances of processed un-manufactured Tobacco
Name & Address of the Manufacturer: _____ Description of Excisable Goods (Variety): _____

	Opening Stock		Receipts			Issues			Closing Stock		
Date & Time	**No. of Packages**	**Quantity**	**Ref No.**	**Received from**	**Quantity**	**Ref No.**	**Issues to**	**Qua-ntity**	**No. of packages**	**Qua-ntity**	**Rem-arks]**

[C. NO. 1(2)-CEB/05]

(Aamer Amin Bhatti)
Secretary (ST & FE – L&P)

_____

1-235-10-09-2024

[1][CHAPTER XVII
EXCISE DUTY ON PROPERTY

90. Application.- The provisions of this Chapter shall apply to collection and payment of duty on property in terms of entries in columns (2) to (4) against S. No.1 in column (1) of Table-III of the First Schedule to the Act.

91. Definitions.- In this Chapter, unless there is anything repugnant in the subject or context,-

(a) "**developer**" means a person engaged in development of land for conversion into residential or commercial plots and sale thereof and includes a housing society, a cooperative society, a development authority or a similar entity engaged in the development of land for conversion into residential or commercial plots and sale thereof;

(b) "**builder**" means a person engaged in construction of residential or commercial buildings for sale thereof, and includes a housing society, a cooperative society, a development authority or a similar entity engaged in the same construction activity;

(c) "**dutiable property**" means excisable property as specified in the Table III of the First Schedule to the Act; and

(d) "**open plot**" means any immovable property without a superstructure.

92. Procedure for collection of duty.- (1) Every developer or builder at the time of allotment or transfer of commercial property and first allotment or first transfer of open plots or residential property shall collect duty at the rate of-

(a) 3% of gross amount of consideration involved where the buyer is appearing on active taxpayer list maintained under section 181A of the Ordinance on the date of acquisition of the property;

(b) 5% of gross amount of consideration involved where the buyer has not filed the income tax return by due date as specified in proviso to rule IA of Tenth Schedule to the Ordinance; or

(c) 7% of gross amount of consideration involved where the buyer is not appearing on active taxpayer list maintained under section 181A of the Ordinance, on the date of acquisition of the property.

[1]Rules 90 to 92 inserted by SRO 1376(I)/2024 dated September 05, 2024.

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(2) The duty collected by developer or builder shall be credited to the Federal Government on the same day through a computerized payment receipt (CPR) or SWAPS payment receipt (SPR) as set out in the Form 'A' attached to these rules.

(3) The developer or builder shall furnish to the Commissioner a monthly statement as per Form 'B' attached to these rules.

(4) Where, for any reason, the duty is not paid or short paid, by way of credit to the Federal Government, by the developer or builder, the Officer Inland Revenue having jurisdiction over the developer or builder for the purposes of the Act, shall proceed to collect the amount of duty so unpaid or short paid under section 14 of the Act and the amount of default surcharge under section 8 of the Act on the duty unpaid or short paid for the period commencing on the date on which the duty was due and ending on the date on which it was paid.

(5) Where at the time of recovery of duty it is established that the duty that was to be collected from a person has meanwhile been paid by that person, no recovery shall be made from the developer or builder who had failed to collect the duty but the developer or builder shall be liable to pay the default surcharge at the rate as provided under section 8 of the Act from the date the person failed to collect the duty to the date the duty was paid.]

(Form A & B not produced here for the sake of brevity)

1-235-10-09-2024

[1][CHAPTER XVII*

Independent Case Scrutiny Committees for Federal Excise

93. Independent Case Scrutiny Committee.- (1) These rules 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 define under clause (5) of section 2 of the Federal Excise Act, 2005.

(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 law;

(e) "reference" means a reference filed under section 34A of the Act;

(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 2969), 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 & Jurisdiction
(1)	(2)	(3)	(4)
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;

[1]Rule 93 inserted by SRO 1168(I)/2026 dated July 27, 2026.
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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	(iii) To maintain a database of settled legal questions and relevant precedents to guide future litigation decisions and ensure consistency; and (iv) To identity 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, [1][ ] RTO Islamabad. RTO Peshawar, RTO Abbottabad DG I&I Islamabad and its Directorates.
3	A senior serving or retired officer of the IRS of BS 20 or above	Member	
Committee No. 2			
S. No.	Member	Status	Functions & Jurisdiction
(1)	(2)	(3)	(4)
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. **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, [2][RTO-I Lahore, RTO-II Lahore,] RTO Rawalpindi, RTO Gujranwala RTO Faisalabad, RTO Multan, RTO Bahawalpur, RTO Sialkot, RTO Sargodha and RTO Sahiwal.
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	
3	A senior serving or retired officer of the IRS of BS 20 or above	Member	
Committee No. 3			
S. No.	Member	Status	Functions & Jurisdiction
(1)	(2)	(3)	(4)

[1]Words etc. "CTO Islamabad," omitted by SRO 1238(I)/2026 dated July 30, 2026.
[2]Substituted for "RTO Lahore," by SRO 1238(I)/2026 dated July 30, 2026.

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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. **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, [1][CTO-I Karachi, CTO-II Karachi,] RTO-I Karachi, RTO-II Karachi, RTO Sukkur, RTO Hyderabad and RTO Quetta.
2	An Advocate having not less than fifteen years' experience in tax and commercial litigation before the High Courts and i or the Supreme Court of Pakistan	Member	
3	A senior serving or retired officer of the IRS of BS 20 or above	Member	

(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.

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[1]Substituted for "CTO Karachi," by SRO 1238(I)/2026 dated July 30, 2026.

(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.

(l4) 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 presidents 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

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(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 al1 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 cases per month;

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(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.]

[1]Rule 93 inserted by SRO 1168(I)/2026 dated July 27, 2026.

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6.	Sales Tax Budget Instructions 2022-2023-Finance (Supplementary) Act, 2023	**Budget Matter Feb 23, 2023**	IX - 113 to 116
7.	Sales Tax Budget Instructions 2023-2024-Finance Act, 2023 (extracts)	**Budget Matter June 26, 2023**	IX - 117 to 127
8.	Sales Tax Budget Instructions 2024-2025-Finance Act, 2024 (extracts)	**Budget Matter June 29, 2024**	IX - 129 to 148
9.	Sales Tax Budget Instructions 2025-2026-Finance Act, 2025 (extracts)	**Budget Matter June 27, 2025**	IX - 149 to 168
10.	Sales Tax Budget Instructions 2026-2027-Finance Act, 2026 (extracts)	**Budget Matter June 26, 2026**	IX - 169 to 194

1-245-15-07-2026

Sr. No.	Subject	No. & Date	Page No.

CIRCULARS

Sales Tax Circular No. 1/1989 **Islamabad, dated 22nd August, 1989.**

Subject: Adjustment of sales tax paid on the raw materials wasted during the manufacturing of taxable goods-

Section 27(1) of the Sales Tax Act, 1951 provides that the manufacturers of taxable goods are entitled to the refund of tax paid earlier on the goods which are to be incorporated into and form a constituent or component part of the taxable goods.

2. A question has arisen whether the refund/adjustment of sales tax can be allowed on the quantity of partly manufactured goods/raw materials which are wasted during the process of manufacture of taxable goods.

3. After examining the issue the Board is pleased to state that sales tax refund/adjustment is to be allowed on the entire quantity of partly manufactured goods/raw materials constituting inputs for taxable goods. The wastages occurring in the process of manufacture is to be considered as a by-product and should be taxed on its own value unless otherwise exempted or treated in either of the following manners:

(a) where so provided, such waste can be removed in terms of procedure prescribed vide Chapter X of the Central Excise Rules, 1944; or

(b) where so applied, the wastage may be destroyed in terms of provisions of Rule 53-C of the Central Excise Rules, 1944.

Sales Tax Circular No. 1/1991 **Islamabad, dated 27th February, 1991.**

Subject: Levy of sales tax on tubular plastic packing film – Clarification Regarding.

A question regarding chargeability of sales tax on tubular plastic packing film used in the manufacture of polyethylene bags has been raised by the Plastic Manufacturers Association, Lahore. The Association is of the view that since the end product is exempt from sales tax, levy of tax on tubular plastic film, which is processed raw material of polyethylene bags is not justified.

2. The issue in question is:–

(i) whether the manufacture of polyethylene bags from plastic granules to the finished stage is a continuous process;

(ii) whether such intermediary items used in the manufacture of exempt goods are chargeable to sales tax.

3. Tubular plastic packing film is manufactured from plastic granules and the same is further used in the production of polyethylene bags. Inquiry made in this matter has revealed that tubular packing film is manufactured and is then subjected to other processes to produce bags.

Further there are judicial pronouncements to the effect that if intermediary items are "capable of being weighed, scaled, packed and shifted to independent section for storage and sale these retard the continuity of the manufacturing process of the end product". Tubular Packing film is not only capable of being weighed, packed and sold but is being sold by a number of manufacturers on payment of sales tax. The process of manufacture of plastic bags thus cannot be treated as a continuous process.

4. Tubular plastic film has not been exempted from sales tax. It is being produced and marketed by a number of manufacturers on payment of sales tax. Its use in the manufacture of plastic bags within the same business premises falls within the ambit of supply as defined in section 2(22) of the Sales Tax (Amendment) Act, 1990 and the same is accordingly chargeable to sales tax under the law.

Sales Tax Circular No. 2 of 1991 **Islamabad, dated 30th October, 1991.**

Subject: Grant of exemption from sales tax in terms of section 65 of Sales Tax Act, 1990 - Procedure regarding -

In order to give effect to the provisions of section 65 of Sales Tax Act, 1990, the Revenue Division is pleased to lay down the following procedure:–

(i) If registered person claims that the supplies made by him during certain period qualify for exemption under section 65 of the Sales Tax Act, 1990, he may make an application to the Collector having jurisdiction in the area where the registered person is located. The Collector will examine the case, collect relevant information from other Collectors and if he is satisfied that the case falls within the scope of section 65, he will refer the same to the Revenue Division.

(ii) Before making a reference to the Revenue Division the Collector will also fix responsibility on the staff who failed to detect that a taxable item is being cleared without payment of tax and thus caused loss of revenue. He will initiate disciplinary action against the officials concerned and send a report to the Revenue Division.

(iii) The case will be processed in the Revenue Division and if the conditions specified in Section 65 are met the Federal Government may by means of a notification in the official gazette exempt the said supplies from sales tax.

Sales Tax Circular No. 3/1991 **Islamabad, dated 28th December, 1991.**

Subject: Chargeability of sales tax on second hand baling hoops

A question has arisen about the taxability or otherwise of the second hand baling hoops. The issue has been examined in the Board after receipt of representations from various quarters. It has been found that baling hoops classifiable under PCT heading No. 73.26 are manufactured in the re-rolling mills and are mostly purchased by the ginning factories for fastening the cotton bales.

Sales tax is leviable at the manufacturing stage in the re-rolling mills. Their cutting or unfastening during opening of the bales at the textile mills does not render them liable to sales tax as opening and cutting out of hoops for the purpose of re-use does not attract the definition of manufacture. As regards the classification of the item in question, it is clarified that it does not fall within the definition of waste and scrap as the explanatory note to heading No. 72.04 of the harmonised system exclude articles, which with or without repair or renovation can be re-used for their former purposes.

Sales Tax Circular No. 3 of 1994 **Islamabad, dated 14th April, 1994.**

Subject: Incorrect format of Orders-in-Original, Orders-in-Appeal-Rectification thereof

It has been observed that orders-in-original and orders-in-appeal passed by *quasi judicial* authorities do not mention the relevant sections of the Sales Tax Act, 1990 under which order-in-original or order-in-appeal is being passed. Secondly, some of orders-in-appeal passed by Collector of Appeals indicate at Serial No. 9 of the format of the order that the appellant, if dissatisfied with the order in appeal may file a revision application to the Federal Government.

2. In Sales Tax Act, there is no provision for revision by the Federal Government. If a person is aggrieved by the decision of the Collector (Appeals) he can file an appeal to the Appellate Tribunal under section 46 of the Sales Tax Act, since Appellate Tribunal has not been constituted, Member (Judicial) Central Board of Revenue has been allowed to hear appeals under Section 46 of the Sales Tax Act. (Reference General Order No. 5 of 1991 dated 23.10.1991).

3. If a registered person or a Collector is not satisfied with an order passed by Appellate Tribunal/Member (Judicial) he may take further action in accordance with the provisions of section 47 of the Sales Tax Act. However, it may please be noted that a reference application under section 47 can be made on *question of law only*. Moreover, this question of law must arise from the order passed under section 46 of the Act. The Sales Tax law does not permit any reference under section 47 on a *question of fact* decided through an order passed under section 46 of the Act.

4. In view of above, it is advised that:

a) All orders passed by Officers of Sales Tax in any proceedings initiated by them must indicate the section of the Sales Tax Act under which the order is being passed;

b) Serial No. 9 of the preface of orders-in-appeal used by appellate Collectors may be suitably amended to indicate that if the appellant or the Department is dissatisfied with the decision, he may file an appeal to the Appellate Tribunal/Member (Judicial), Central Board of Revenue as *per* the provisions of section 46 of the Sales Tax Act, 1990; and

c) Similarly, the orders passed under Section 46 may indicate that questions of law arising out of that order can be referred to the Honourable High Court through the Appellate Tribunal as *per* the provisions of section 47 of the Sales Tax Act.

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[1]Sales Tax Circular No. 4 of 1994 Islamabad, dated 14th April, 2002

Subject: Levy of additional tax on cases falling under section 11 and section 36 of the Sales Tax Act, 1990

A question has arisen regarding the date and time of calculating the additional tax in cases where tax due under section 6 is not paid on the due date or return is not filed or incorrect return is filed and assessment order is passed under section 11 of the Sales Tax Act, 1990.

2. The question has been examined in consultation with the Justice Division and necessary directions are being issued through this circular.

3. Section 6 of the Sales Tax Act lays the time and manner for the payment of tax. Under section 11, if a registered person does not file return or the amount of tax shown as payable in the return is not correct, appropriateofficerofSalesTaxDepartmentmakesanassessmentofthetax which the registered person is required to pay within the specified time. Under section 34, if a registered person fails to pay the tax within the time specified in section 6, he shall, in addition to the tax due, be liable to pay additional tax and surcharge at the rate specified in section 34.

4. The provisions of sections 6, 11 and 34 read together lead to the conclusion that if tax is not paid on the due date, the additional tax starts accumulatingandwheneveranassessmentoftaxismadeunder section 11, the period of default is to be calculated from the date when the tax was originally due and should have been deposited and not from the date of assessmentorderundersection11.Section11laysdownthedatebywhichtheoriginaltaxandadditionaltaxetc.dueundersection34istobedeposited.

5. Regarding cases falling under section 36, it is pointed out that additionaltaxisinthenatureofachargepayable by the tax payer who fails to deposit the tax within the specified time. Section 36 does not exclude application of section 34 in cases which fall in the scope of section 36.

6. Field formations may take further action in the light of this ruling.

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[2]Sales Tax Circular No. 7/1994 dated 9th May, 1994.

Subject: Clarification with regard to Section 34 of Sales Tax Act, 1990

A question has arisen whether additional tax provided in section 34 will be attracted in case of tax collected at import stage under section 6(1) in case the sales tax was not paid when the goods were cleared for consumption or ex-bonded from the warehouse sanctioned under Section 13 of the Customs Act, 1969. There are two conflicting opinions in this regard. One view is that additional tax is not leviable with respect to imports. The other view is that the failure to pay the tax on due date automatically attracts chargeability to additional tax.

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[1]Circular No. 4 of 1994 was superseded by Circular No. 4 of 1995 dated April 13, 1995 but later on Circular No. 1 of 1996 rescinded Circular no. 4 of 1995, thus impliedly reviving Circular No. 4 of 1994, there is however no mention in Circular No. 1 of 1996 regarding revival or otherwise of Circular No. 4 of 1994.

[2]Also see Circular No. 2 of 1997, dated September 2, 1997 which partially modifies Circular No. 7 of 1994.

2. The question has been examined in consultation with the Law and Justice Division and it is ruled as under:–

Section 6(1) of the Sales Tax Act, deals with the scope and payment of the sales tax in respect of goods imported into Pakistan and it lays down that it is liable to sales tax to be realised in the same manner and at the same time as customs duty. Section 34 deals with the penalty for evasion of sales tax which is recoverable as additional tax.

As is clear, section 6(1) provides for mode of realisation of sales tax on imported goods in accordance with the provisions of the Customs Act 1969. For any deviation or evasion from section 6 of the Sales Tax Act, 1990, additional charge is provided under Section 34 *ibid*. Customs Act, 1969 has been referred in connection with the mode of realisation and not otherwise. Therefore, in case of failure of payment of due amount of tax, additional tax is to be levied under section 34 of Sales Tax Act, 1990 notwithstanding that the provisions in respect of levy of additional tax do not exist in Customs Act, 1969.

3. Further necessary action may be taken in the light of this ruling.

Sales Tax Circular No. 10 of 1994 **Islamabad, dated 27th October, 1994.**

Subject: Value of imported goods for the purposes of levy of sales tax.

A question has arisen regarding value for the purposes of Sales Tax in respect of imported goods where concessionary rate of Customs duty is applicable.Thereweretwoviewsonthesubject.OneviewwasthatSalesTaxshouldbeleviedonvalue of imported goods plus customs duty actually paid onthebasisofconcessionaryrateofduty.Theotherviewwasthat the value of supply means the value plus duty leviable under the statute irrespective of the duty actually paid/payable under the concessionary notification.

2. The matter has been examined in consultation with Justice Division. After perusing the relevant provisions of the Sales Tax Act, 1990, including clause (d) of sub-section (34) of section 2 of the Act, it is ruled that the value of supply would mean*the value determined under section 25 or 25-B of the Customs Act, 1969, plus the Customs duty actually paid.*

Sales Tax Circular No. 1 of 1996 **Islamabad, dated 15th July, 1996.**

Subject: Amendments in Sales Tax Law

A number of amendments have been made in the Sales Tax Law. Consequently some Circulars have ceased to be of any utility.

2. Central Board of Revenue is therefore, pleased to rescind the following Circulars: –

(1) Sales Tax Circular No. 8 of 1994, dated 10th October, 1994. (Removal of hardship – Levy, collection and adjustment of sales tax on iron).

(2) Sales Tax Circular No. 4 of 1995, dated 13th April, 1995. (Levy of additional tax on cases falling under section 34 of the Sales Tax Act, 1990).

Sales Tax Circular No. 2 of 1996 **Islamabad, dated 21st November, 1996.**

Subject: Levy of Sales Tax on business or non-business use of goods produced in the course of business.

The definition of "supply" under section 2(33)(a) of the Sales Tax Act, 1990 provides that "putting to private, business or non-business use of goods produced or manufactured in the course of business" amount to supply.Thedefinitionof"taxablesupply" means a supply of taxable goods.

2. Some questions have been raised about the tax liability on the in-house use of cotton seed to produce oil cake and cotton seed oil and poultry feed to produce poultry birds.

3. In each of these cases of in-house use, the definition of supply under section 2(33) (a) is attracted. It is of no consequence that any cotton ginner-cum-oil expeller did not make any sale of cotton seed but used it to produce cake and oil: or the poultry feed was not sold but used in-house to produce poultry birds. In each case there was a "supply" of cotton seed and poultry feed as per the aforesaid definition. Also in each case the goods are taxable goods. Thus sales tax has to be paid on the taxable goods used in-house for production or manufacture of exempt goods.

4. It is clarified that where in such situations, the goods to be produced are not exempt from sales tax, no sales tax is payable except on the supply of final product.

5. The purpose of this Circular is to bring the correct position, which has been always so, to the notice of all concerned.

Sales Tax Circular No. 1/1997 **Islamabad, dated 12th January, 1997.**

Subject: Tax Payer's Profile – Arrears and Refunds.

In view of the fact that the potential of sales tax computer system is not being optimally utilized to give complete profile of taxpayers specially in respect of penalties, arrears, and refunds, etc., it has been decided to introduce a procedure, which will be partly manual but will be effectively supported by the computer cells of the Collectorates. The following documents are accordingly prescribed and procedure laid down for necessary information and compliance by all concerned.

(1) An "Arrear Register" in the prescribed form (Annex-1) shall be maintained by the Assistant Collector (Assessment & Processing) which will contain the information regarding all adjudication proceedings whether under section 11 or 36 or any other provisions of the Act. A "Recovery Register" in the prescribed form (Annex-2) shall be maintained by the Assistant Collector (Enforcement & Collection Division). Similarly, a "Refund Payment Register" in prescribed form (Annex-3) shall be maintained by the Audit & Refund Division in each and every Sales Tax Collectorate.

(2) Whenever an order-in-original is passed by the adjudicating officer, he will despatch the following documents to the tax payer.

(i) Copy of order-in-original.

(ii) A return-cum-challan form (ST. I/V. 2) duly affixed on the reverse with a block stamp and having following columns duly filled in by the adjudicating officer or his staff:

(i) Tax payable_____

(ii) Penalty_____

(iii) Rate of additional tax and date from which it is to be charged (for calculation of its exact amount on the day of payment)_____

(iv) Any other liability_____

(v) Total_____

(3) The particulars of the order-in-original and the adjudged amount etc., shall be entered in the "Arrear Register" which will be updated whenever any order-in-original is passed and issued. The register shall be sent to computer section on the 1st and 15th of every month for making entries in the computer file for updating of the tax payer's profile. After the updating of computer file, the entries in the register will be signed and stamped "Posted in computer" by the I/c computer section and the register will be sent back to the concerned Division.

(4) In case of payment against order-in-original on the return-cum-challan form, bearing the stamp, the said return will be segregated and dealt with separately.

(5) In the first week of each month, the computer section shall generate a report to be known as "statement of recovery of arrears" in the prescribed form (Annex-4), and endorse it to Assistant Collector "Processing & Assessment Division" for updating of "Arrear Register". Second copy of this statement shall be sent to the Assistant Collector (Enforcement & Collection) for updating of "Recovery Register" and further action including the initiation of recovery proceedings against those tax payers who fail to pay the adjudged amounts.

(6) The "Enforcement & Collection Division" shall update the "RecoveryRegister"asandwhenrecoveriesaremadeandshallsend this register to computer section on 1st and 15th of every month forupdatingthetaxpayer'sprofile.Afterupdating of computer file the entries in the register shall be signed and stamped "Posted in the computer" by I/c computer section and the register will be returned to Assistant Collector "Enforcement & Collection Division."

(7) The following procedure shall be adopted for monitoring/recording of refund payments:–

(a) The Audit & Refund Division shall maintain "Refund Payment Register" in the prescribed form and details of each refund payment shall be entered in that register by the refund section.

(b) At the end of each month the register shall be sent to the computer section for making entries in the computer file and updating the tax payers' profile. After updating of computer file,

the entries in the register will be signed and stamped "Posted in computer" by the I/c computer section and the register will be returned to the Audit & Refund Division.

"Annex-1"

ARREAR REGISTER

(To be maintained by A. C. (Processing & Assessment)

S. No.	O-IN-O Number & Date	Name & Registration No. of the Taxpayer	Tax Period	Tax Adjudged	Penalty
1	2	3	4	5	6

Additional Tax	Total Amount	Amount Actually paid	Date of Payment	Balance (if any) to be Recovered	Remarks
7	8	9	10	11	12

"Annex-2"

RECOVERY REGISTER

(To be maintained by A. C. (Enforcement & Collection)

S. No.	Computer Reference Number & Date	Name & Registration No. of the Taxpayer	Tax Adjudged	Additional Tax	Penalty
1	2	3	4	5	6

Total Amount	Date on which Recovery Proceeding Initiated	Amount Recovered	Date of Recovery	Balance Recoverable on	Remarks
7	8	9	10	11	12

"Annex-3"

REFUND PAYMENT REGISTER

(To be maintained by A. C. (Audit & Refund Division)

S. No.	Name & Registration No. of the Taxpayer	Tax Period	Refund Claimed	Refund Sanctioned	Cheque No. & Date	Remarks
1	2	3	4	5	6	7

SETTLEMENT OF RECOVERY OF ARREARS

To: (i) A.C. (Processing & Assessment)

(ii) A.C. (Enforcement & Collection) for initiating Recovery Proceedings

S. No.	O-IN-O & Date	Name & Registration No. of the Taxpayer	Total Amount Due	Due Date of Deposit	Amount actually paid	Date of Payment	Balance (if any) to be recovered (i.e. 4-6)	Remarks
1	2	3	4	5	6	7	8	9

(Signature)

I/C Computer Section

Dated

Sales Tax Circular No. 2 of 1997 **Islamabad, dated 22nd September, 1997**

Subject: Clarification with regard to section 34 of Sales Tax Act, 1990 – Sales Tax Circular No. 7 of 1994.

1. An issue has arisen as to whether or not the additional tax under section 34 of the Sales Tax Act, 1990, is recoverable in cases where due sales tax on import stage has either not been paid or short paid.

2. The ruling given in Sales Tax Circular No. 7 of 1994 has been re-examined by the Board in consultation with the Law and Justice Division. It is clarified in this regard that since in the case of imports there is no self-assessment and that a written declaration in the form of a Bill of Entry etc. is presented before the Customs Officers for scrutiny, examination and assessment, therefore, the question of additional tax will arise only if a person has failed to discharge his legal obligations; and his failure to pay the due tax connotes a wilful default. This will mean that additional tax in respect of default in payment of tax on importation shall be charged only in the cases falling under sub-section (1) of section 36 of the Sales Tax Act, 1990, but shall not be recovered in cases falling under sub-section (2) of that section.

3. Sales Tax Circular No. 7 of 1994 shall stand modified to this extent.

Sales Tax Circular No. 1/1999 **Islamabad, dated 8th April, 1999.**

Subject: Trade Enrolment Certificates

A meeting with the representatives of trade community was held on 06.04.1999, in which the mode and modalities regarding enrolment of retailers for issuance of Trade Enrolment Certificate were finalized. This scheme shall not be applicable in case of persons making taxable supplies whose annual turnover exceeds five million rupees. Trade Enrolment Certificate will be issued to various categories of retailers against the payment of fees for the respective categories as follows:–

Category No.	Description of the Category	T.E.C. Fee for 1998-99
(1)	(2)	(3)
1.	Retailers with annual turnover not exceeding rupees one lac.	Rs. 1,000/-
2.	Retailers with annual turnover exceeding Rupees one lac but not exceeding rupees two lac.	Rs. 1,500/-
3.	Retailers with annual turnover exceeding rupees two lac but not exceeding rupees three lac.	Rs. 2,000/-
4.	Retailers with annual turnover exceeding rupees three lac but not exceeding rupees seven lac.	Rs. 3,000/-
5.	Retailers with annual turnover exceeding rupees seven lac but not exceeding rupees ten lac.	Rs. 4,000/-

6.	Retailers with annual turnover exceeding rupees ten lac but not exceeding rupees fifteen lac.	Rs. 6,000/-
7.	Retailers with annual turnover exceeding rupees fifteen lac but not exceeding rupees twenty lac.	Rs. 8,000/-
8.	Retailers with annual turnover exceeding rupees twenty lac but not exceeding rupees thirty lac.	Rs. 12,000/-
9.	Retailers with annual turnover exceeding rupees thirty lac but not exceeding rupees forty lac.	Rs. 20,000/-
10.	Retailers with annual turnover exceeding rupees forty lac but not exceeding rupees forty five lac.	Rs. 30,000/-
11.	Retailers with annual turnover exceeding rupees forty five lac but not exceeding rupees fifty lac.	Rs. 40,000/-

[1][2. Categories No. 1 to 3 of the Table, appearing in para 1, shall apply only in respect of such persons who are not the income tax assessees.]

3. The mode and modalities for collection of Enrolment Fee will be as follows:–

(i) The Form (specimen enclosed) shall be got printed and issued, in quadruplicates, by the Anjuman-e-Tajran. Photocopies (in quadruplicate) of the forms (as per specimen) can also be used by retailers for this purpose.

(ii) The forms shall be supplied/distributed by the Regional Committees. The City Committees shall keep market-wise record of issuance of the forms and the Market Committees/banks shall keep the record of issuance of forms to individual retailers.

(iii) The form, duly filled-in and duly verified for categorization purposes shall be deposited with the respective Market Committee for endorsement after determination of the category. After the endorsement of category, the retailer shall make payment of the Enrolment Fee as per his category determined by the Committee, in the designated/authorized branch of National Bank of Pakistan. The original and duplicate copies of the form, duly affixed with the Bank's Stamp in token of receipt of payment shall be returned to the payer and the bank shall keep the quard-copy for the Bank record and send the triplicate copy, alongwith the daily scroll, to the respective Collectorate. The retailer shall deposit the duplicate copy with the respective Market Committee and shall display the original at his shop/ place of business as Trade Enrolment Certificate for the year 1998-99.

[1]Para 2 inserted by C.No. 5(2)STP/98-Retail, dated 1st May, 1999. Earlier different para 2 was omitted by CBR's Circular No. 5(2)STP/98-Retail, dated 30th April, 1999.

[1](iii-A) The retailers/traders may use photo-copy of the Trade Enrolment Certificate form for payment of the prescribed TEC fee. Further, the provision of determination of categories by the respective Market Committees is not compulsory. The retailers/traders, at their own, may also categorize them under any of the category provided in the Circular without referring the matter to the respective Market Committees and then follow, the procedure for payment of TEC fee as provided in sub-para (iii) of para 3.

(iv) The receipt of Enrolment Fee paid by the retailers shall be tallied by the City Committees with the respective Collectorates on weekly basis.

(v) The Enrolment Fee shall be paid in the designated/authorized branches of National Bank of Pakistan on or before [2][30.9.1999].

(vi) A retailer who fails to make payment of the leviable fee within the stipulated time, shall be liable to imposition of penalty equal to eleven times of the fee.

(vii) In case of default of the due payment, the City Committee shall approach the District Administration for recovery of the payable amount including the amount of penalty as the arrears of land revenue.

(viii) An appeal against the decision of Market Committee regarding the determination of category shall lie with the City Committee. The second and final appeal against the decision of the City Committee shall lie with the Regional Committee.

(ix) There shall be three levels of the Committees nominated by the Anjuman-e-Tajran. The names and constitution of these Committees will be as under:–

(a) Market Committee (five members):

(i) President and Secretary of the respective market.

(ii) Three representatives of the respective market to be nominated by the Anjuman-e-Tajran.

(b) City Committee (seven members):

(i) President and Secretary of Anjuman-e-Tajran of the city.

(ii) Two representatives of the concerned Chambers of Commerce and Industry.

(iii) Three representatives of various trade-bodies to be nominated by the Anjuman-e-Tajran.

(c) Regional Committees (seven members):

(i) Regional Committee shall cover an area equivalent to the jurisdiction of the respective Collectorate of Sales Tax.

(ii) Five nominees of the Anjuman-e-Tajran.

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[1]Sub-para (iii-A) inserted by CBR's Circular C. No. 5(2)STP/98-Retail (PI) dated September 1, 1999.

[2]Substituted for "31.08.199" by CBR's Circular C. No. 5(2)STP/98-Retail (PI) dated September 1, 1999.

(iii) Two representatives of respective Chambers of Commerce and Industry.

(iv) The members of the Regional Committee shall elect the President and Secretary from amongst themselves.

[1][4. A Federal Committee comprising Mian Abdul Mannan, M.N.A. Haji Maqsood Butt, M.P.A. and Mr. AbdurRazzaqBabbar, the Chairman, President and General Secretary, respectively, of All Pakistan Anjuman-e-Tajran, Mr. Abdullah Ismail, President, Karachi Chamber of Commerce and Industry, Mr. Amjad Rafi, Vice President, Federation of Pakistan Chambers of Commerce and Industry, Chief (Sales Tax-II) and Secretary (Retail Tax), C.B.R. shall supervise the whole scheme envisaged in this Circular.]

5. All the retailers falling in respective categories shall be required to fulfil their obligations by [2][30.9.1999], failing which stringent penal action will be initiated immediately after [2][30.9.1999].

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
CENTRAL BOARD OF REVENUE

TRADE ENROLMENT CERTIFICATE 1998-99

APPLICATION FOR TRADE ENROLMENT CERTIFICATE

Name & address of shop/business/firm/company_____

_____

Name of owner of shop/business/firm/company_____

S/O - D/O - W/O _____

Nature of Business:- _____

National Identity Card Number:- | | | | | | | | | | | | | | |

National Tax Number:- | | | | | | | | | | | | | | |

Category in which required to be Enrolled:– | | | |

Digit Word

_____

Date_____ (Signature of Applicant)

DECISION OF THE IMPLEMENTATION COMMITTEE

It has been decided to enrol the applicant in the category | | | |

Digit Word

Signature, Seal & Date
Chairman, Implementation Committee

Signature, Seal & Date
Representative concerned Association
Anjuman-e-Tajran

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[1]Para 4 Substituted by CBR's Circular No. 5(2)STP/98-Retail, dated May 1, 1999.

[2]Substituted for "31.08.1999" by CBR's Circular C. No. 5(2)STP/98-Retail (PI), dated September 1, 1999.

FOR BANK USE ONLY

Tax Head of Account No. 022000

Received amount (in figures): Rs._____(in words) :- Rupees: _____

_____

_____

Date_____ Signature, Seal

Officer of Authorised Bank

*Note: The "Original" of this document becomes the Trade Enrolment Certificate after the Authorised Bank has affixed its stamp of `PAYMENT RECEIVED' **on it.***

C.No. 5(2)STP/98-Retail **Islamabad, dated 30th April, 1999.**

Subject: Amendment No. 2 to Circular No. 1/1999, dated 08.04.1999.

The following further amendments in the Central Board of Revenue's Circular No. 01/1999, dated 8th April, 1999, are hereby made:–

(i) Para 2 is hereby deleted; and

(ii) In para 5, for the date "30.04.1999" occurring twice the date "31.05.1999" is hereby substituted.

2. In other words the Jewellers and Gold Retailers will be eligible to qualify for any of the eleven (11) categories for payment of Trade Enrolment Certificate Fee as per their annual turnover declared by them and assessed and determined by the Committee in the manner as provided in Circular No. 01/1999 dated 08.04.1999.

3. The last date for obtaining the fee-receipted Trade Enrolment Certificate has also been extended upto 31st May, 1999.

C. No. 5(2)STP/98-Retail **Islamabad, dated 1st May, 1999.**

Subject: Amendment No. 3 to Circular No. 1/1999, dated 08.04.1999.

The following further amendments in the Central Board of Revenue's Circular No. 01/1999, dated 8th April, 1999, are hereby made:–

i) For para 2, already deleted vide Amendment No. 2 dated 30.04.1999, the following is hereby substituted:–

"2. Categories No. 1 to 3 of the Table, appearing in para 1, shall apply only in respect of such persons who are not the income tax assessees."

ii) For Para 4, appearing at page 5, the following shall be substituted:-

"4. A Federal Committee comprising Mian Abdul Mannan, M.N.A. Haji Maqsood Butt, M.P.A. and Mr. AbdurRazzaqBabbar, the

Chairman, President and General Secretary, respectively, of All Pakistan Anjuman-e-Tajran, Mr. Abdullah Ismail, President, Karachi Chamber of Commerce and Industry, Mr. Amjad Rafi, Vice President, Federation of Pakistan Chambers of Commerce and Industry, Chief (Sales Tax-II) and Secretary (Retail Tax), C.B.R. shall supervise the whole scheme envisaged in this Circular."

2. In other words, the retailers who are also the income tax assessees shall only be eligible to enroll themselves in the Trade Enrolment Certificate Scheme under Categories 4 to 11 of the Table to Circular No. 01/1999dated08.04.1999,withregardto their respective annual turnover. Further,theFederalCommitteenow includes the General Secretary of All Pakistan Anjuman-e-Tajranalongwith the President, Karachi Chamber of Commerce and Industry and the Vice President of the FPCCI. The total number of the Federal Committee members shall be seven (7).

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[1]Sales Tax Circular No. 2/1999 **Islamabad, dated 14th September, 1999.**

Subject: Development Tax

In pursuance of unanimous decisions taken in the meetings with representatives of trade community held on the 8th and 9th September, 1999, it has been decided that the shopkeepers and retailers, other than a private limited company or a public limited company, whose annual turnover during the last 12 months was less than Rs. 5 million shall, in lieu of 2% turnover tax payable under section 3A of the Sales Tax Act, 1990 and 1% Income Tax payable under Income Tax ordinance, 1979, pay, in the manner hereinafter provided, the sum (known as Development Tax) at the rate of 0.75% of the turnover on all supplies except the food items (listed in Appendix-I to this Circular) on which the rate of Development Tax shall be 0.5% (Development Tax Scheme).

2. The Development Tax shall be payable across the board and shall be compulsory for all shopkeepers and retailers whose annual turnover does not exceed Rs. 5 million. There shall be no exemption in relation to description of goods or quantum of turnover below the said threshold of Rs. 5 million.

3. The Development Tax shall be payable w.e.f. 16th September, 1999 and shall remain in force upto the 30th June, 2001.

4. The shopkeepers and retailers with annual turnover of less than Rs. 5 million shall have the option to get them registered under the Sales Tax Act and pay GST @ 15% under the normal VAT regime.

5. The Development Tax shall be paid quarterly in any of the branch of the National Bank of Pakistan through a challan (Appendix-II), payable by the last working day of September, December, March and June for the quarters ending 15th September, 15th December, 15th March and 15th June.

6. The collection of the Development Tax shall be enforced and monitored by a Development Tax Advisory Committee comprising six members from each Province and two members from the Federal Capital Territory. The Development

[1]Circular No. 2 of 1999 rescinded by Circular No. 1 of 2000 dated February 19, 2000.

Tax Advisory Committee shall, initially, meet every month to ensure proper compliance and implementation of the Development Tax Scheme. The Committee may form Provincial, Divisional, District, City/Town and Market Committees for the purpose of the enforcement, collection and monitoring of the Development Tax.

7. The Development Tax Scheme shall not affect the following:-

(a) the normal GST regime which shall remain in force for the manufacturers, importers, wholesalers (including dealers), distributors (including stockiest), suppliers and such shopkeepers and retailers whose annual turnover exceeds Rs. 5 million;

(b) the persons not registered under the normal GST regime shall continue to pay further tax @ 3% under section 3(1A) of the Sales Tax Act, 1990, in addition to the standard rate of 15% on taxable supplies made to them;

(c) the persons not registered under the normal GST regime shall not be allowed to claim any input sales tax credit/adjustment/refund, etc;

(d) the persons not registered under the normal GST regime shall not be allowed to issue the prescribed sales tax invoices; and

(e) the right of a taxpayer, under the Sales Tax Act, 1990, to opt for sales tax registration for payment of sales tax at standard rate in a normal VAT-mode, instead of payment of Development Tax.

8. Paymentof Development Tax shall discharge all income tax and sales tax liabilities of the shopkeepers and retailers with annual turnover oflessthanRs.5million(withoutanyadjustments/creditors/refunds). Persons paying Development Tax shall be immune from visit, inspection and audit by the Income Tax and the Sales Tax Departments.

9. All issues relating to Development Tax shall be resolved by the Development Tax Advisory Committee.

Appendix-I
(See para 1 of
the Circular)

LIST OF FOOD ITEMS

1. Live animals.
2. Agricultural produce of Pakistan not subjected to any process of manufacture.
3. Cereals,grainsandpulses,whetherornotmilled,hulled or polished, packed or not.
4. Vegetables and fruits and juices.
5. Eggs
6. Poultry, mutton, beef, fish and bovine animal meat, (except those sold under brand name or trade mark).
7. Fresh or dried milk, plain yogurt and lassi.
8. Cream, whey, butter and cheese except those sold under brand names or trade marks.
9. Breads, nans, chapattis, sheer malls, bun, rusk, vermicillis.

10. Ice and water excluding mineral waters.
11. Desi ghee, vegetable ghee and vegetable oils.
12. Cooked and prepared foodstuff subject to central excise duty or sales tax in hotels, restaurants, clubs, catering houses, etc.

Appendix-II

(See para 5 of the Circular)

DEVELOPMENT TAX CHALLAN

(in Quintuplicate)

PART-I

(01) TAX PERIOD

Quarter	Year

(02) NAME AND ADDRESS

(03) N.I.C. No.

(04) N.T.N *(if any).*

(05) SALES TAX ENROLMENT (if any)

(06) SALES

VALUE (Excld. Tax)		Dev. Tax		Total (3) + (4)	
Food items	other than food items	at 0.5% of Co. (1)	at 0.75% of Col. (2)	in figures	in words
(1)	(2)	(3)	(4)	(5)	(6)

(07) DECLARATION

I declare that the above particulars are true and correct.

Signature of authorised person with office stamp
(Name and Designation) Date

Circular No. 2 of 1999 Sales Tax Ready Reference

PART-II RECEIPT

(i) Taxpayer's Copy
(ii) Committee's Copy
(iii) I.T. Deptt Copy
(iv) S.T. Deptt Copy
(v) Bank Copy

(08) Received

(a) Rs._____under Head of Account 0113500
(b) Rs._____under Head of Account 0220000
Total Rs._____for Development

_____
(Seal of the Authorized person with date)
National Bank of Pakistan

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[1]Sales Tax Circular No. 3 of 1999 **Islamabad, dated 20th September, 1999.**

Subject: Development Tax Advisory Committee.

In pursuance of the decision taken in the meetings with representatives of the trade community held on the 8th and 9th September, 1999 and in compliance of para 6 of the Revenue Division's Circular No. 2/99 dated 14th September, 1999, the Development Tax Advisory Committee is hereby constituted as under:--

CO-CHAIRMAN

1. Haji Maqsood Ahmad Butt,MPA
2. Mr. Muhammad UmerSaliya

MEMBERS

1. Mian Abdul Mannan, MNA
2. Abdul RazzaqBubber
3. Shaikh Muhammad Sidiq
4. Khawaja Mohammad Shafiq
5. Haji Mohammad Nawaz Vohra
6. Mr. Bashir Miandad
7. Mr. Zakir Bin Zahid
8. Mr. Islam Mughal
9. Mr. Abdul MajeedMemon
10. Mr. Mehmood Hamid
11. Haji Haleem Jan
12. Haji Muhammad Afzal
13. Mr. Sharafat Ali Mubarik
14. Mr. SaleemJadoon
15. Haji MaqsoodElahi Bhatti
16. Dr. Abdul Nasir Kasi
17. Mr. Abdul Hameed Dothani
18. Mr. Shamim A. Khan
19. MianShaukat Ali Naqshbandi
20. Mr. Jamshed Akhtar
21. Mulana Muhammad YousafEhrar
22. Syed Anwar Ali Shah
23. Shaikh Muhammad Muneer
24. Shaikh M. Hafeez
25. Mr. Abdul Waheed
26. Mr. M. Hashim Khan
27. Mr. SohailAzmi
28. Syed EhsanBadshah
29. Mr. AnsarZahoor Butt
30. Shaikh Mushtaq
31. Mr. Qayyum Qureshi
32. Mr. SirajBadar
33. Mian Akbar Rasheed
34. Mr. MehboobAzam
35. Mr. Muhammad Ashraf Bhatti
36. Mr. ShahidRasool Dar
37. Shaikh Fazal-ur-Rahman
38. MianHafeezUllahDajli
39. Haji Shaikh Muhammad Bashir
40. Mr. Zain-ul-Abideen

[1]Circular No. 3 of 1999 rescinded by Circular No. 1 of 2000 dated February 19, 2000.

2. The Development Tax Advisory Committee shall, initially, meet every month (or more often as per need) to ensure proper compliance and implementation of the Development Tax Scheme. The Committee may form Provincial, Divisional District, City/Town and Market Committee for the purpose of the enforcement, collection and monitoring of the Development Tax.

3. All issues relating to Development Tax shall be resolved by the Development Tax Advisory Committee.

Sales Tax Circular No. 01 of 2000 Islamabad, dated 19th February, 2000.

The Central Board of Revenue is pleased to rescind Circular No. 2/1999 dated 14.9.99 and No. 3/1999 dated 20.9.99 with effect from the dates of their issuance. As a result, the Development Tax shall be deemed never to have remained applicable for a singly day.

Sales Tax Circular No. 01/2005 Islamabad, the 29th August, 2005

Subject:Filing Of Revised Return By Distributors And Wholesalers Dealing In Items Of Third Schedule To The Sales Tax Act, 1990 Without Penalty Or Default Surcharge – Permission Regarding.

A number of distributors and wholesalers dealing in the items mentioned in the Third Schedule to the Sales Tax Act, 1990 have approached the Central Board of Revenue with plea that due to time constraint the new format of Sales Tax Return prescribed vide SRO 812(I)/2005 dated 13.08.2005 was not available to them for filing the same by 15.08.2005 for the tax period ending 31.07.2005. Consequently, they were unable to file the return on the new format and instead filed the previously applicable return.

02. Considering the genuine hardship faced by those distributors and wholesalers dealing in the items mentioned in the Third Schedule to the Sales Tax Act, 1990 who could not file their monthly sales tax return for the month of July 2005 on the new format due to time constraint, the Central Board of Revenue is pleased to allow them to file revised Sales Tax Return on the new format prescribed vide SRO 812(I)/2005 dated 13.08.2005 for the tax period of July 2005 without any penalty or default surcharge.

Sales Tax Circular No. 02/2005 **Islamabad, the 3rd September, 2005.**

SUBJECT: Filing of Separate Returns by Registered Persons Dealing Simultaneously In Different Business Activities.

A number of registered persons dealing simultaneously in different/ composite business activities have approached the Central Board of Revenue with the plea that since a number of special sales tax procedures are in vogue requiring registered persons to charge/deposit sales tax in various manners laid down in the relevant notifications and to declare their transactions in the sales tax returns prescribed therein, therefore, it is not possible for them to declare their transactions in a single sales tax return.

02. Considering the genuine hardship faced by such registered persons dealing simultaneously in different business activities defined under the Sales Tax Act, 1990 the Board in exercise of the powers conferred under section 55 of the Sales Tax Act, 1990 is pleased to allow such registered persons to file separate sales tax return for their each business activity as prescribed under the relevant notifications in addition to the normal sales tax return-cum-payment challan prescribed under notification SRO 533(I)/2005 dated: 06-06-2005, wherever applicable. However, input tax adjustment/ refund shall not be allowed to such persons to the extent barred under the relevant notification. As regards the refund/ adjustment of input tax incurred to the extent of the transactions which are not governed by any special procedure, the same shall continue to be dealt with under the relevant provisions of law. Furthermore, the Board is also pleased to allow the said registered persons who did not file their sales tax returns for the month of June and July 2005 in the manner prescribed above to revise their returns accordingly without any penalty or default surcharge.

(Wajid Ali)
Secretary (ST&FE-Budget)

Sales Tax Circular No. 03/2005 **Islamabad, the 14th October, 2005.**

SUBJECT: ADJUSTMENT OF INPUT TAX BY PAYPHONE/CELLULAR PHONE/ CALLING CARD COMPANIES AND WLL SERVICE PROVIDERS ON ACCOUNT OF PTCL BILLS.

Consequent upon issuance of SRO 1004(I)/2005 dated 23.09.2005, a number of companies providing the subject telecommunication services have approached the Central Board of Revenue stating that since PTCL bills are received by them on 15th day of the following month and are payable by 24th day of the following month, it is not possible for them to make adjustment of input tax on account of PTCL bills by 21st day of the following month by which date they are required to pay the Federal excise duty on their prepaid telecommunication services under SRO 1004(I)/2005 dated 23.09.2005.

2. The Board is pleased to clarify that for the purpose of input tax adjustment, utility bills are adjustable during the month in which the bills are paid. Therefore, for calculating their net tax liability for a tax period, the persons rendering or providing telecommunication services are required to make input tax adjustment on account of PTCL charges on the basis of the bills paid during the same tax period. In this way, such persons shall have ample time at their disposal to calculate their net tax liability and make payment of Federal excise duty in respect of the prepaid telecommunication services provided during a month, by 21st day of the following month.

(Wajid Ali)
Secretary (ST&FE-Budget)

_____

Sales Tax Circular No. 04/2005 **Islamabad, the 17th December, 2005.**

SUBJECT: **CONDONATION OF FINE / PENALTY AND DEFAULT SURCHARGE FOR LATE FILING OF RETURNS UNDER SRO 1184(I)/2005 AND 1185(I)/2005 DATED 01.12.2005.**

A number of registered persons required to file Sales Tax / Federal Excise returns electronically have approached the Central Board of Revenue with the plea that they could not file their returns electronically within due date, either due to delay in issuance of digital certificate by M/s NIFT or due to lack of awareness about the new system and have accordingly requested to condone fine/penalty and default surcharge for late filing.

02. Keeping in view the genuine hardship of such taxpayers the Central Board of Revenue is pleased to allow that :

(a) Registered persons who had applied for NIFT registration and made payment of due tax in online branches of NBP by 15th December, 2005, may file their returns electronically upon receipt of NIFT certification without any fine / penalty and default surcharge for late filing.

(b) Registered persons who could not apply for NIFT registration by 15th December, 2005, may file their returns manually without imposition of any fine/penalty and default surcharge for late filing.

03. The above condonation is being allowed on one time basis and the registered persons falling in the jurisdiction of Large Taxpayers Unit (LTU), Karachi and Lahore as well as public and private limited companies registered in other Collectorates shall be required to file their returns for the tax period of December, 2005 electronically by 15th January, 2006 as per the provisions of SROs 1184(I)/2005 and 1185(I)/2005 dated 01.12.2005.

C. No.3(4)ST-L&P/2005 **Islamabad, the 19th January, 2006.**

SALES TAX CIRCULAR NO.01/2006

SUBJECT: CONDONATION OF FINE/PENALTY AND DEFAULT SURCHARGE FOR LATE FILING OF RETURNS UNDER SRO.1184(I)/2005 AND 1185(I)/2005 DATED 1.12.2005

It has been reported to Central Board of Revenue that a large number of applications for issuance of digital certificate are still pending with NIFT and consequently such applicants who were required to file their returns electronically for the tax periods, November and December, 2005, could not file the same due to non availability of digital certificate.

2. In view of the genuine hardship of such taxpayers the Central Board of Revenue is pleased to allow that the registered persons who were required to file electronic return under SROs 1184(I)/2005 and 1185(I)/2005 both dated 01.12.2005 for the tax period November and December, 2005 by 16.1.2006 but could not file the same due to non issuance of digital certificate by NIFT, may file their returns electronically or manually by 31.01.2006 without imposition of fine/penalty and default surcharge.

(Wajid Ali)
Secretary (ST&FE-Budget)

Sales Tax Circular No. 02/2006 **Islamabad, the 20th March, 2006.**

SUBJECT: **CHARGEABILITY OF SALES TAX ON GENERAL REPAIR WORKS CONTRACTS.**

Military Engineering Services (MES) has approached the Central Board of Revenue to clarify the status of chargeability of sales tax on contracts awarded by MES to various contractors for general repair works in defence organizations. These contracts have been classified as under:

a) **Term Contract (TC):** General repair like masonry, carpentry, plumbing, electrification, water supply maintenance, sui gas maintenance and replacement of un-serviceable items, furniture maintenance.

(b) **Decoration Contract (DC):** White washing, painting distempering.

02. The issue has been examined in the light of relevant provisions of the Sales Tax Act, 1990. As regards the question of leviability of sales tax on the service charges of the services mentioned above, it is stated that the services of construction and civil works do not attract the levy of sales tax. Therefore, no sales tax would be leviable on the service charges of the following activities:

(i) masonry
(ii) carpentry
(iii) plumbing
(iv) electrification
(v) water supply maintenance
(vi) sui gas maintenance
(vii) replacement of un-serviceable items
(viii) furniture maintenance
(ix) white washing/painting/distempering

* 04. As regards the question of leviability of sales tax on goods consumed during the execution of the services mentioned in above para, it is clarified that no sales tax shall be leviable on the said goods provided:

a) the sales tax has been paid by the contractor at the time of procurement of goods;

(b) no supply of same state goods takes place and the goods supplied are consumed in civil works/repair e.g. paint consumed in white washing.

(c) no value addition is made as far as the goods are concerned: the contract consists of charges for services rendered and value of goods on actual basis.

(d) the activities/services of the contractors are not taxable: no sales tax is leviable on the goods supplied in the course or furtherance of non-taxable activity as per provisions of section 3 of the Act; and

(e) the activity of the contractor as such does not constitute supply of moveable goods and the items consumed in painting, repair of building

*error in para numbering as para “04” does not appear.

etc are becoming part of a building/ structure: according to section 3 of the Act read with section 2(12) ibid, sales tax is chargeable only on supply of movable goods.

05. In the light of above, it is held that such civil work contracts shall be out of the ambit of chargeability of sales tax which fulfill the criteria listed at paras-4(a) to(e).

(Wajid Ali)
Secretary (ST&FE-Budget)

Sales Tax Circular No. 04/2006 **Islamabad, the 12th July, 2006.**

SUBJECT: IMPLMENETATION OF SRO 645(I)/2006 DATED 21.6.2006 RELATING TO PESTICIDES AND ACTIVE INGREDIENTS THEREOF

To ensure smooth transition of sales tax regime for pesticides envisaged under SRO 645(I)/2006 dated 21.6.2006 and the previous notification SRO 553(I)/2006 dated 05.06.2006, the Central Board of Revenue is pleased to issue the following instructions:-

The registered persons dealing in pesticides shall be required to pay sales tax on fixed value addition of 15% in the sales tax return for the tax period of June, 2006 to be filed by 15.07.2006 on the stocks of finished pesticides held on 05.06.2006 and the stocks of active ingredients listed in SRO 645(I)/2006 held on 21.06.2006;

For this purpose, stock declarations of finished pesticides and active ingredients shall be made by the registered persons to the concerned Collectorate of Sales Tax and Federal Excise along with the return for June, 2006; and

The manner of calculation of due tax on fixed value addition of 15% shall be as under:-

(a) Customs duty paid value of imported pesticide/ active ingredients.

(b) Value addition for sales tax purpose = a x 15%

(c) Sales tax on value addition = b x 15%

(Wajid Ali)
Secretary (ST&FE-Budget)

Sales Tax Circular No. 05/2006 **Islamabad, the 21st August, 2006.**

SUBJECT: SIMPLIFIED ANNEX-B & C FOR COMMERCIAL IMPORTERS EXCLUSIVELY IMPORTING ZERO-RATED ITEMS.

Under the Sales Tax Special Procedures, 2006, the commercial importers are required to submit detailed quarterly statement namely Annex-B and an annual statement namely Annex-C in the prescribed format. The objective of Annex-B & C is to ensure payment of sales tax on the basis of actual value addition made by the commercial importers during a financial year. A number of commercial importers engaged exclusively in import and subsequent supply of zero-rated items have approached the Central Board of Revenue with the plea that in their case, there is no question of subsequent payment of sales tax on the basis of value addition, thus simplified Annex-B & C may be prescribed for such importers.

02. Keeping in view the genuine plea of the commercial importers engaged exclusively in import and subsequent local supply of zero-rated items, the Central Board of Revenue is pleased to prescribe simplified Annex-B & C in the formats given below for the importers exclusively importing zero-rated items to be submitted under the Sales Tax Special Procedures Rules, 2006 in lieu of the existing Annex-B & C format. The new simplified Annex-B & C shall not be applicable for the commercial importers importing other than zero-rated items.

Annex-B

QUARTERLY STATEMENT OF COMMERCIAL IMPORTERS UNDER ZERO-RATED REGIME

SALES TAX REGISTRATION NO. _____

NAME _____

ADDRESS _____

FOR THE QUARTER FROM: (Month/Year) _____ to (Month/Year) _____

IMPORTS DETAILS:

S. No.	Goods Declaration number and date	Description of zero-rated imported goods	Value of zero-rated imported goods.	Quantity of zero-rated imported goods.

SUPPLIES DETAILS:

S. No.	Name and registration number of the buyer	Description of zero-rated goods supplied	Value of zero-rated goods supplied.	Quantity of zero-rated goods supplied.

SIGNATURE _____
NAME _____
DESIGNATION _____
N.I. CARD NO. _____
DATE _____

Annex-C

ANNUAL STATEMENT OF COMMERCIAL IMPORTERS
UNDER ZERO-RATED REGIME

SALES TAX REGISTRATION NO. _____

NAME _____

ADDRESS _____

PERIOD: 1ST JULY _____ to 30TH JUNE, _____

DESCRIPTION OF ZERO-RATED GOODS IMPORTED:
(1) _____ (2) _____(3)_____

QUANTITY OF GOODS IMPORTED :

(1) _____ (2) _____(3)_____

VALUE IN (RS.) _____

SIGNATURE _____

NAME _____

DESIGNATION _____

N.I. CARD NO. _____

DATE _____

(Wajid Ali)
Secretary (ST&FE-Budget)

Sales Tax Circular No. 06/2006 Islamabad, the 12th September, 2006

Subject: WAIVER FOR SUBMISSION OF MONTHLY INVOICE SUMMARY.

The Central Board of Revenue vide SRO 559(I)/2006 dated 05.06.2006 has prescribed monthly invoice summary statements for purchases and sale required to be filed by all registered persons engaged in the import or supply of taxable goods except the persons engaged in the manufacturing or supply of goods relating to nine zero-rated sectors. The main objective of obtaining the monthly invoice summary is to put in place a system of automated verification of inputs for issuance of adjustment advices/refunds. Having reviewed the system in detail, the Central Board of Revenue is pleased to also exclude the following sectors from the purview of filing the summary statement to facilitate the taxpayers:

(i) Hotels/restaurants;

(ii) CNG stations;

(iii) Retailers;

(iv) Persons engaged exclusively in sale and purchase from unregistered persons;

(v) Persons engaged exclusively in import-cum-export and making no local purchases/supplies; and

(vi) Courier services.

(Wajid Ali)
Secretary (ST&FE-Budget)

Sales Tax Circular No. 7 of 2006 Islamabad, the 25th November, 2006.

Subject: WAIVER FOR SUBMISSION OF MONTHLY INVOICE SUMMARY

In continuation of Sales Tax Circular No. 6/2006 dated 12.09.2006, the Central Board of Revenue is pleased to include the following category of persons in the list of persons not required to file monthly invoice summary statement regarding sale/ purchase:

(i) Registered persons operating exclusively as steel melters (composite melting and re-rolling units are not included); and

(ii) Registered persons relating to computer industry including computer retailers (this waiver shall be available only until the tax period of February, 2007).

(Wajid Ali)
Secretary (ST&FE-Budget)

C. No. 3(13)ST-L&P/2003(Pt) dated 14.05.2007

Subject: EXTENSION IN DUE DATE FOR FILING OF SALES TAX RETURN AND FEDERAL EXCISE RETURN FOR PERSONS REGISTERED IN KARACHI.

I am directed to refer to the subject noted above and to say that the Central Board of Revenue, in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990, and section 43(2) of the Federal Excise Act, 2005, is pleased to permit filing of Sales Tax return and Federal Excise return up to 17th of May, 2007 which were otherwise due on 15th May, 2007. This permission applies to all registered persons falling within the jurisdiction of Large Taxpayers Unit, Karachi, and Sales Tax House, Karachi.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P)
Ph: 051-9204043, Fax: 051-9207470

Sales Tax Circular No. 01/2007 Islamabad, the 14th July, 2007
Subject: Filing of single return under section 26 of the sales tax act, 1990.

Some registered persons have approached the Board with the plea that due to SRO 466(I)/2007 dated 9.6.2007 and subsequent SRO 644(I)/2007 dated 27.06.2007, the rates of sales tax for various items have been changed twice during a tax period. Resultantly, the registered persons shall be required to file three different returns which might lead to hardship for taxpayers.

Keeping in view the genuineness of the problem mentioned above, the Board, in exercise of powers conferred under section 55 of the Sales Tax Act, 1990, is pleased to give an option to the registered persons to file a single sales tax return for the tax period June, 2007. The supplies/purchases charged to 15% may be shown in the relevant column whereas supplies/purchases charged to 17.5% and 20% may be clubbed and mentioned in the column relating to 'others' as provided in the return. It needs to be ensured that the net tax due as a result of the application of different rates is duly paid.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P)

Sales Tax Circular No. 02/2007 Islamabad, the 13th August, 2007
Subject: Extention in due date for filing of Sales Tax-Cum-Federal Excise return for the tax period July, 2007.

A number of registered persons have approached the Central Board of Revenue with the request for extension in the due date for filing of sales tax-cum-Federal excise return for the tax period July, 2007 to be familiar with the newly introduced return format for which the taxpayer education workshops are still underway in various cities and also due to the recent heavy rains in various areas of Sindh and Punjab.

02. In view of the aforesaid genuine reasons, the Central Board of Revenue is pleased to extend the due date for filing of sales tax-cum-Federal excise return for the tax period July, 2007 by 20th August, 2007. It is, however, again emphasized that all registered persons shall file sales tax-cum-Federal excise return (web based or normal) in the new format.

(Wajid Ali)
Secretary (ST&FE-Budget)

Sales Tax Circular No. 03/2007 **Islamabad, the 20th August, 2007**

Subject: Further ExtentionIn Due Date For Filing Of Sales Tax-Cum-Federal Excise Return For The Tax Period July, 2007.

A number of registered persons have approached the Central Board of Revenue with the request for extension in the due date for filing of sales tax-cum-Federal excise return for the tax period July, 2007 as the process for issuance of passwords and user ID for web filing of electronic returns has not been completed so far.

02. In view of the aforesaid genuine reason, the Central Board of Revenue is pleased to extend the due date for filing of sales tax-cum-Federal excise return for the tax period July, 2007 by 25th August, 2007.

(Wajid Ali)
Secretary (ST&FE-Budget)

Sales Tax Circular No. 04/2007 **Islamabad, the 17th September, 2007**

Subject: Extention in due date for filing of sales tax-cum-federal excise return for the tax period august, 2007.

A number of registered persons have approached the Central Board of Revenue with the request for extension in the due date for filing of sales tax-cum-federal excise return and summary statement for the tax period August, 2007 to be familiar with the newly introduced return format for which the taxpayer education is still underway through a media campaign & taxpayer workshops in various cities.

02. In view of the aforesaid genuine reasons, the Central Board of Revenue, in exercise of powers under section 74 of the Sales Tax Act, 1990, is pleased to extend the due date for filing of sales tax-cum-federal excise return and summary statement for the tax period August, 2007 to 20th September, 2007.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P)

C. No. 3(5)/ST-L&P/2007 **Islamabad, the 09th October, 2007**
Subject: Filing of Sales Tax Returns by Retailers

I am directed to refer to the subject noted above and to say that the Sales Tax Special Procedures Rules, 2007, have been amended vide notification no. SRO 1006(I)/2007 dated 3rd October 2007 whereby retailers have been required to file sales tax returns on quarterly basis. The Collectors are required to publicise this amendment and to ensure that sales tax returns for 1st quarter are filed by the due date in October 2007.

2. The return shall be filed in the normal sales tax return form STR-7 and the retailers can mention quarterly turnover in the space provided for value against "Others, please specify" in the supplies portion of return. The tax due shall be entered against the space for sales tax against the same entry.

3. Further, in order to determine quarterly payment, the quarterly turnover shall be multiplied by four to arrive at provisional annual turnover; and rate of 0.5% or 0.75% shall be selected as per criteria given in the notification and applied to quarterly turnover. This procedure shall be adopted in first three quarters. In the last quarter, final liability for the year shall be determined on the basis of actual annual turnover and the amount paid in three quarters shall be deducted to arrive at the balance payable with the last quarterly return.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P)
Ph: 051-9204043, Fax: 051-9207470

Sales Tax Circular No. 05/2007 **Islamabad, the 12th October, 2007**
Subject: EXTENSION IN DUE DATE FOR FILING OF SALES TAX-CUM-FEDERAL EXCISE RETURN FOR THE TAX PERIOD SEPTEMBER, 2007.

A number of registered persons have approached the Central Board of Revenue with the request for extension in the due date for filing of sales tax-cum-federal excise return and summary statement for the tax period September, 2007 on account of Eid holidays from 13th to 16th October, 2007.

02. In view of the aforesaid reason, the Central Board of Revenue, in exercise of powers under section 74 of the Sales Tax Act, 1990, and section 43(2) of the Federal Excise Act, 2005, is pleased to extend the due date for filing of sales tax-cum-federal excise return and invoice summary statement for the tax period September, 2007 to 23rd October, 2007.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P)

Sales Tax Circular No. 06/2007 **Islamabad, the 25th October, 2007**

Subject: EXTENSION IN DUE DATE FOR FILING OF SALES TAX-CUM-FEDERAL EXCISE RETURN FOR THE TAX PERIOD SEPTEMBER, 2007, FOR KARACHI BASED TAXPAYERS

A number of Karachi-based registered persons have approached the Central Board of Revenue with the request for further extension in the due date for filing of sales tax-cum-federal excise return and summary statement for the tax period September, 2007, on account of closure of business/ industry due to extra-ordinary circumstances.

02. In view of the aforesaid reason, the Central Board of Revenue, in exercise of powers under section 74 of the Sales Tax Act, 1990, and section 43(2) of the Federal Excise Act, 2005, is pleased to extend the due date for filing of sales tax-cum-federal excise return and invoice summary statements for the tax period September, 2007 to 27th October, 2007, by the registered persons falling in the jurisdiction of Large Taxpayers Unit, Karachi, and Sales Tax House, Karachi.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P)

C. No. 3(13)ST-L&P/2003(Pt) Islamabad, the 25th January, 2008
Subject: DISPOSAL OF CASES OF EXCESS INPUT TAX (NON-ZERO RATED SUPPLIES) FOR THE PERIOD PRIOR TO JULY 2007

I am directed to refer to the Board's letter of even number dated 22.11.2007 on the subject noted above whereby it was allowed that documents / RCPS for refund claims referred to in the said letter could be filed by 31st December 2007.

2. Several representations have been received in the Board wherein it has been requested to extend the said deadline in view of general unrest and closure of business in the country during the last few days of December 2007. The Board is pleased to accede to the request and allow, in exercise of powers under section 74 of the Sales Tax Act, 1990, to file documents/ RCPS for such refund claims up to 29th February 2008, in relaxation of the time limit specified in rule 28 of the Sales Tax Rules, 2006.

3. The above permission shall apply to the categories mentioned in the Board's aforesaid letter. The Collectors are also requested to publicise this facility so that maximum number of taxpayers can avail the same.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P)
Ph: 051-9204043, Fax: 051-9207470

Referred Letter:

C. No. 3(13)ST-L&P/2003(Pt) Islamabad, the 22nd November, 2007
Subject: disposal of cases of excess input tax (non-zero rated supplies) for the period prior to july 2007

Please refer to the subject noted above.

2. The procedure for issuance of adjustment advices has been discontinued with effect from 1.7.2007 by rescinding notifications SRO 666(I)/2005 and SRO 813(I)/2005. Questions have been raised regarding excess input tax (not relating to zero-rated supplies) falling in the categories below:

a) Excess input tax was claimed as refund in the return for June 2007 but adjustment notes could not be filed by registered persons for the reason that the procedure was withdrawn.

b) Unadjusted balance of adjustment advices against which only part adjustment could be made because of rescission of above said SROs and change in the return format.

c) Adjustment notes were filed by registered person but adjustment advice was not issued by the department.

3. The Board is of the view that refund claims as referred to above fall in purview of clause (c) of rule 26 of the Sales Tax Rules, 2006, and can be disposed of accordingly. However, most of such claims have become time barred under rule 28 of aforesaid rules for want of policy directives on the issue. Therefore, in order

to facilitate the taxpayers, the Board is pleased to extend the deadline for filing of claims relating to above said three categories, in exercise of powers under section 74 of the Sales Tax Act, 1990, up to 31st December, 2007.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P)
Ph: 051-9204043, Fax: 051-9207470

Sales Tax Circular No. 01/2008 **Islamabad, the 24th March, 2008**

Subject: Extension In Due Date For Electronic Filing Of Sales Tax-Cum-Federal Excise Return For The Tax Period February, 2008.

Due to a technical problem encountered in the eFBR portal on 15th March 2008, some taxpayers could not file their sales tax-cum-federal excise return for February 2008 on the web portal by the due date. The Federal Board of Revenue, in exercise of powers under section 74 of the Sales Tax Act, 1990, and section 43(2) of the Federal Excise Act, 2005, is pleased to extend the due date for electronic filing of sales tax-cum-federal excise return and invoice summary statements for the tax period February 2008 to 17th March, 2008.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P)

Sales Tax Circular No. 02/2008 **Islamabad, the 10th May, 2008**

Subject: Waiver for Submission of Monthly Invoice Summary.

Pakistan Computer Association has approached the Board that registered persons relating to computer industry who were exempt from filing the invoice summary statements till February, 2007 under Sales Tax Circular No. 7 of 2006 dated 25.11.2006 may further be exempted from filing the same till June, 2008.

02. The Board regrets to accede to the request of the Association. However, in order to streamline the filing of previous invoice summary statements, the Board is pleased to allow for filing of the same for the tax period from June 2007 to May 2008 according to the following schedule:

(i) The invoice summary statements for the tax period June, 2007 to December, 2007 will be filed by 31.05.2008; and

(ii) The invoice summary statements for the tax period January, 2008 to May, 2008 will be filed by 30.06.2008.

03. No penalties will be imposed on the registered persons who comply with the filing of invoice summary statements as per above schedule.

04. The retailers of computers shall remain exempt from the requirement of submission of invoice summary statements under Sales Tax Circular No. 6 of 2006 dated 12.09.2006.

(Asif Abbas)
Second Secretary (ST-Budget)

Sales Tax Circular No. 03/2008 Islamabad, the 17th May, 2008

Subject: EXTENSION IN DUE DATE FOR ELECTRONIC FILING OF SALES TAX-CUM-FEDERAL EXCISE RETURN FOR THE TAX PERIOD APRIL 2008 BY PERSONS REGISTERED IN LTU, Karachi.

Because of difficulties anticipated in transition from e-filing on Banxis to e-filing on FBR's e-portal, the Federal Board of Revenue, in exercise of powers under section 74 of the Sales Tax Act, 1990, and section 43(2) of the Federal Excise Act, 2005, is pleased to extend the due date for electronic filing of sales tax-cum-federal excise return and invoice summary statements for the tax period April 2008 to 20thMay, 2008, for registered persons falling in the jurisdiction of Large Taxpayers Unit, Karachi.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P

Sales Tax Circular No. 04/2008 Islamabad, the 12thAugust, 2008

Subject: EXTENTION IN DUE DATE FOR FILING OF SALES TAX AND FEDERAL EXCISE RETURN BY THE REGISTERED TAX PAYERS.

In excise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the due date for filing of Sales Tax and Federal Excise Return for the tax period July, 2008 upto 25th of August, 2008. However registered persons will pay due amounts of Sales Tax / FED by 15th August, 2008.

(Aftab Ahmad Bhatti)
Second Secretary (Sales Tax)

Sales Tax Circular No. 05/2008 Islamabad, the 16thAugust, 2008

Subject: EXTENSION IN DUE DATE FOR PAYMENT OF SALES TAX AND FEDERAL EXCISE DUTY BY THE REGISTERED TAX PAYERS.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the due date for payment of Sales Tax and Federal Excise Duty for the tax period July, 2008 upto 20thof August, 2008.

(AFTAB AHMAD BHATTI)
Second Secretary (STM)

Sales Tax Circular No. 06/2008 Islamabad, the 25th August, 2008

Subject: EXTENSION IN DUE DATE FOR PAYMENT OF SALES TAX AND FEDERAL EXCISE DUTY BY THE REGISTERED TAX PAYERS.

In excise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the due date for submission of Sales Tax and Federal Excise Return for the tax period July, 2008 up to 31st August, 2008. However, the last date for payment of due taxes shall remain unchanged at 20th August, 2008 as extended vide Sales Tax Circular no. 05/2008 dated 16.08.2008.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P

Sales Tax Circular No. 07/2008 Islamabad, the 30th August, 2008

Subject: EXTENSION IN DUE DATE FOR PAYMENT OF SALES TAX AND FEDERAL EXCISE DUTY BY THE REGISTERED TAX PAYERS.

In excise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the due date for submission of Sales Tax and Federal Excise Return for the tax period July, 2008 up to 5th September, 2008. However, the last date for payment of due taxes shall remain unchanged at 20th August, 2008 as extended vide Sales Tax Circular no. 05/2008 dated 16.08.2008.

2. No further extension for the aforesaid tax period shall be allowed.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P

Sales Tax Circular No. 08/2008 Islamabad, the 05th September, 2008

Subject: EXTENSION IN DUE DATE FOR PAYMENT OF SALES TAX AND FEDERAL EXCISE DUTY BY THE REGISTERED TAX PAYERS.

In excise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the due date for submission of Sales Tax and Federal Excise Return for the tax period July, 2008 up to 10th September, 2008. However, the last date for payment of due taxes shall remain unchanged at 20th August, 2008 as extended vide Sales Tax Circular no. 05/2008 dated 16.08.2008.

2. No further extension for the aforesaid tax period shall be allowed.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P

Sales Tax Circular No. 09/2008 Islamabad, the 15th September, 2008

Subject: EXTENSION IN DUE DATE FOR PAYMENT OF TAX / DUTY AND FILING OF SALES TAX AND FEDERAL EXCISE RETURN BY THE REGISTERED PERSONS.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the due date for payment of sales tax and federal excise duty, including special excise duty, for the tax period August 2008, up to 20th September 2008, and the due date for submission of Sales Tax and Federal Excise Return for the said tax period up to 25th September, 2008.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P

Sales Tax Circular No. 10/2008 Islamabad, the 26th September, 2008

Subject: EXTENSION IN DUE DATE FOR FILING OF SALES TAX AND FEDERAL EXCISE RETURN AND SPECIAL RETURN FOR PRODUCTION AND SUPPLIES.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the due date for submission of **Sales Tax and Federal Excise Return (STR-7)** and **Special Return for Production and Supplies** prescribed under SRO 863(I)/2008 dated 20.08.2008, for the tax period August, 2008, up to 30th September, 2008. However, the last date for payment of due taxes shall remain unchanged at 20th September, 2008, as extended vide Sales Tax Circular no. 09/2008 dated 15.09.2008.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P

Sales Tax Circular No. 11/2008 Islamabad, the 30th September, 2008

Subject: EXTENSION IN DUE DATE FOR FILING OF SALES TAX AND FEDERAL EXCISE RETURN, ANNUAL SALES TAX RETURN AND SPECIAL RETURN FOR PRODUCTION AND SUPPLIES.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the due date for submission of **Sales Tax and Federal Excise Return (STR-7)** and **Special Return for Production and Supplies** prescribed under SRO 863(I)/2008 dated 20.08.2008, for the tax period August, 2008, and **Annual Sales Tax Return** for the period 2007-08, up to 10th October, 2008. However, the last date for payment of due taxes for August 2008 shall remain unchanged at 20th September, 2008, as extended vide Sales Tax Circular no. 09/2008 dated 15.09.2008.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P

Sales Tax Circular No. 12/2008 Islamabad, the 17th October, 2008

Subject: EXTENSION IN DUE DATE FOR FILING OF SALES TAX AND FEDERAL EXCISE RETURN BY THE REGISTERED PERSONS.

In excise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the due date for submission of Sales Tax and Federal Excise Return for the tax period of September, 2008 up to 25th October, 2008. However, the last date for payment of due taxes shall remain unchanged i.e. 15th October, 2008.

(Muhammad Saqib)
Secretary (ST&FE-L&P)

Sales Tax Circular No. 13/2008 Islamabad, the 01st December, 2008

Subject: EXTENSION IN DUE DATE FOR FILING OF SALES TAX AND FEDERAL EXCISE RETURN BY THE REGISTERED PERSONS FOR OCT 2008.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend for the registered persons who have deposited payment by the stipulated date, the due date for filing of Sales Tax and Federal Excise Return of the tax period October 2008, up to 30th November 2008.

(Muhammad Saqib)
Secretary (ST&FE-L&P)

Sales Tax Circular No. 14/2008 Islamabad, the 16th December, 2008

Subject: EXTENSION IN DUE DATE FOR FILING OF SALES TAX AND FEDERAL EXCISE RETURN BY THE REGISTERED PERSONS FOR NOV 2008.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005 the Federal Board of Revenue is pleased to extend for the registered persons who have deposited payment by the stipulated dates, the due date for filing of Sales Tax and Federal Excise Return of the tax period Nov, 2008, up to 25th December, 2008.

(Muhammad Saqib)
Secretary (ST&FE-L&P)

Sales Tax Circular No. 01/2009 Islamabad, the 20th June, 2009

Subject: EXTENSION IN DUE DATE FOR FILING OF SALES TAX AND FEDERAL EXCISE RETURN BY THE REGISTERED PERSONS FOR TAX PERIOD MAY, 2009.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005 the Federal Board of Revenue is pleased to extend the due date for filing of Sales Tax and Federal Excise Return of the tax period May, 2009, up to 25th June, 2009 for the registered persons of RTO / LTU Karachi, provided they have paid Sales Tax & Federal Excise upto 15th June, 2009.

(Muhammad Saqib)
Secretary (ST&FE-L&P)

Sales Tax Circular No. 02/2009 Islamabad, the 08th July, 2009

Subject: EXTENSION IN DUE DATE FOR FILING OF REVISED SALES TAX AND FEDERAL EXCISE RETURN DUE TO DISCREPANCY NOTICES FOR TAX PERIODS OF JULY 2008 TO MARCH 2009.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005 the Federal Board of Revenue is pleased to extend the due date for filing of revised Sales Tax and Federal Excise Return due to "Discrepancy notices" issued by the Board for the tax periods of July 2008 to March 2009, to 31st July, 2009 for the registered persons of RTOs/ LTUs to whom such notices were issued.

(Muhammad Saqib)
Secretary (ST&FE-L&P)

Sales Tax Circular No. 03/2009 Islamabad, the 31st July, 2009

Subject: Extension in due date for filing of Sales Tax and Federal Excise return by the Register Persons for tax period of June 2009.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005 the Federal Board of Revenue is pleased to extend the due date for filing of Sales Tax and Federal Excise Return for the tax period of June, 2009, upto 5th August, 2009 for the registered persons of RTO Karachi/ LTU Karachi, provided they have paid payable Sales Tax and Federal Excise by 15th July, 2009 (or, as the case may be, the other original due date).

(Muhammad Saqib)
Secretary (ST&FE-L&P)

Sales Tax Circular No. 04/2009 Islamabad, the 31st July, 2009

Subject: Extension in the Commencement of SRO 603(I)/2009 dated 25-06-2009 till July 01, 2009.

The Federal Board of Revenue has received a number of requests for extension in the commencement of SRO 603(I)/2009 dated 25-06-2009. With a view to mitigating the hardship of the taxpayers, the Federal Board of Revenue, in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990, has been pleased to specify that the amendments notified under SRO 603(I)/2009 dated 25-06-2009 in the Sales Tax Withholding Rules, 2007 shall take effect from July 01st, 2009. A notification to this effect will follow in the due course. All concerned are requested to take necessary action accordingly.

(Muhammad Saqib)
Secretary (ST&FE-L&P)

Sales Tax Circular No. 05/2009 Islamabad, the 15th August, 2009

Subject: Extension in due date for filing of revised Sales Tax and Federal Excise return by the Register Persons for tax period of July 2009.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005 the Federal Board of Revenue is pleased to extend the due date for filing of Sales Tax and Federal Excise Return for the tax period of July, 2009, upto 25th August, 2009 provided the registered persons pay Sales Tax & Federal Excise by 20th August, 2009.

(Ihsan Ali Shah)
Secretary (ST&FE)

Sales Tax Circular No. 06/2009 Islamabad, the 26th August, 2009

Subject: Extension in due date for filing of Sales Tax and Federal Excise return by the Register Persons for tax period of July 2009.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005 the Federal Board of Revenue is pleased to extend the due date for filing of Sales Tax and Federal Excise Return for the tax period of July, 2009, upto 31st August, 2009 provided that the registered person has made payment of Sales Tax and/ or Federal Excise by 20th August, 2009.

(Muhammad Saqib)
Secretary (ST&FE-L&P)

Sales Tax Circular No. 07/2009 Islamabad, the 01st September, 2009

Subject: Extension in due date for filing of Sales Tax and Federal Excise return by the Register Persons for tax period of July 2009.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005 the Federal Board of Revenue is pleased to further extend the due date for filing of Sales Tax and Federal Excise Return for the tax period of July, 2009, upto 7th September, 2009 provided that the registered person has made payment of Sales Tax and/ Federal Excise by 20th August, 2009.

(Muhammad Saqib)
Secretary (ST&FE-L&P)

Sales Tax Circular No. 08/2009 Islamabad, the 16th September, 2009

Subject: Extension in due date for filing of Sales Tax and Federal Excise return by the Register Persons for tax period of August 2009.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005 the Federal Board of Revenue is pleased to extend the due date for filing of Sales Tax and Federal Excise Return for the tax period of August, 2009, upto 25th September, 2009 provided that the registered person has made or makes payment due of Sales Tax and Federal Excise by 18th September, 2009.

(Muhammad Sadiq)
Secretary (ST&FE-L&P)

Sales Tax Circular No. 09/2009 Islamabad, the 19th October, 2009

Subject: Extension in due date for filing of Sales Tax and Federal Excise return by the Register Persons for tax period of September, 2009.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the due date for filing of Sales Tax and Federal Excise Return for the tax period of September, 2009, upto 25th October, 2009 provided that the registered person has made or makes payment of due Sales Tax and Federal Excise by 20th October, 2009.

(Muhammad Sadiq)
Secretary (ST&FE-L&P)

C.No. 3(9)ST-L&P/2010 Islamabad, the 13th August, 2010

Subject: Extension in the date for payment of Taxes/Duty and filing of Sales Tax and Federal Excise returns for tax period July, 2010 due to Floods.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and Section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for payment of taxes/duty for the tax period July, 2010, and filing of Sales Tax /FED returns, up to 25th August, 2010.

(Fahad Ali Chaudhary)
Second Secretary (STM)

C.No. 3(9)ST-L&P/2010 Islamabad, the 14th September, 2010

Subject: Extension in the date for payment of Taxes/Duty and filing of Sales Tax/ Federal Excise duty returns for the period August, 2010.

In exercise of powers conferred under Section 74 of the Sales Tax Act, 1990 and Section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for payment of taxes/duty for the tax period August, 2010, and filing of Sales Tax/FED returns, up to 25th September, 2010.

(Fahad Ali Chaudhary)
Second Secretary (STM)

C.No. 3(9)ST-L&P/2010 Islamabad, the 15th October, 2010

Subject: Extension in the date for payment of Taxes/Duty and filing of Sales Tax/ Federal Excise duty returns for the period September, 2010.

In exercise of powers conferred under Section 74 of the Sales Tax Act, 1990 and Section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for payment of taxes/duty for the tax period September, 2010, and filing of Sales Tax/FED returns, up to 25th October, 2010.

(Fahad Ali Chaudhary)
Second Secretary (STM)

C.No. 3(9)ST-L&P/2010 Islamabad, the 16th November, 2010

Subject: Extension of the date for payment of Taxes/Duty and filing of Sales Tax/ Federal Excise duty returns for the period October, 2010.

In exercise of powers conferred under Section 74 of the Sales Tax Act, 1990 and Section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for payment of taxes/duty for the tax period October- 2010, and filing of Sales Tax/FED returns, up to 25th November, 2010.

(Fahad Ali Chaudhary)
Second Secretary (STM)

C.No. 3(9)ST-L&P/2010 Islamabad, the 14th December, 2010

Subject: Extension of the date for payment of Taxes/Duty and filing of Sales Tax/ Federal Excise duty returns for the period November, 2010.

In exercise of powers conferred under Section 74 of the Sales Tax Act, 1990 and Section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for payment of taxes/duty for the tax period November- 2010, and filing of Sales Tax/FED returns, up to 24th December, 2010.

(Fahad Ali Chaudhary)
Second Secretary (STM)

C.No. 3(9)ST-L&P/2010 Islamabad, the 23rd February, 2011

Subject: Extension of the date for payment of Taxes/Duty and filing of Sales Tax/ Federal Excise duty returns for the period January, 2011.

In exercise of powers conferred under Section 74 of the Sales Tax Act, 1990 and Section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for payment of taxes/duty for the tax period January, 2011, and filing of Sales Tax/FED returns, up to 28th February, 2011.

(YousafHaiderOrakzi)
Second Secretary (STM)

C.No. 1(140)C/(RGST)/2011 Islamabad, the 11th April, 2011

Subject: Clarifications and Implementation of SRO 283(I)/2011 dated 01.04.2011.

FBR, in consultation with the trade and industry, has recently revamped the zero-rating scheme of sales tax for five major export sectors i.e. textile, carpets, leather, surgical and sports goods earlier notified vide SRO 509(I)/2007 dated 09.06.2007. The reformed scheme has been notified vide SRO 283(I)/2011 dated 01.04.2011. Draft notification was duly shared with the concerned associations. Some associations and tax consultants have however, raised some questions for better understanding of the new scheme. All these questions have been examined in FBR. The issues raised in these questions are clarified as follows:-

(i) The expression "wholesaler" defined under clause (46) of section 2 of the Sales Tax Act, 1990 includes trader excluding a person who is exclusively involved in retail business.

(ii) Refund on capital goods, maintenance parts, lubricants, packing materials and other sector-specific used inputs not covered under SRO 283(I)/2011 shall be admissible only to the extent proportionate to zero-rated supplies. No refund shall be available against supplies made on payment of sales tax @ 6% or as the case may be, @ 4%. However, where the tax amounts received on 6% or 4% rates fall below the refund amount, the same may be minused from the refund and claim be filed only for the balance amount, if any.

(iii) Benefit of the said notification shall be available only to such persons who are operating their businesses in these five export sectors. Any supply made to a person doing business in sectors other than these sectors shall be chargeable to sales tax at standard rate as applicable under the law. Adjustment of input tax, if any, shall be admissible on such full-tax-paid supplies.

(iv) Zero-rating facility on electricity and gas shall remain available across-the-board to the manufactures (including manufacturer-cum-exporters) as per previous practice. The new industrial registrants may apply to FBR for this purpose. Wholesalers or commercial importers shall however, not be entitled to any such facility. Hence, they need not to so apply to FBR.

(v) The legal provisions quoted in the preamble of SRO 283(I)/2011 have been duly cleared by the Law & Justice Division to cover the following aspects in the notification on schematic basis:

(a) zero-rating of sales tax;

(b) changing of sales tax at lower rate(s) resulting in tax amounts below standard liability;

(c) bar of input tax adjustment;

(d) dispensation of tax liability over and above the reduced rates;

(e) restriction on scope of tax liability; and

(f) exemption of special excise duty.

(vi) In case of supplies made to retailers, tax shall be charged at the reduced rate as applicable. In case of purchases of finished goods, the retailers shall pay sales tax @4% to the sellers and they will also be required to pay upfront tax to the extent and in the manner as provided under Chapter-II of the Sales Tax Special Procedure Rules, 2007. However, the registered manufacturers or wholesalers shall pay sales tax only @ 4% on the retail sale of their finished products and no other tax liability shall accrue to them on such direct retail sales.

(vii) The affectivity of SRO 283(I)/2011 shall be interpreted as follows:

(a) The effect of SRO 231(I)/2011 dated 15.03.2011 and SRO 274(I)/2011 dated 27.03.2011 stands nullified ab initio.

(b) All goods covered under SRO 509(I)/2007 shall continue to enjoy zero-rating during the period from 15.03.2011 to 31.03.2011 to the extent applicable before 15-03-2011.

(c) The goods not covered under SRO 509(I)/2007 but added in SRO 283(I)/2011 shall be entitled to zero-rating facility with effect from 01-04-2011.

(d) The reduced rates of 6% and 4% shall be applicable on such supplies as are made on or after 01.04.2011

2. All LTUs and RTOs are directed to publicize the above clarifications widely and as and if needed, take due help from the concerned associations and trade bodies to bring new persons and businesses under registration-net for the

purpose of the said notification. A monthly report on new registrations and revenue receipts may be furnished to FBR by 25th of each month following the tax period. The first such report should reach the Board by 20th May, 2011 covering the information of new registrations from 1st April, 2011 to 20.09.2011. The first report must contain information on the efforts specifically/specially made by the LTUs/RTOs to increase registrations under the subject notification either with or without the assistance of the associations from the concerned five major export sectors.

3. If required peaceful physical surveys may be undertaken and potential registrants may be educated about the new scheme. Proper efforts may however, be made to ensure that prospective registrants are convinced for voluntary compliance in future. The concerned associations may be taken on board for survey and taxpayer education purposes. There is in fact a strong need to market the new scheme for voluntary registrations in the larger interest of the relevant industries and their exports. Compulsory registration measures shall be taken as a last resort.

(IftikharQutab)
Chief (RGST/ST&FE)

C.No. 3(9)ST-L&P/2010 Islamabad, the 12th April, 2011

Subject: E-Filing of Return under section 26 of Sales Tax Act, 1990. For the Tax Period March 2011.

I am directed to say that under SRO 231(I)/2011 dated 15.3.2011 there has been change in the rate of sales tax during the tax period March 2011. Under section 26(2) of the Sales Tax Act, 1990, a registered person is required to file a separate return in respect of each portion of tax period, March, 2011, showing the application of different rates of tax. The FBR is pleased to prescribe the following procedure / method to fulfil the provisions of section 26(2) of Sales Tax Act, 1990, for the tax period March-2011:-

"The details and summary information provided by the registered persons in the annexure of ST&FE returns will be considered separate returns as required under section 26(2) of Sales Tax Act, 1990, if information provided in the Annexure is shown separately with separate rates of Sales Tax / SED in separate line of information in the buyer/ supplier wise summary of the relevant annexure"

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)
Tel: 051-9216037

C.No. 3(9)ST-L&P/2010 Islamabad, the 15th April, 2011

Subject: E**xtension of the date for payment of Taxes / Duty and filing of Sales Tax / Federal Excise duty returns for the period March, 2011, for registered persons claiming benefit under SRO. 283(I)/2011 dated 01.04.2011.**

In exercise of the powers conferred under section 74 of the Sales Tax Act,

1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for payment of taxes / duty for the tax period March, 2011, and filing of Sales Tax / Federal Excise returns, up to 20th April, 2011, for registered persons claiming benefit under SRO. 283(I)/2011 dated 01.04.2011.

Fahad Ali Chaudhary)
Second Secretary (ST-L&P)
Tel: 051-9216037

C.No. 3(9)ST-L&P/2010 Islamabad, the 15th June, 2011

Subject: E**xtension of the date for payment of Taxes / Duty and filing of Sales Tax / Federal Excise duty returns for the period May, 2011, for registered persons claiming benefit under SRO. 283(I)/2011 dated 01.04.2011.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for payment of taxes / duty for the tax period May, 2011, and filing of Sales Tax / Federal Excise returns, up to 20th June, 2011, for registered persons claiming benefit under SRO. 283(I)/2011 dated 01.04.2011

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)

C.No. 1/28-STB/2011/93306-R Islamabad, the 28th June, 2011

Subject: **Clarification Regarding SRO 648(I)/2011 dated 25.06.2011.**

I am directed to refer to your letter dated 11.06.2011 with reference to SRO 648(I)/2011 Dated 25.06.2011 and to clarify that in a case where refund becomes due to any person in consequence of a decision or judgment at any stage after the issuance of this Notification, the sales tax or federal excise duty deposited by that person under this Notification shall be refunded to him.

(Adnan Iqbal Swati)
Second Secretary (ST-FE-Budget)

C.No. 3(9)ST-L&P/2010 Islamabad, the 15th July, 2011

Subject: E**xtension of the date for payment of Taxes / Duty and filing of Sales Tax / Federal Excise duty returns for the period June, 2011, for persons registered in LTU / RTOs, Karachi.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for payment of taxes / duty and filing of Sales Tax / Federal Excise returns, up to 22nd July, 2011, for the tax period June, 2011, for persons registered in LTU / RTOs Karachi.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)

C.No. 3(9)ST-L&P/2010 Islamabad, the 26th July, 2011

Subject: Amendments in the Sales Tax and Federal Excise Returns.

In order to facilitate taxpayers, streamline refund process and simplify certain procedures, few amendments in monthly Sales Tax and Federal Excise Return are being made. The amended return, effective from July, 2011, is being placed on FBR website for feedback from taxpayers / stakeholders. Any suggestion/ proposals for improvement may be e-mailed at the following address within a week. stcomments@fbr.gov.pk

(Abdul SattarAora)
Chief (ST&FE)Policy.

C.No. 3(9)ST-L&P/2010 Islamabad, the 10th August, 2011

Subject: E**xtension of the date for payment of Taxes / Duty and filing of Sales Tax / Federal Excise duty returns for the period July, 2011 for all registered persons.**

In exercise of the posers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for payment of taxes/ duty up to 20th August, 2011 and the date of filing of Sales Tax / Federal Excise returns, up to 30th August, 2011, for the tax period July, 2011, for all registered persons.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P).

C.No. 3(9)ST-L&P/2010 Islamabad, the 18th August, 2011

Subject: E**xtension of the date for payment of Taxes of Sales Tax / Federal Excise duty returns for the period July, 2011 for all registered persons.**

In exercise of the posers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for payment of taxes up to 25th August, 2011, for the tax period July, 2011, for all registered persons.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P).

C.No. 3(9)ST-L&P/2010 Islamabad, the 26th August, 2011

Subject: E**xtension of the date for payment of Taxes/ Duty and filing of Sales Tax/ Federal Excise Returns for the period July, 2011 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for payment of taxes/duty up to 30th August, 2011, and the date of filing of Sales Tax/Federal Excise Returns up to September, 2011, for the tax period July, 2011, for all registered persons.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)

C.No. 3(9)ST-L&P/2010 Islamabad, the 10th September, 2011

Subject: E**xtension of the date for Filing of Sales Tax / Federal Excise Returns for the periods July & August, 2011 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for filing of Sales Tax / Federal Excise returns, up to 20th September, 2011, for the tax periods July & August, 2011, for all registered persons.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P).

C.No. 3(9)ST-L&P/2010 Islamabad, the 15th September, 2011

Subject: **Extension of the date for payment of Taxes/ Duty for the period August, 2011 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the payment of taxes / duty up to 20th September, 2011, for the tax period August, 2011, for all registered persons.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P).

C.No. 3(9)ST-L&P/2010 Islamabad, the 20th September, 2011

Subject: E**xtension of the date for Filing of Sales Tax / Federal Excise Returns for the periods July & August, 2011 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for filing of Sales Tax / Federal Excise returns, up to 26th September, 2011, for the tax periods July & August, 2011, for all registered persons.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P).

C.No. 3(9)ST-L&P/2010 Islamabad, the 26th September, 2011

Subject: E**xtension of the date for Filing of Sales Tax / Federal Excise Returns for the periods July & August, 2011 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for filing of Sales Tax / Federal Excise returns, up to 30th September, 2011, for the tax periods July & August, 2011, for all registered persons.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P).

C.No. 3(9)ST-L&P/2010 Islamabad, the 30th September, 2011

Subject: E**xtension of the date for Filing of Sales Tax / Federal Excise Returns for the period August, 2011 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of filing of Sales Tax / Federal Excise returns, up to 05th October, 2011, for the tax period August, 2011, for all registered persons.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P).

C.No. 3(9)ST-L&P/2010 Islamabad, the 17th November, 2011

Subject: E**xtension of the date of Filing of Sales Tax / Federal Excise Duty Returns for the period October, 2011 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of filing of Sales Tax / Federal Excise returns, up to 25th November, 2011, for the tax period October, 2011, for all registered persons.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P).

C.No. 3(9)ST-L&P/2010 Islamabad, the 16th April, 2012

Subject: E**xtension of the date of Filing of Sales Tax / Federal Excise Duty Returns for the period March, 2012 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of filing of Sales Tax / Federal Excise returns, up to 20th April, 2012, for the tax period March, 2012, for all registered persons.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)

C.No. 3(9)ST-L&P/2010 Islamabad, the 20th April, 2012

Subject: E**xtension of the date of Filing of Sales Tax / Federal Excise Duty Returns for the period March, 2012 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of filing of Sales Tax / Federal Excise returns, up to 25th April, 2012, for the tax period March, 2012, for all registered persons.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)

C.No. (28)GST/CRO/2012/Pt-II Islamabad, the 08th May, 2012

Subject: Suspension of Registered persons – Uniformity in Procedure.

I am directed to refer to the subject and to say that various representations have been received in the Board regarding blocking, suspension and blacklisting of sales tax registration. In order to streamline the mechanism of suspensions/blacklisting the following instructions are being issued for implementation with immediate effect:

i. All such cases where suspension / blacklisting has already been made by the Central Registration Office on the recommendations of the Chief Registration Office on the recommendations of the Chief Commissioners be got reviewed at your end on priority to determine as to whether the action has been taken in accordance with the provisions of the Sales Tax Act, 1990 and Sales Tax Rules, 2006.

ii. In this regard attached is a list of those cases (soft copy of which has been e-mailed by CRO/ Joint Director) which have been suspended, blacklisted or blocked. The list is to be examined with a view to ascertain if the RPs have been suspended on the FBR web portal/ CRO data base through a written order of suspension or blacklisting, as the case may be, and to initiate the required action on top priority, accordingly.

iii. Only the Commissioner having jurisdiction having jurisdiction over the RP will order suspension/blacklisting and where the suppliers, buyers

are from other RTOs / LTUs, the facts of the case are to be forwarded to the concerned RTOs/LTUs for necessary action at their end.

iv. It is to be ensured that the written orer of suspension or blacklisting, as the case may be, has been passed strictly in accordance with the provision of the Sales Tax Act, 1990 and Sales Tax Rules, 2006 by the Commissioner having the jurisdiction over the RP and the RP has been intimated also.

2. These instructions are to be conveyed to the officers working under your administrative control and acknowledgement of the same be sent to the Board as well.

(Haroon Masood)
Secretary (IR-Automation)

C.No. 3(9)ST-L&P/2010 Islamabad, the 18th June, 2012

Subject: E**xtension of the date for payment of Taxes/Duty and Filing of Sales Tax / Federal Excise Return for the period May, 2012 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for payment of taxes/duty and filing of Sales Tax / Federal Excise return for the period May-2012, up to 25th June, 2012, for all registered persons.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)

C.No. 3(9)ST-L&P/2010 Islamabad, the 26th June, 2012

Subject: E**xtension of the date for payment of Taxes/Duty and Filing of Sales Tax / Federal Excise Return for the period May, 2012 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to further extend the date for payment of taxes/duty and filing of Sales Tax / Federal Excise return for the period May-2012, up to 30th June, 2012, for all registered persons.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)

C.No. 3(9)ST-L&P/2010 Islamabad, the 17th July, 2012

Subject: E**xtension of the date for payment of Taxes/Duty and Filing of Sales Tax / Federal Excise Return for the period June, 2012 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of payment of taxes/duty and filing of Sales Tax / Federal Excise returns upto 25th July, 2012, for the tax period June, 2012, for all registered persons.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)

C.No. 3(9)ST-L&P/2010 Islamabad, the 15th August, 2012

Subject: E**xtension of the date for payment of Taxes/Duty and Filing of Sales Tax / Federal Excise Return for the period July, 2012 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of payment of taxes/duty and filing of Sales Tax / Federal Excise returns upto 24th August, 2012 and 27th August, 2012 respectively for the tax period July, 2012, for all registered persons.

(Muhammad Zaheer Qureshi)
Secretary (Inland Revenue)

C.No. 3(9)ST-L&P/2010 Islamabad, the 15th August, 2012

Subject: E**xtension of the date for payment of Taxes/Duty and Filing of Sales Tax / Federal Excise Return for the period July, 2012 for all registered persons-Corrigendum.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of payment of taxes/duty and filing of Sales Tax / Federal Excise returns upto 24th August, 2012 and 27th August, 2012 respectively for the tax period July 2012 for all registered persons.

(Muhammad Zaheer Qureshi)
Secretary (Inland Revenue)

C.No. 3(9)ST-L&P/2010 Islamabad, the 30th August, 2012

Subject: E**xtension of the date for payment of Taxes/Duty and Filing of Sales Tax / Federal Excise Return for the period July, 2012 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of filing of returns upto 05th September, 2012, for the tax period July, 2012, however date of payment of tax shall be 30th August, 2012, for all registered persons.

(Muhammad Zaheer Qureshi)
Secretary (ST&FE-LP)

C.No. 3(9)ST-L&P/2010-118758-R Islamabad, the 05th September, 2012

Subject: E**xtension of the date for payment of Taxes/Duty and Filing of Sales Tax / Federal Excise Return for the period July, 2012 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of filing of returns upto 10th September, 2012, for the tax

period July, 2012, however date of payment of tax shall be 30th August, 2012, for all registered persons.

(Adnan Iqbal Sawati)
Secretary (STB)

D.O.No.1(68)Rev Bud/98/127410 Islamabad, the 25th September, 2012

Subject: Collection of duty & taxes on 29th and 30th September, 2012 by authorized branches of State Bank of Pakistan and National Bank of Pakistan.

Chairman FBR

My dear

The first quarter of Financial Year 2012-13 is closing on 30th September, 2012. Traditionally, bulk of revenue is collected during the last one or two days. To avoid the difficulties of the taxpayers in depositing the duty/ taxes, the State Bank of Pakistan and the National Bank of Pakistan on our request, have always cooperated by extending their working hours.

2. In order to facilitate the taxpayers, it is requested that instructions may kindly be issued to the authorized Branches of the State Bank of Pakistan and National Bank of Pakistan to remain open:-

(i) till 08.00 PM on Saturday the 29th September, 2012.

(ii) till 10.00 PM on Sunday the 30th September, 2012.

3. I may request further that instructions may kindly be issued to ensure that all taxes collected/ paid in these two days are accounted for towards the collection for the month of September, 2012.

With regards,

Yours sincerely,

(Ali Arshad Hakeem)

Mr. Yaseen Anwar
Governor,
State Bank of Pakistan,
Karachi.

The Chairman, APTMA, Karachi.

C.No. 1(140)(RGST)/2011(Pt-II) Islamabad, the 7th May, 2013

Subject: **Clarifications regarding amendments made in SRO 1125(I)/2011 dated 31.12.2011 through SRO 154(I)/2013 dated 28.02.2013.**

I am directed to refer to your email/letter dated 06-03-2013 on the subject cited above and to issue the following clarifications:

(i) Supplies of yarn are chargeable to sales tax @ 2%, whether made to registered or unregistered persons.

(ii) The sales tax paid @ 2% is adjustable by the registered buyers in accordance with relevant provisions of the Sales Tax Act, 1990 and rules made thereunder.

(Dr. Ashfaq Ahmed Tunio)
Chief (ST&FE)
Tel: 051-9219544

C.No. 3(9)ST-L&P/2010 Islamabad, the 15th May, 2013

Subject: E**xtension of the date for payment of Taxes/Duty and Filing of Sales Tax / Federal Excise Return for the period April, 2013 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of filing of payment / filling of returns upto 20th May, 2013, for the tax period April, 2013, for all registered persons.

(Fahad Ali Chaudhary)
Secretary (ST&FE-L&P)

C.No. 3(9)ST-L&P/2010 Islamabad, the 12th July, 2013

Subject: E**xtension of the date for payment of Taxes/Duty and Filing of Sales Tax / Federal Excise Return for the period June, 2013 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of filing of payment / filling of returns upto 25th July, 2013, for the tax period June, 2013, for all registered persons.

(Fahad Ali Chaudhary)
Secretary (ST&FE-L&P)

C.No. 3(9)ST-L&P/2010 Islamabad, the 22th July, 2013

Subject: E**xtension of the date for payment of Sales Tax/ Federal Excise Duty and Filing of Sales Tax / Federal Excise Return for the period June, 2013 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to further extend the date of payment of Sales Tax & FED and filing of Sales Tax /Federal Excise returns upto 29th July, 2013, for the tax period June, 2013, for all registered persons.

(Fahad Ali Chaudhary)
Secretary (ST&FE-L&P)

C.No. 3(9)ST-L&P/2010 Islamabad, the 15th August, 2013

Subject: E**xtension of the date for payment of Sales Tax/ Federal Excise Duty and Filing of Sales Tax / Federal Excise Returns for the period July, 2013 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is

pleased to extend the date of payment of Sales Tax & FED and filing of Sales Tax /Federal Excise returns upto 20th August, 2013, for the tax period July, 2013, for all registered persons.

(Fahad Ali Chaudhary)
Secretary (ST&FE-L&P)

C.No. 3(9)ST-L&P/2010 Islamabad, the 23rd August, 2013

Subject: E**xtension of the date for payment of Taxes/ Duty and Filing of Sales Tax / Federal Excise Returns for the period July, 2013 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to further extend the date of payment / filing of returns upto 27th August, 2013, for the tax period July, 2013, for all registered persons.

(Fahad Ali Chaudhary)
Secretary (ST&FE-L&P)

C.No. 3(9)ST-L&P/2010 Islamabad, the 23rd August, 2013

Subject: **Extension of the date for payment of Sales Tax / Federal Excise duty and filing of Sales Tax / Federal Excise returns for the period September, 2013 for all registered persons.**

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to further extend the date of payment Sales Tax & FED and filing of Sales Tax / Federal Excise returns upto 23rd October, 2013, for the tax period September, 2013, for all registered persons.

(Fahad Ali Chaudhary)
Secretary (ST&FE-L&P)

C.No. 3(9)ST-L&P/2010-151448 Islamabad, the 11th November, 2013

Subject: **Extension of the date for payment of Sales Tax / Federal Excise duty and filing of Sales Tax / Federal Excise returns for the period October, 2013 for all registered persons.**

In view of Yuma-e-Ashura falling on 15th of November, 2013 and the weekend following immediately, the Federal Board of Revenue, in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, is pleased to extend the date of payment of Sales Tax & FED and filing of Sales Tax / Federal Excise returns upto 20th November, 2013, for the tax period October, 2013 for all registered persons.

(Fahad Ali Chaudhary)
Secretary (ST&FE-L&P)

C.No. 3(3)ST-L&P/2014-26035 Islamabad, the 18th February, 2014

Subject: **Introduction of New Risk-Based Sales Tax Registration Procedure.**

In order to simplify and expedite the sales tax registration procedure, a new automated, risk-based registration system called "RegSys' has been developed by FBR. A number of improvements have been made in this revised procedure to expedite registration while minimizing the risk of dubious registrations. These changes have been notified by amendment made in the Sales Tax Rules, 2006 through SRO 79(I)/2014 dated 31.01.2014, available on FBR's website.

2. The main features of the new procedure are summarized below:

(a) The application form for sale tax registration has been merged with that for income tax registration (TRF-01). Thus, a person can apply for both NTN and sales tax registration at the same time.

(b) A person required to be registered under Rule 4 of the Sales Tax Rules, 2006 is now required to fill in the online application form (TRF-01) available on the FBR website. Instructions for filling in the form are available on it, and a detailed User Guide is also available on the website.

(c) The documents required to be furnished in support of the application have now been specified in the Rules. These include CNICs/passports of owners, partners or directors (as the case may be), registration/ incorporation certificate or partnership deed, bank account certificate, lease/rent agreement (in case of rented property) and ownership documents of the premises, latest utility bills and list of machinery installed (in case of manufacturers). Scanned copies of the supporting documents are to be electronically attached with the application.

(d) In order to reduce visits of field staff to business premises, applicants are now asked to attach/upload digital GPS-tagged photographs of their business premises, machinery installed (if any), and electricity and gas meter as the case may be, using the electronic application "Verisite" provided for the purpose. This Android-based application is available on the website "Google Play", and can be downloaded on any Android-enabled mobile telephone.

(e) Instructions for downloading and installing it have been made available on FBR's website. Submission on GPS-tagged photographs will enable FBR to easily confirm the location and existence of the business, without deputing officials for physical verification.

(f) Applicants who are unable to file applications online have the option to approach the Local Registration Office (LRO) of their concerned RTO for assistance.

(g) The submitted application shall be processed electronically by RegSys. In case the application is found incomplete or incorrect, objection memo shall be issued electronically to the applicant, allowing him a period of 10 days to remove the objections before the application is rejected.

(h) If the application is complete, and all particulars are verified, it shall be assigned a risk score by RegSys. In case of low risk score, the rregistration* certificate will be directly issued by RegSys and sent to the applicant by courier service. Remaining applications shall be sent to the concerned Local Registration Office (LRO) for further inquiry which may include physical verification.

*it should be registration.

(i) The role of Central Registration Office (CRO) has been minimized in the new system. Now, the residual functions shall be performed by Secretary (IR Automation). However, Local Registration Offices (LRO) will continue to conduct physical verification and other inquiries as required under the new system.

(j) By introducing this system, it is expected that substantial number of applications would be disposed of automatically through RegSys. This would facilitate genuine applicants and prevent undue delays and complaints about sales tax registration.

3. All RTOs and trade bodies are requested to inform and assist the applicants for filing applications for registration under the new procedure. Any difficulty or problem may be brought to the notice of the Board. Technical difficulties or issues may be referred to farhat.yamin@pral.com.pk

(Dr. Ashfaq Ahmed Tunio)
Chief (Automation & ST)

C.No. 1(8)Rev Bud/98 Islamabad, the 20th March, 2014

Subject: **Collection of duty & taxes on 29th and 31st March, 2013*by authorized branches of State Bank of Pakistan, National Bank of Pakistan and National Institute of Facilitation Technologies (NIFT0.*it should be 2014**

I am directed to refer to the subject and to say that authorized branches of State Bank of Pakistan, National Bank of Pakistan and National Institute of Facilitation Technologies (NIFT) will remain open on Saturday 29th March, 2014 and Monday 31st March, 2014 on the request of Federal Board of Revenue for collection of duties/ taxes.

2. All field offices will remain open and observe working hours i.e. 09:00 AM to 05:00 PM on Saturday 29th March, 2014 and on Monday 31st March, 2014 the office will remain open till 10:00 PM for collection of duties / taxes. The banks will also remain open for the time mentioned above.

3. Acknowledgment of having received these instructions please be sent to the Board by return of fax.

(FareenaMazhar)
Chief (Revenue & Operations)
Ph# 051-9203807

No. 10788/RTO/ATD/2014 Islamabad, the 22nd May, 2014

Subject: **Income /Wealth Tax, Sales Tax & Federal Excise Jurisdiction Order.**

In continuation of this office Order No. 8693/RTO/ATD/2014 dated 09.04.2014, the charge of Local Registration Office (LRO) is hereby assigned to the Officer In-charge of Unit-12 (Sales Tax Refund, A&P and LRO) as per following specification:

Powers & Functions	Jurisdiction
(I)	**(II)**
Processing of application/cases for Sales Tax Registration, De-registration Change-in-Particulars as	All Individuals, AOP and Corporate cases

required under Section 14 of the Sales Tax Act, 1990 read with Chapter-I of Sales Tax Rules, 2006 notified vide SRO 555(I)/2006 dated 05.06.2006 and Section 13 of the Federal Excise Act, 2005 read with Chapter-II of Federal Excise Rules, 2005 notified vide SRO 534(I)/2005 dated 06.06.2005.	falling in the jurisdiction of Regional Tax Office, Abbottabad

2. This Order shall take effect from 09.04.2014.

(Lal Muhammad Khan)
Commissioner IR (Zone-I & II)
Regional Tax Office, Abbottabad

C.No. 3(9)ST-L&P/2010-115211-R Islamabad, the 15th August, 2014

Subject: Extension of the date for payment of Sales Tax / Federal Excise duty and filing of Sales Tax / Federal Excise returns for the period July, 2014 for all registered persons.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of payment of Sales Tax & FED and filing of Sales Tax / Federal Excise returns upto 22nd August, 2014, for the tax period July, 2014, for all registered persons.

(ZulfiqarHussain Khan)
Chief (ST&FE-Policy)

C.No. 3(9)ST-L&P/2010-118327 Islamabad, the 22nd August, 2014

Subject: Extension of the date for payment of Sales Tax / Federal Excise duty and filing of Sales Tax / Federal Excise returns for the period July, 2014 for all registered persons.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to further extend the date of payment of Sales Tax & FED and filing of Sales Tax / Federal Excise returns upto 27th August, 2014, for the tax period July, 2014, for all registered persons.

(ZulfiqarHussain Khan)
Chief (ST&FE-Policy)

C.No. 3(9)ST-L&P/2010-112693 Islamabad, the 17th August, 2015

Subject: Extension in the date for submission of Sales Tax / Federal Excise duty return for the period July, 2015 for all registered persons.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of submission of Sales Tax/Federal Excise return upto 21st August, 2015, for the tax period July, 2015, for all registered persons.

2. It may be clarified that there will no change in the date of payment of Sales Tax & FED dues for July, 2015, which already stands extended to 17th August, 2015 by virtue of section 10 of the General Clauses Act, 1897.

(Abdul Hameed Memon)
Chief (Automation & Sales Tax)
Tel: 051-9204520

C.No. 3(9)ST-L&P/2010-131070-R Islamabad, the 21st September, 2015

Subject: Extension in the date for submission of Sales Tax / Federal Excise return and payment challan for the period August, 2015 for all registered persons.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of submission of Sales Tax/Federal Excise return and payment of sales tax and federal excise duty due upto 28th September, 2015, for the tax period August, 2015, for all registered persons.

(ThariqHussain Shaikh)
Secretary (IR-ST & FE) Law, Procedure & Exemptions

C.No. 9(11)ST-LP&E/Misc./2016/93088-R Islamabad, the 15th July, 2016

Subject: Extension in the date for submission of Sales Tax / Federal Excise return for the period June, 2016.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of payment of sales tax and federal excise duty due from 15.07.2016 to 18.07.2016 and the date of submission of sales tax and federal excise return from 18.07.2016 to 21.07.2016 for the tax period June, 2016.

(RazaAshfaq Shaikh)
Secretary Inland Revenue (Law, Procedure & Exemptions)

C.No. 9(11)ST-LP&E/Misc./2016 Islamabad, the 11th August, 2016

Subject: Extension in the date for submission of Sales Tax and Federal Excise return for the period of July, 2016.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of submission of annexure-C and annexure-I of the sales tax and federal excise return from 10.08.2016 to 15.08.2016, the date of payment of sales tax and federal excise duty from 15.08.2016 to 18.08.2016 and the date of submission of sales tax and federal excise return from 18.08.2016 to 22.08.2016 for the tax period of July, 2016.

(RazaAshfaq Shaikh)
Secretary Inland Revenue (Law, Procedure & Exemptions)

C.No. 9(11)ST-LP&E/Misc./2016 Islamabad, the 15th September, 2016

Subject: Extension in the date for submission of Sales Tax and Federal Excise return for the period of August, 2016.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of submission of annexure-C and annexure-I of the sales tax and federal excise return from 10.09.2016 to 19.09.2016, the date of payment of sales tax and federal excise duty from 15.09.2016 to 22.09.2016 and the date of submission of sales tax and federal excise return from 18.09.2016 to 23.09.2016 for the tax period of August, 2016.

(RazaAshfaq Shaikh)
Secretary Inland Revenue (Law, Procedure & Exemptions)

C.No. 9(1)ST-LP&E/Misc./2016 Islamabad, the 14th June, 2018

Subject: Extension in the date for submission of Sales Tax and Federal Excise return for the period of May, 2018.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is please to extend the date of payment of sales tax and federal excise duty upto 20.06.2018 and the due date of submission of sales and federal excise return upto 22.06.2018 for the tax period of May, 2018 due to Eid-ul-Fitr holidays.

(JavaidHussain Butt)
Second Secretary (ST&FE Law, A&R)

C.No. 5/93-STB/2018/89721-R Islamabad, the 23rd July, 2018

Subject: Sales Tax and Federal Excise Duty measures introduced through Finance Act, 2018 and Budgetary SROs - Instruction regarding.

I am directed to refer to the subject cited above and to say that budgetary measures relating to sales tax and federal excise duty have been notified through Finance Act, 2018 and also through various SROs issued in exercise of powers conferred under the relevant laws. A brief summary of the measures is given below for ease of understanding and necessary action by the field formations. At the same time, field formations are requested to consult the provisions of Finance Act, 2018 and notifications/SROs for proper appraisal of the provisions. Summary of the measures under these tax laws i.e. Sales Tax Act, 1990 and Federal Excise Act, 2005 is given hereW1der:

A. SALES TAX ACT, 1990

1. <u>Increase in rate of further tax:</u>

Rate of further tax chargeable under section 3(1A) of the Sales Tax Act, 1990 has been enhanced from 2% to 3% by making necessary amendments in the said section vide Finance Act, 2018. Field formations are requested to enforce the said provision.

2. Disallowance of input tax adjustment on import of compressor scrap:

Input tax adjustment on import of compressor scrap (PCT heading 7204.4940) has been disallowed through insertion of clause (m) in sub-section (1) of section 8 of the Sales Tax Act, 1990. Field formations are requested to examine the cases wherein such input tax adjustment has been claimed and take necessary action thereon.

3. Assessment giving effect to an order:

A new section 11B has been introduced in the Sales Tax Act, 1990 to provide for giving appeal effect to the order of an Appellate Authority. Such an appeal effect order has to be issued within one year from the end of the Financial Year in which the order of the Appellate Authority is received. Field formations are requested to comply with the provisions of section 11B of the Sales Tax Act, 1990.

4. Restriction imposed on conduct of audit:

A new proviso has been added after sub-section (2) of section 25 of the Sales Tax Act, 1990 stipulating conduct of audit only once in every three years.

5. Posting of Inland Revenue Officers under 40B of the Sales Tax Act, 1990:

Section 40B of the Sales Tax Act, 1990 has been amended to withdraw powers from the Chief Commissioners to post officers of Inland Revenue to the business premises of registered persons and these powers will henceforth rest with the Board. Likewise, proviso and explanation to section 40B have also been omitted meaning thereby that powers of Commissioners Inland Revenue to post officers to the business premises to monitor production or sale of goods and stock position have also been withdrawn.

6. Payment of tax to qualify for automatic stay:

Condition of payment of 25% of the amount of tax involved to qualify for automatic stay against recovery till disposal of appeal by the Commissioner (Appeals) has been reduced to 10% through amendment made in section 48 of the Sales Tax Act, 1990. Field formations are requested to adhere to this' provision and do not initiate recovery proceedings till disposal of appeal by the Commissioner (Appeals) in those cases where 10% of the amount of tax involved has been paid.

7. Validation section:

Section 74A of the Sales Tax Act, 1990 inserted through Finance Act, 2017 pertaining to validation of notifications, orders suffering from any procedural infirmity has been amended to provide validation to all notifications and orders issued in exercise of powers conferred upon the Federal Government under various provisions of the Sales Tax Act, 1990. Through amendment made in section 74A of the Sales Tax Act, 1990, validation has been granted to all notifications and orders issued before the commencement of Finance Bill, 2018. Likewise, validation has also been granted to all the actions taken by the Director General Intelligence and Investigation-IR or authorities specified in section 30.

8. Restoration of zero-rating for stationery:

Zero-rating available to stationery items withdrawn through Finance Act, 2016 has been restored through necessary amendments in the Fifth Schedule to the Sales Tax Act, 1990.

9. Exemption from sales tax under Table-1 of the Sales Tax Act, 1990:

Exemption from sales tax has been granted to the following:

(i) Paper for printing of Holy Quran
(ii) Fish feed
(iii) Fans for dairy farms
(iv) Bovine semen
(v) Preparations for making animal feed
(vi) Promotional and advertisement material of no commercial value
(vii) Hearing aids
(viii) LNG imported by fertilizer manufacturers for use as feed stock
(ix) Plant, machinery, equipment etc. for certain CPEC projects which were earlier available under SROs
(x) Goods supplied to GIZ (earlier available under SRO)

10. Exemption from sales tax under Table-2 of the Sales Tax Act, 1990:

Exemption from sales tax on local sale/supply of match boxes has been granted through necessary insertion in Table-2 of the Sales Tax Act, 1990. However, to compensate for loss of revenue resulting from this exemption, sales tax @ Rs. 40 per kg alongwith 17% standard rate has been imposed on import and supply of chief raw material of match boxes i.e. potassium chlorate.

11. Non-availability of exemption to bricks and crushed stone:

Exemption from sales tax on local supply of bricks and crushed stone was available upto 30th June, 2018 under S. No. 19 and 20 of Table-2 of the Sales Tax Act, 1990. By virtue of this sunset clause, exemption from sales tax is no more available to bricks and crushed stone with effect from 01.07.2018. Field formations are requested to proceed under the law to bring units of bricks and stone crushing in the tax net and for recovery of sales tax due.

12. Exemption from sales tax under Table-3 of the Sales Tax Act, 1990:

Exemption from sales tax has been granted to the following:

(i) Machinery, equipment, raw material etc. imported by Karachi Shipyard and Engineering Works
(ii) 21 types of parts for manufacturing and assembling of computers and laptops subject to certain conditions.
(iii) Plant and machinery for setting up of Special Economic Zones.

13. Reduced rate under Eighth Schedule to the Sales Tax Act, 1990:

(i) Reduced sales tax rate of 7% on agricultural machineries specified under S. Nos. 26, 27, 28, 29 and 30 of Table-I of the Eighth Schedule to the Sales Tax Act, 1990 has been further reduced to 5%.
(ii) Ad valorem rate of 5% on urea and specific sales tax rates on other fertilizers i.e. DAP, NP (22-20), NP (18-18), NPK-I, NPK-II, NPK-III, SSP and CAN have been omitted and instead uniform ad valorem rate of 2% has been prescribed for all types of fertilizers.
(iii) Rate of sales tax @ 10% on supply of natural gas to fertilizer plant for use as feed stock has been further reduced to 5% in view of reduction in rate of sales tax to 2% on fertilizers across the board. Likewise, rate of sales tax on import of rock phosphate for fertilizer industry has been reduced to 10%.

(iv) Rate of sales tax on import of LNG/RLNG and on supply of RLNG has been reduced to 12%.

(v) Reduced sales tax rate of 5% has been provided for 21 types of cinematographic equipment subject to certain conditions.

(vi) Reduced sales tax rate of 12% on Lithium Iron Phosphate Batteries (Li-Fe-P04) and rate of 5% on fish babies has been provided.

(vii) Reduced sales tax rate of 5% has been provided on capital goods not otherwise exempted for transmission line projects subject to certain conditions.

14. Amendments introduced through SROs:

(i) **Amendments in Sales Tax Special Procedure Rules, 2007:**

Amendments in Sales Tax Special Procedure Rules, 2007 have been introduced through SRO 775(1)/2018, dated 21.06.2018 which include:

(a) Exclusion has been provided from minimum value addition tax chargeable under Rule-58B on import of LNG/RLNG and second hand and worn clothing

(b) Sub-rule (1), first and second provisos to sub-rule (2) of rule-58H have been amended to provide for payment of sales tax @ Rs. 13 per unit of electricity instead of previous rate of Rs. 10.5 per unit of electricity by steel sector who qualify for payment of sales tax under Sales Tax Special Procedure Rules, 2007. Field formations are requested to coordinate with DISCOs under their respective jurisdiction for incorporation of above changes in electricity bills of steel sector and ensure payment of sales tax at the revised rates.

(c) Sub-rule (2A) of rule-58H has been amended to provide for levy of sales tax @ Rs. 10,400 PMT instead of previous rate of Rs. 8,400 PMT on import of remeltable iron and steel scrap by importers not eligible for discharge of sales tax liability under Sales Tax Special Procedure Rules, 2007. Customs Authorities are requested to enforce new rates. Similar changes have been made in sub-rule (2B) of Rule-S8H with respect to revision in rate of sales tax on local supplies of remeltable iron and steel scrap.

(d) Sub-rule (2) of rule-58Ha has been amended to provide for rate of sales tax @ Rs. 3,088 against the previous rate of Rs. 2,494 provided in the formula of the said sub-rule for calculation of sales tax liability of steel sector producing electricity with the help of gas generator.

(e) Rate of sales tax under sub-rule (3) of rule-58H for steel sector operating on self-generating electricity has been enhanced from Rs. 68,687 to Rs.84,422 for calculation of sales tax liability on the basis of mill size

(f) Corresponding changes have been made in rule-58I to provide for revised rates of sales tax to be shown on invoices of various categories of steel products.

(g) Amendments have been made in rule-58K to provide for rate of sales tax @ Rs. 55,883 instead of previous rate of Rs. 50,000 on supply of rerollable scrap by ship breakers. Value of imported re-rollable scrap

for the purpose of levy of sales tax has been fixed atRs. 52,000 PMT instead of previous rate of US$ 480 PMT. Customs Authorities are requested to charge sales tax on import of re-rollable scrap at the revised rate in Pak Rupees.

(h) S. No. 3 of Table to Rule-58S has been omitted meaning thereby that *"foam or spring mattresses and other foam products for household use"* shall not be subject to 2% extra tax chargeable under Rule-58T. It may be noted that under Rule-58T(5), goods on which extra tax @ 2% has been paid shall be exempt from sales tax on subsequent supplies including those made by a retailer. In view of exclusion from extra tax under Rule-58T provided to foam industry, it is requested that payment of sales tax from subsequent supply chain including wholesalers, dealers and retailers of foam products may be ensured.

(ii) <u>Zero-rating of sales tax on import of potato</u>

Zero-rating of sales tax on import of potato had already been granted in the year 2014. However, to remove the anomaly created out of inadvertent rescission of zero-rating SRO retrospective zero-rating has been granted on import of 200,000 metric tonnes of potatoes already imported during 5th May, 2014 to 31st July, 2014 vide SRO 776(I)/2018, dated 21.06.2018. Customs Authorities are requested to allow benefit of the said SRO to the importers.

(iii) <u>Amendments in SRO 1125(1)12011, dated 31.12.2011:</u>

Following further amendments have been made in SRO 1125(I)/2011, dated 31.12.2011 through SRO 777(I)/2018, dated 21.06.2018:

(a) Rate of sales tax on supplies of finished fabric to and by retailers, supplies of finished fabric to end consumers and other supplies of finished fabric covered under S. No. 1(vii) of Table-2 of the SRO has been enhanced from 6% to 9%. Likewise, rate of sales tax on commercial import of fabric covered under S. No. 1(viii) of Table-2 of the SRO has been enhanced from 6% to 9% alongwith 2% value addition tax already attracted on such imports.

(b) Rate of sales tax on locally manufactured of finished articles of textile and textile made-ups (including carpets and leather and artificial leather) covered under S. No.3 of Table-2 has also been enhanced from 6% to 9%.

(c) Rate of sales tax on import of finished goods of textile and leather sector ready to use for general public provided @ 6% alongwith 2% value addition tax under SRO 1070(I)/2017, dated 23.10.2017 (an amending SRO 1125(I)/2011, dated 31.12.2011) has been enhanced to 9% alongwith 2% value addition tax already attracted. The benefit of reduced rate of 9% has also been extended to finished goods of artificial leather alongwith leather. For the sake of clarity, descriptions and PCT headings of finished goods of leather and artificial leather have also been provided through insertion of Table in SRO 777(I)/2018 , dated 21.06.2018. Rate of sales tax on supply of such imported finished goods has also been provided @ 9%.

(d) Proviso to condition (x) of SRO 1125(I)/2011, dated 31.12.2011 inserted through SRO 491(I)/2016, dated 30.06.2016 has been omitted meaning thereby that input tax credit or refund on packing materials shall be admissible to sectors covered by SRO 1125(I)/2011 , dated 31 .12.2011.

(e) A new condition (xv) has been inserted to provide rate of sales tax @ 6% instead of 9% on supplies covered under sub-serial (vii) of S.No. 1 and S.No.3 of Table-2 for those registered persons who are integrated with FBR online system and data is transmitted to FBR Central Database in near real time from such date, mode and manner as to be prescribed by the Board.

(f) Rate of further tax has been prescribed @ 1 % on supplies of finished fabrics by amending condition (xiv) of SRO 1125(1)/2011, dated 31.12.2011.

(iv) Rescission of SRO 9620)12015, dated 30.09.2015:

SRO 962(1)12015, dated 30.09.2015 prescribing sales tax @ 20% on import and supply of furnace oil (PCT heading 2710.1941) has been rescinded with effect from 01.07.2018 meaning thereby that import and supply of furnace oil shall be subject to sales tax at the standard rate of 17% with effect from the said date.

(v) Rescission of certain exemption SROs:

The following SROs granting exemption from sales tax on plant, machinery, equipment, materials etc. in respect of CPEC projects and granting exemption from sales tax to goods supplied to GIZ have been rescinded for the reason that the exemptions have been transposed to Sixth Schedule to the Sales Tax Act, 1990 and Third Schedule to the Federal Excise Act, 2005:

(a) No. S.R.O. 499(1)/2016, dated the 27th July, 2016;

(b) No. S.RO. 721(1)/2016, dated the 8th August, 2016;

(c) No. S.R.O. 42(1)12017, dated the 26th January, 2017;

(d) No. S.RO. 139(1)/2017, dated the 6th March, 2017; and

(e) No. S.RO. 47(1)/2018, dated the 23rd January, 2018.

(vi) Exemption from further tax:

Exemption from further tax chargeable @ 3% with effect from 01.07.2018 has been provided on supplies of foam industry by amending SRO 648(1)/2013, dated 09.07.2013 through SRO 780(1)/2018, dated 21.06.2018.

(vii) Amendment in SRO 488(1)/2004, dated 12.06.2004:

Under SRO 488(1)/2004, dated 12.06.2004, a registered person is not entitled for adjustment of input tax in respect of goods listed in the said SRO if they are supplied to unregistered persons. Clause (ba) was inserted in SRO 488(1)/2004, dated 12.06.2004 through SRO 315(1)/2005, dated 15.04.2005 whereunder no input tax adjustment was available to a registered person in respect of sugar supplied to unregistered wholesalers and dealers. The SRO 315(1)/2005, dated 15.04.2005, however, was held in abeyance by the Board immediately after its Issuance.

Amendments have been made in SRO 488(I)/2004, dated 12.06.2004 vide SRO 825(1)/2018, dated 29.06.2018. Clause (ba) has been omitted from SRO 488(1)/2004, dated 12.06.2004 and shall be deemed always to have been so made; meaning thereby that input tax adjustment shall be admissible to a registered person in respect of supply of sugar to unregistered wholesalers and dealers. However, this omission is subject to the condition that no refund or adjustment of sales tax recovered under omitted clause (ba) shall be admissible.

B. FEDERAL EXCISE ACT, 2005

1. Assessment giving effect to an order:

A new section 14B has been introduced in the Federal Excise Act, 2005 to provide for giving appeal effect to the order of an Appellate Authority. Such an appeal effect order has to be issued within one year from the end of the Financial Year in which the order of the Appellate Authority is received. Field formations are requested to comply with the provisions of section 14B of the Federal Excise Act, 2005.

2. Payment of duty to qualify for automatic stay:

Condition of payment of 25% of the amount of duty involved to qualify for automatic stay against recovery till disposal of appeal by the Commissioner (Appeals) has been reduced to 10% through amendment made in section 37 of the Federal Excise Act, 2005. Field formations are requested to adhere to this provision and do not initiate recovery proceedings till disposal of appeal by the Commissioner (Appeals) in those cases where 10% of the amount of duty involved has been paid.

3. Posting of Inland Revenue Officers under section 45(2) of the Federal Excise Act, 2005:

Sub-section (2) of section 45 of the Federal Excise Act, 2005 has been amended and proviso thereto has been omitted withdrawing powers from the Chief Commissioners and the Commissioners to post officers of Inland Revenue to the business premises of registered persons and these powers will henceforth rest with the Board only.

4. Restriction imposed on conduct of audit:

A new sub-section (10) of section 46 of the Federal Excise Act, 2005 stipulating conduct of audit only once in every three years.

5. Increase in rate of federal excise duty on tobacco:

Federal Excise Duty on three tiers of tobacco has been enhanced through amendments in First Schedule to the Federal Excise Act, 2005. These changes have taken effect on the next date of assent given to the Finance Act, 2018 by the President, Islamic Republic of Pakistan. The President had been pleased to give assent Finance Act, 2018 on 22nd May, 2018 and field formations have already been instructed vide letter C. No. 5/92-STB/2018/66639-R, dated 24th May, 2018 to enforce revised rates of FED on tobacco industry.

6. Increase in rate of federal excise duty on cement:

Rate of FED on cement has been increased from Rs. 1.25 per kilogram to Rs. 1.50 per kilogram and this increase has also become effective from 23.05.2018. Field formations have already been instructed to enforce payment of FED by cement industry at the revised rates vide C.No. 5/92-STB/2018/66639-R, dated 24th May, 2018.

7. Reduction in FED on domestic travel:

Rate of FED on long routes domestic travel has been reduced from Rs. 2500 per ticket to Rs. 2000 per ticket.

8. Exemption from FED:

Exemption from FED has been granted on commission paid by State Bank of Pakistan and its subsidiaries for handling banking services of federal or provincial governments.

9. Reduction in rate of sales tax on IT and IT enabled services under Islamabad Capital Territory (Tax on Services), Ordinance, 2001:

Vide SRO 781(1)/2018, dated 21.06.2018, rate of sales tax on IT services and IT enabled services has been reduced to 5%.

(Muhammad Zaheer Qureshi)
Secretary (ST &FE-Budget)

C. No. 5/93-STB/2018/97213-R Islamabad, the 10th August, 2018

Subject: Integration with FBR's Information and Technology System - SRO 1125(I)/2011 as amended through SRO 777(1)/2018.

Kindly refer to the above noted subject.

02. I am directed to say that in view of the stipulations contained under condition (xv) of the SRO 1125(1)/2011, dated 31.12.2011 amended vide SRO 777(1)/2018, dated 21.06.2018, all those registered units falling under S. No. 1(vii) and S. No.3 of Table-2 of SRO 1125(1)/2011 shall be charged sales tax @ 6% if they have tendered their consent for integration to the Board by I5.08.2018.

03. If the registered persons who have tendered such consent and fail to integrate with the FBR online system as per mode and manner prescribed by the Board, they shall be liable to pay sales tax @ 9% with effect from 1st of July, 2018.

(Muhammad Zaheer Qureshi)
Secretary (ST &FE-Budget)

C. No. 1/2-STB/2019 Islamabad, the 15th July, 2019

Subject: Clarification regarding Sales Tax Exemption on Wheat Flour

In the wake of changes introduced in the Sales Tax Act, 1990, through the Finance Act, 2019, it is being generally reported that the sales tax has been imposed on wheat flour.

02. For general information and in order to do away with the confusion on the issue, it clarified that no sales tax has been imposed on wheat flour in any form i.e. *aata, maida or suji.*

03. It is further elaborated that serial number 19 of the Table-1 of Sixth Schedule to the Sales Tax Act, 1990, has been amended through the Finance Act, 2019, to withdraw exemption on those products of milling industry, other than wheat and meslin flours, which are sold in retail packing bearing brand name or a trademark. This amendment does not affect the exemption already available to wheat flour and it remains exempted from sales tax under this serial, even if it is packed or sold under a brand name.

04. Further, through the Finance Act, 2019, a new serial number 59 was added to the Table-1 of Eighth Schedule to the Act, whereby the sales tax at reduced rate of 10% has been imposed on the products of milling industry except wheat and meslin flour if sold in retail packing under a brand name or trademark. This serial number also excludes wheat flour and therefore it if not applicable to wheat flour.

(Muhammad Zaheer Qureshi)
Secretary (ST &FE-Budget)

C. No. 1/2-STB/2019 Islamabad, the 22th July, 2019

Subject: National Identity Card - Clarification regarding

I am .directed to state that there has been country wide demand for decades to bring all people in the tax system and gradually convert National Identity Card (CNIC) as a National Tax Number (NTN). This has been the national public demand and is a correct approach. In the Finance Act, 2019, the first step towards this ultimate goal has been adopted by requiring provision of CNIC number in very few transactions. The law as amended is simply described as under:

a) The amendment has been made in the Sales Tax Act, 1990 (Section 23) and not in any other taxation statute.

b) This clearly means that this provision is only applicable if purchases are made from a 'Sales Tax Registered person'.

c) At present there are only 41,484 sales tax registered persons who are actually paying some tax with their returns;

d) This provision requires that if a purchase is made from a sales tax registered person, then 'CNIC' number of the 'Buyer' is to be provided in limited situations, as explained in the following paragraphs. Provision of CNIC number does not in any manner mean that buyer has to be a 'Registered Person' under the Sales Tax law. Sales to unregistered person can be made;

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e) The law further provides this condition will not apply if the value of purchases is below Rs.50,000/- in case sale is being made to an 'Ordinary Consumer'.The term 'Ordinary Consumer' is well defined. It means purchases for own non-business use by the end consumer.

2. In order to further safeguard businesses operating in a reasonable manner the law specifically provides that "if it is subsequently proved that CNIC provided by the purchaser was not correct, liability of loss or penalty shall not arise against the seller incase of sale made in good faith."

3. In Pakistan, under the present regime and also under proposed regime for retailers, ordinary small and medium sized retailers fall outside the 'Sales Tax Regime', therefore sale by such persons is not affected by this provision in any manner.

4. This provision has inter alia been placed for 'business to business' transactions and few transaction in a value higher than Rs.50,000 by limited number of end consumers and that too from sales tax registered person only and also to avoid, unverifiable, non-genuine, fake and fictitious business buyers which results in huge sales tax loss in the value chain. This is all the more necessary now onwards as 'Export Oriented Sectors' which were zero rated will now be eligible for refunds. FBR is fully committed for automated expeditious release of refunds.

5. There is no intention to place any hurdle in business transaction or to use this provision for any harassment; accordingly for this purpose, it is further clarified that:

- As stated earlier no action will be taken against the 'sellers' if an error or incorrectness is identified subsequently provided the transaction has been made in 'good faith'. The meaning and operation of law with reference to the term 'good faith' is well settled. However in order to provide further assurance in this regard following policy guidelines are laid down:
  a) No action under this provision will be undertaken without the approval of Chief Commissioner of the jurisdiction. Furthermore, where the incidence exceeds Rs.5,000,000/- million the action will require further approval of Member Operation or Director General (Export Oriented Sector) or Member (IR-Policy) as the case may be.
  b) No action will be undertaken unless action has been undertaken against the person who has used non-genuine CNIC.

6. FBR is fully conversant of cultural constraints and traditions of the country. Therefore, in case of purchase above Rs.50, 000 by an ordinary consumer being a 'female' the CNIC of the husband or the father will be considered valid for the purposes of implementation of this provisions.

(Tauqeer Ahmed)
Secretary (ST &FE-Budget)

1-193-15-09-19

C. No. 1/2-STB/2019 Islamabad, the 26th July, 2019

Circular No. 01 of 2019

Subject: FINANCE ACT, 2019 EXPLANATION OF IMPORTANT AMENDMENTS IN SALES TAX ACT, 1990, FEDERAL EXCISE ACT, 2005 AND ISLAMABAD CAPITAL TERRITORY (TAX ON SERVICES) ORDINANCE, 2001

A. SALES TAX ACT. 1990

1. Rescission of Special Procedures and Sales Tax General Orders (STGOs):

In order to move towards standard sales tax regime, all special procedures have been abolished by rescinding the Sales Tax Special Procedures Rules, 2007 and the Sales Tax Special Procedure (Withholding) Rules, 2007. Further, most of the sales tax general orders have also been rescinded. The provisions from the repealed instruments which were considered important have been made part of either the Sales Tax Act, 1990, or the Sales Tax Rules, 2006. Separate SROs have been issued in this regard.

2. Change in the definition for cottage industry:

The definition of cottage industry in section 2(5AB) has been modified. The annual turnover threshold has been reduced from 10 million to 3 million and three new criteria have been added in the said section. To qualify as cottage industry, all the four conditions will have to be fulfilled. The conditions are as under:

(a) does not have an industrial gas or electricity connection;

(b) is located in a residential area;

(c) does not have a total labour force of more than ten workers; and

(d) annual turnover from all supplies does not exceed three million Rupees;

3. Definition of Tier-1 retailer:

A new condition (e) has been added to the existing definition of 'Tier-1 retailer' under section 2(43 A) of the Sales Tax Act, 1990. Now, a retail shop having area more than 1000 square feet shall also fall under tier-1 and shall be liable to discharge its liability under standard regime.

4. Value of supply:

Definition of value of supply has been amended to provide for application of retail price taxation to imported goods, and also to incorporate provisions from rescinded rules and STGOs. These modifications are enumerated below:

(i) Amendment in clause (d) in section 2(46) to exclude imported Third Schedule items from purview of application of 'customs value' determined under section 25 of the Customs Act, 1969. These items are to be assessed on the basis of declared retail price. Further such price is also required to be printed on imported goods as stipulated in clause (a) of section 3(2) of the Sales Tax Act, 1990.

(ii) Substitution of clause (f) in section 2(46) pertains to value of supply in case of toll manufacturing, which defines it as actual consideration received by manufacturers for the value addition carried out in relation to goods;

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(iii) Newly added clause (h) defines value to be energy purchase price in case of supply by IPPs; and

(iv) Another new clause (i) transposes the provisions relating to exclusion of late payment surcharge from value, in case of supply of electricity and gas by the distribution companies, from the rescinded Sales Tax Special Procedures Rules,2007.

5. Fixed tax on brick kilns

In the Tenth Schedule, bricks Kiln are required to pay fixed monthly tax based on their location as under:

S. No.	Region or area	Tax payable per month
(1)	(2)	(3)
1.	Lahore, Rawalpindi and Islamabad districts	Rs. 12,500
2.	Attock, Chakwal, Jehlum, Mandi Bahauddin, Sargodha, Gujrat, Sialkot, Narowal, Gujranwala, Hafizabad, Sheikhupura, Kasur, Nankana Sahib, Chiniot, Faisalabad, Jhang, Toba Tek Singh, Okara and Sahiwal districts	Rs. 10,000
3.	Khushab, Mianwali, Bhakar, Layyah, Muzaffarghar, Dera Ghazi Khan, Rajanpur, Multan, Lodhran, Khanewal,Vehari, Bahawalpur, Pakpattan, Bahawalnagar, Rahim Yar Khan districts; and Sindh, Khyber-Pakhtunkhwa and Baluchistan provinces	Rs. 7,500

6. Application of retail price on imported goods:

The locally manufactured goods specified in Third Schedule are already chargeable to sales tax on the basis of retail price. Now, through amendment in section 3(2)(a), retail price taxation has also been made applicable to imported goods. The importers are required to print the retail price in the manner prescribed in the aforesaid clause and such goods shall be assessed on the basis of declared retail price and not on the basis of customs value under section 25 of the Customs Act, 1969. However, in view of difficulties at import stage, customs authorities have been asked to let the consignments cleared for the month of July, 2019 without retail price stickers through STGO 102/2019, dated 15.07.2019. However, from 1st August, 2019, the imported items under the Third Schedule shall be cleared provided that the retail price alongwith amount of sales tax is legibly, prominently and indelibly printed or embossed on each article, packet, container, package, cover or label as the case may be.

7. Addition of new items to Third Schedule:

Twelve new serial numbers have been added to Third Schedule as under

38.	Household electrical goods, including air conditioners, refrigerators, deep freezers, televisions, recorders and players, electric bulbs, tube-lights, electric fans, electric irons, washing machines and telephone sets.
39.	Household gas appliances, including cooking range, ovens, geysers and gas heaters.

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40.	Foam or spring mattresses and other foam products for household use.
41.	Paints, distempers, enamels, pigments, colours, varnishes, gums, resins, dyes, glazes, thinners, blacks, cellulose lacquers and polishes sold in retail packing
42.	Lubricating oils, brake fluids, transmission fluid, and other vehicular fluids sold in retail packing.
43.	Storage batteries excluding those sold to automotive manufacturers or assemblers
44.	Tyres and tubes excluding those sold to automotive manufacturers or assemblers
45.	Motorcycles
46.	Auto rickshaws
47.	Biscuits in retail packing with brand name
48.	Tiles
49.	Auto-parts, in retail packing, excluding those sold to automotive manufacturers or assemblers

8. Rates of Withholding sales tax;

As Sales Tax Special Procedure (Withholding) Rules, 2007, have been rescinded, the rates of withholding and exclusions for the same have been provided in newly inserted Eleventh Schedule, as provided in amended section 3(7) of ST Act as under:

The rates for withholding or deduction by the withholding agent shall not be applicable to goods and supplies specified after the end of this Table:

S. No.	Withholding agent	Supplier category	Rate or extent of deduction
(1)	(2)	(3)	(4)
1.	(a) Federal and provincial government departments; autonomous bodies; and public sector organizations (b) Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)	Registered persons	l/5th of Sales Tax as shown on invoice
2.	(a) Federal and provincial government departments; autonomous bodies; and public sector organizations (b) Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)	Person registered as a wholesaler, dealer or distributor	1/10th of Sales Tax as shown on invoice
3.	Federal and provincial government departments; autonomous bodies; and public sector organizations	Unregistered persons	Whole of the tax involved or as applicable to supplies on the basis of gross value of supplies

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4.	Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)	Unregistered persons	5% of gross value of supplies
5.	Registered persons as recipient of advertisement services	Person providing advertisement services	Whole of sales tax applicable
6.	Registered persons purchasing cane molasses.	Unregistered persons	Whole of sales tax applicable

(i) Electrical energy;

(ii) Natural gas;

(iii) Petroleum products as supplied by petroleum production and exploration companies, oil refineries, oil marketing companies and dealers of motor spirit and high speed diesel;

(iv) Vegetable ghee and cooking oil;

(v) Telecommunication services;

(vi) Goods specified in the Third Schedule to the Sales Tax Act, 1990;

(vii) Supplies made by importers who paid value addition tax on such goods at the time of import; and

(viii) Supplies made by an Active Taxpayer as defined in the Sales Tax Act, 1990to another registered persons with exception of advertisement services.

9. Taxation of retailers not falling in Tier-1:

Taxation of such retailers was already provided in section 3(9) of ST Act. The procedure for exclusion of persons from such taxation by the Commissioner concerned has been transposed from rescinded rules to this sub-section.

10. Changes in regime of Tier-1 retailers:

Sub-section (9A), relating to tier retailers, has been substituted, providing as under:

(i) Option to pay 2% turnover tax has been withdrawn.

(ii) Provisions relating to SRO 1125(I)/2011 have been omitted, thus subjecting textile and leather items to normal rate except for the integrated retail outlets for which the rate shall be 14% as per amendment in Eighth Schedule.

(iii) A new proviso has been added wherein customers of Tier-1 retailers are entitled for pay-back up to 5% of sales tax involved in the sales tax invoice. This shall encourage the customers to demand sales tax invoice from registered retailers. However, these provisions shall be applicable when the Board so notifies.

(iv) Another new proviso aims at expanding the scope of real-time integration beyond textile and leather. These provisions shall become effective when the Board so notifies. After such notification, the input tax shall be reduced by 15% for retailers failing to integrate POSs in the prescribed manner, as provided in the newly inserted sub-section (6) in section 8B.

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11. Powers of Federal Government to grant zero-rating curtailed and Board's similar powers withdrawn:

Section 4(c) has been amended to limit the powers of Federal Government to grant zero rating to emergency conditions. The powers of the Board to grant zero-rating through general orders have been withdrawn by omitting clause (d) of section 4.

12. Minimum value-addition tax @ 3%:

The provisions relating to 3% value addition tax on imported goods have been transposed from the special procedure rules to the newly inserted Twelfth Schedule and necessary enabling amendments have been made to sub-section (2) of section 7A. Earlier exclusions from 3% tax have been maintained with following differences:

(i) Earlier manufacturers importing goods for in-house consumption were excludedfrom this levy. Now, all raw materials and intermediary goods meant for use in an industrial process which are subject to customs duty at a rate less than 16% ad valorem under First Schedule to the Customs Act have been excluded, whether imported by manufacturers or commercial importers.

Description	Customs Duty	Minimum value addition tax
Importers	Less than 16%	0

(ii) Earlier only those petroleum products, imported by OMCs, were excluded whose prices were regulated. Now, all petroleum products imported by OMCs are excluded.

(iii) Cellular mobile phones or satellite phones have been added to exclusions;

(iv) In view of withdrawal of exemption on gold and silver, in unworked condition, the exclusion from 3% tax has been provided to these items.

13. Further curtailment of powers of Federal Government to exempt under section 13:

The conditions / situations under which Federal Government can grant exemptions through a notification have been reduced by omitting conditions relating to protection of national economic interests in situations arising out of abnormal fluctuation in international commodity prices, removal of anomalies in taxes, and development of backward areas.

14. Requirement of mentioning buyer NIC for sale to un-registered person:

Section 23, relating to issuance of invoices and particulars to be specified therein, has been amended to provide that in case of supplies to un-registered persons, their NIC or NTN number shall be specified in invoice. The caveats, provided therein, are as under:

(i) NIC or NTN shall not be required in case of supplies made by a retailer where the transaction value inclusive of sales tax amount does not exceed rupees fifty thousand and the sale is being made to an ordinary consumer buying goods for his own consumption and not for the purpose of resale or processing;

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(ii) If it is subsequently proved that NIC provided by the purchaser was not correct, liability of tax or penalty shall not arise against the seller, in case of sale made in good faith; and

(iii) The condition of providing NIC or NTN shall be effective from 1st August, 2019.

15. Approval requirement for revising return waived in certain cases:

A proviso has been added to section 26(3), whereby the approval of Commissioner shall not be required for revising return if revised return is filed within sixty days of the filing of return subject to the conditions that tax payment is enhanced or refund claimed is reduced compared to that in the original return.

16. Penalty for non-filing or late-filing of Sales Tax return increased;

Penalty for non-filing or late filing of sales tax return, excluding cases where delay is less than ten days, under serial number 1 of Table in section 33 has been enhanced to Rs.10,000. The penalty for late filing return within ten days of due date has been enhanced to Rs.200 per day.

17. Change in section 58 enabling director / partner to recover from company

Section 58 enabled the department to recover arrears of a company / firm from its directors or partner. The amendment now made provides that if such recovery is made, the director or partner shall be able to recover the dues from the company / firm or other directors / partners.

18. Changes in exemption regime under the Sixth Schedule:

Following changes have been made in Table-1:

(i) Exemptions at the existing serial numbers 2, 3, and 72, relating to meat, fish, poultry meat etc have been amended to clearly provide that these exemptions also apply to products specified thereunder even if these products are packed.

(ii) Under serial number 19, the products of milling industry, as sold in retail packing bearing brand names, have been excluded from purview of exemption, however, wheat and meslin flour shall remain exempt even if so packed or sold under a brand name. Redundant PCT Heading 1102.1000 has also been omitted.

(iii) Serial numbers 36 and 37 pertaining to Gold and Silver, in unworked condition, have been omitted. Gold and Silver have been placed in the 8th schedule and chargeable to sales tax at the reduced rate of 1%. Gold and Silver have also been excluded from the purview of minimum value-addition tax of @ 3% at import stage under Twelfth Schedule.

(iv) The expression “excluding electricity and natural gas” has been added in serial number 52A relating to exemption on goods supplied to specified hospitals. Now, such hospitals are no more eligible for exemption on supplies of electricity and gas.

(v) The exemption at serial number 85, as available to fat filled milk, has been restricted to such milk as is not sold in retail packing under a brand name or a trade mark. Such packed and branded fat filled milk now shall be subject to 10% sales tax under Eighth Schedule.

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(vi) In view of doing away with the special procedure for steel industry, the exemption available to vessels / ships for breaking at serial number 95 has been omitted. Vessels imported for breaking up are now taxable at 17%. Field formations of Customs should ensure chargeability of sales tax on import of vessels since 1st July,2019.

(vii) New serial number 151 has been added. This is a transposition of exemption under SRO 1212(I)/2018 which now has been rescinded and which provided exemption on supplies made within the tribal areas. In the transposed form, it allows further exemption on imports of industrial input including plant and machinery imported by industrial units located within tribal areas. These exemptions on imported inputs / plant and machinery shall be available subject to security mechanism specified under this serial.

(viii) Newly added serial 152 provides exemption on supplies of electricity as made to all consumers in tribal areas. However, this exemption shall neither be available to industries established after 31st May, 2018, nor to any steel and ghee /oil industries.

(ix) Through new serial number 153, imports and supplies by manufacturers of steel billets, ingots, ship plates, bars and other long re-rolled profiles, have been exempted. In lieu of this exemption, federal excise duty has been imposed on these items in sales tax mode.

In Table-2, relating to local supplies, two changes have been made:

(i) Exemption under serial number 16 shall not be available to ginned cotton, as the same has been subjected reduced rate of 10% in Eighth Schedule, at newly inserted serial number 65 in Table 1.

(ii) The exemption to cottonseed oil has been provided at serial number 25.

19. Changes in Eighth Schedule relating to reduced rates:

Following changes have been made in Table 1 of Eighth Schedule:

(i) Serial number 14 has been substituted, enlarging its scope to include concentrated milk (including powdered milk), unsweetened and un flavoured, which will be subject to 10% rate if sold in retail packing under a brand name. Previously, it was subjected to standard rate.

(ii) Two serial numbers 18 and 21 relevant to reclaimed lead and rapeseed, sunflower seed and canola seed have been omitted. These products are now chargeable to sales tax @ 17% ad val.

(iii) Sales tax on “soya bean seed” at serial number 22 has been enhanced from 6% to10%, so as to equate the rate with that on soya bean meal.

(iv) The new description has been provided at clause (xx) at serial number 26 i.e. “Laserl and leveller comprising of laser transmitter, laser receiver, control box, rigid mast pack, with or without scrapper” so as to clarify the scope of exemption in detail.

(v) Serial number 32 relating to 8% rate on “white crystalline sugar” has been omitted. White crystalline sugar is now chargeable to sales tax @ 17% ad val.

(vi) Potassium chlorate was subject to 17% plus Rs. 65 per kg at import and supply stage. The rate has been enhanced to 17% plus Rs. 70 per kg.

(vii) New serial number 59 has been added whereby the products of milling industry, sold in retail packing bearing brand names, have been subjected to reduced rate of10%. However, this serial excludes wheat and meslin flour even if in retail packing or bearing brand name.

(viii) New serial number 60 for fat filled milk, in retail packing and bearing brand name, has been added. The same shall be charged to sales tax @ 10%.

(ix) New entries i.e. serial numbers 61 and 62 for Gold and Silver, in un-worked form, have been added in the 8th schedule and made chargeable to sales tax at the reduced rate of 1%. Gold and Silver have also been excluded from the purview of minimum value-addition tax of @ 3% at import stage under Twelfth Schedule.

(x) Previously under special procedure, jewellery supplied by local jewellers was taxed at 17% of making charges only. Now, under serial number 63, articles of jewellery, or parts thereof, of precious metal or of metal clad with precious metal, will be subject to sales tax at 1.5% of value of gold, plus 0.5% of value of diamond used therein, plus 3% of making charges. No input tax adjustment shall be available except that of sales tax paid on gold.

(xi) At serial number 84, prepared food, foodstuff and sweetmeats supplied by restaurants, bakeries, caterers and sweetmeat shops is added with sales tax rate@7.5% with no input tax adjustment.

(xii) Under rescinded SRO 1125(I)/2011, reduced rate of 6% was available for textile and leather items if sold from a retail outlet integrated with FBR's system for real time reporting. Similar, treatment is now continued for retail sales at new serial number 65, with reduced rate of 14%, subject to the condition that 4% value addition is maintained during last six months.

(xiii) At serial number 68, frozen prepared or preserved sausages and similar products of poultry meat or meat offal, sold in retail packing with brand name, have been added with reduced rate of 8%. Similar entry for meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry, meat and fish has been added at serial number 69. Both entries attract reduced rate of 8%. These items if not sold in retail packing or not under a brand name, shall be exempt under serial number 82 and 83 of Table-1 to the Sixth Schedule.

(xiv) New entry at serial 67 has been added for LNG imported for servicing CNG sector and local supplies thereof with rate at 5%. This entry is transposition of SRO 398(I)/2015 dated 08.05.2015 which has now been rescinded.

20. Amendments in the Ninth Schedule - change in sales tax rate on mobile phones:

Fixed sales tax rates levied on mobile and satellite phones under Ninth Schedule have been rationalized as under:

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"2.	Cellular mobile phones or satellite phones to be charged on the basis of import value per set, or equivalent value in rupees in case of supply by the manufacturer, at the rate as indicated against each category:-		
	A. Not exceeding US$ 30	Rs. 135	Rs. 135
	B. Exceeding US$ 30 but not exceeding US$ 100	Rs. 1,320	Rs. 1,320
	C. Exceeding US$ 100 but not exceeding US$ 200	Rs. 1,680	Rs. 1,680
	D. Exceeding US$ 200 but not exceeding US$ 350	Rs. 1,740	Rs. 1,740
	E. Exceeding US$ 350 but not exceeding US$ 500	Rs. 5,400	Rs. 5,400
	F. Exceeding US$ 500	Rs. 9,270	Rs. 9,270

21. New schedules added:

As stated above, the new schedules added to the Sales Tax Act, 1990, are:

The Tenth Schedule: Prescribes rates of fixed sales tax for brick kilns.

The Eleventh schedule: Different categories of withholding agents and rates for withholding for various categories of supplies have been prescribed. Supplies / services excluded from purview of withholding have also been provided at the end of Schedule. Detailed procedure has been transposed from rescinded the Sales Tax Special Procedure (Withholding) Rules, 2007 to the Chapter XIV-D of the Sales Tax Rules, 2006.

The Twelfth schedule: Minimum value-addition of 3% sales tax at import stage has been prescribed along with relevant provisions and exclusions from value addition tax.

Amendments introduced through SROs:

(i) SRO 1125(1)/2011. dated 31.12.2011 rescinded:

SRO 1125(I)/2011 dated 31.12.2011, relating to zero-rating of five export-oriented sectors, has been rescinded since 1st July, 2019 vide rescinding SRO 694(I)/2019 dated 29.06.2019.From 1st July, 2019, the items listed in the said SRO shall be charged to sales tax @ 17%at import and local supply. Only in case of integrated retail outlets, sales tax on finished textile and leather item shall be charged at 14%.

All STGOs granting zero-rating on supply of electricity, gas, diesel, furnace oil and coal have been rescinded vide STGO 100/2019 dated 29.06.2019.

In order to resolve the issue of increased sales tax refunds of exporters due to withdrawal of zero-rating on inputs, the scope of Expeditious Refund System is proposed to be extended with automated payment on generated RPOs. Main features of the newly proposed Chapter V-Aare as under:

*"**Filing and Processing of refund claims**.- The data provided in the monthly return shall be treated as data in support of refund claim and no separate electronic data shall be required to be provided. The amount specified in column 29 of the return, as prescribed in the form STR-7, shall be considered as amount claimed, once the return has been submitted along with all prescribed annexes thereof:*

Provided that the claimant will be able to submit his return without Annex-H and the same may be filed separately at any time but not later than one hundred and twenty days of submission of the return without Annex-H. The date of submission of Annex-H shall be considered as the date offiling of refund claim.

Provided further that the period of one hundred and twenty days, as aforesaid, may be extended for a period not exceeding sixty days, by the Commissioner having jurisdiction, for reasons to be recorded in writing on the basis of an application made by the claimant.

*"**Risk management in refund processing**.- After submission of refund claim, in the aforesaid manner, the same shall be processed by Risk Management System (RMS). Based on the parameters in RMS, a refund claim shall be routed to the processing module referred to as Fully Automated Sales Tax e-Refund (FASTER). The claims that do not fulfil RMS parameters for processing through FASTER module shall be routed for processing under Chapter V.*

***Processing in FASTER module**.- The claims routed to FASTER module shall be electronically processed. The data in the refund claim shall be scrutinized and verified by the system and the payable refund amount shall be determined on the basis of input consumed in exports or supplies. The refund payment order (RPO) of the amount found admissible shall be generated and the same shall be electronically communicated direct to the State Bank of Pakistan, within seventytwo hours of submission of claim, for onward advice to the respective banks for credit into the notified account of the claimant:*

Provided that in case of refund claim of a commercial exporter, the payment of such refund shall be made after the realization of export proceeds:

Provided further that the part of the refund claim that is not verified or not found admissible shall be subjected to system validation checks every week and RPO shall be generated for the amount found valid during each validation check.

After every validation process, the information regarding RPO generated, if any, as well as the objections shall be communicated by the system to the refund claimant and also to the concerned RTO or LTUfor information. RPO so generated shall be communicated to the State Bank of Pakistan for payment in the aforesaid manner. After eight validation checks, including the initial one, if any amount still remains un-cleared, the same shall then be processed under STARR module as referred to in Chapter V".

(ii) **Rescission of SRO 480(I)/2007**, dated 9.06.2007:

The Sales Tax Special Procedure Rules, 2007, issued vide SRO 480(1)/2007 dated 09.06.2007 have been rescinded through SRO 694(1)/2019, dated 29.06.2019. All special procedures provided therein have been thus discontinued. The desirable provisions from these rules have either been transposed to the Sales Tax Act, 1990, or are being transposed to the Sales Tax Rules, 2006. Necessary amendments to the Sales Tax Rules, 2006, shall follow in few days.

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(iii) **Rescission of SRO 660(1)/2007**, dated 30.06.2007:

The Sales Tax Special Procedure (Withholding) Rules, 2007, issued vide SRO 660(1)/2007 have also been rescinded. The withholding requirements and rates, and the exclusions therefrom have been transposed to the new Eleventh schedule. Other procedural provisions have been re-enacted in Chapter XIV-D of the Sales Tax Rules, 2006, through SRO 698(1)/2019 dated 29.06.2019.

(iv) **Amendment in SRO 509(1)/2013** dated 12.06.2013:

SRO 693(1)/2019 dated 29.06.2019 amends SRO 509(1)/2013 pertaining to 5% extra tax on supplies of gas and electricity. The Government, semi-government and statutory regulatory bodies have been excluded from levy of said 5% extra tax.

(v) **Amendment in SRO 648(I)/2013** dated 09.07.2013:

SRO 692(I)/2019 dated 29.06.2019 amends SRO 648(I)/2013 which prescribes exclusions from chargeability of further tax. Two new serial numbers 12 and 13 have been added which provide exclusion from further tax to supplies to the Government, semi government and statutory regulatory bodies and supplies of white crystalline sugar. The further tax under Section 3(1A) of the Sales Tax Act, 1990, shall not be charged in the aforesaid two cases.

(vi) **Amendment in SRO 190(I)/2002** dated 02.04.2002:

SRO 190(I)/2002, issued in exercise of powers under clause (iii) of the first proviso tosection 4 of the Sales Tax Act, 1990, provides that zero-rating shall not apply to exports ofgoods specified in SRO as made by air or via land route to Afghanistan and throughAfghanistan to Central Asian Republics (CARs). The 2002-notification has now beenamended vide SRO 691(I)/2019 dated 29.06.2019 to exclude PVC and PMC materials frompurview of SRO 190(I)/2002, meaning thereby that zero-rating on export of these itemsshall be available on exports to Afghanistan or to CARs through Afghanistan.

(vii) **Rescission of notifications issued by Federal Board of Revenue;**

Some notifications issued by the Board in exercise of its powers have also been rescindedby SRO 699(I)/2019 dated 29.06.2019 as they have become either redundant or lost theirvalidity, the details are given below:

S. No.	SRO No. and Date
1	SRO 697(I)/1996, Dated 22nd August, 1996
2	SRO 26(I)/2006, Dated 09th January, 2006
3	SRO 524(I)/2006, Dated 05th June, 2006
4	SRO 751(I)/2006, Dated 21st July, 2006
5	SRO 993(1)/2006, Dated 21st September, 2006
6	SRO 121l(I)/2006, Dated 04th December, 2006
7	SRO 1260(I)/2006, Dated 16th December, 2006
8	SRO 170(I)/2008, Dated 22nd February, 2008
9	SRO 282(I)/2010, Dated 29th April, 2010
10	SRO 345(1)/2010, Dated 24th May, 2010

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Many of aforesaid SROs are rescinded for being redundant. As regards SROs pertaining torefund / drawback, the refund to exporters of fan and ghee / oil sector shall now be paidunder normal regime based on excess of input tax over output tax.

B. FEDERAL EXCISE ACT, 2005

1. Lew of FED on Steel Products and related provisions:

As stated above, supplies by manufacturers and imports of steel billets, ingots, ship-plates, bars and other long re-rolled profiles have been exempted from sales tax. In lieu thereof, FED has been imposed on these products by inserting serial number 58 in Table-I of First Schedule to the Act, whereby these products have been subjected to federal excise duty at 17%. An entry pertaining to these products has also been made in the Second Schedule, thus making the federal excise duty on these products chargeable in sales tax mode. Accordingly, input sales tax can be adjusted against this FED and this FED shall also be adjustable against sales tax. The objective was to extend the levy in relation to steel products to tribal areas which enjoy exemption from sales tax, earlier under SRO 1212(1)/2018, and now under Sixth Schedule.

Further, a new sub-section (5A) has been added to section 3 of the Federal Excise Act, 2005, providing for minimum production criterion for items listed in Fourth Schedule. Presently, only aforesaid steel items are listed in this schedule. Minimum criteria based on kwh of electricity have been specified and it has also been stipulated that in case minimum production exceeds actual supplies in a tax period, the FED shall be paid on the basis ofminimum production. In case of ship plates and other re-rollable scrap produced from shipbreaking,the minimum production has been prescribed as 85% of the weight of the vesselimported for breaking.

2. Further curtailment of powers of Federal Government to exempt under section 16:

Sub-section (2) of section 16 has been substituted and powers of the Federal Government to grant exemption have been curtailed on similar lines as done for sales tax in section 13 of the Sales Tax Act, 1990.

3. Penalty in case cigarettes are sold below the retail price:

In order to discourage sale of duty-not-paid cigarettes, a new clause (d) has been inserted in section 19(2). The sale of cigarette below the printed retail price is now an offence andshall be penalized under sub-section (2) of section 19. Field formations are advised to takenecessary action without causing harassment.

4. Decrease in rate of federal excise duty on tobacco:

Rupees 300 per kg of Federal Excise Duty on un-manufactured tobacco has been reducedtoRs. 10 per kg. However, the supervision of GLTs as prescribed under the Federal ExciseRules, 2005, as amended vide SRO 1149(I)/2018 dated 18.09.2018 shall continue.

5. Change in regime 5. of FED on ghee and cooking / edible oils:

FED on ghee and edible oils was payable at 16% in sales tax mode. However, payment ofRs.1 / kg on input oils spared the manufacturers of any further payment against valueaddition. In case of input seeds, payment of Rs. 40 per kg discharged the manufacturer'sliability on value addition. In case of solvent

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extraction units, need to apportion input taxeswas also done away with. This regime has been abolished. SRO 24(I)/2006 dated07.01.2006, SRO 507(I)/2013 dated 12.06.2013, SRO 508(I)/2013 dated 12.06.2013, andSRO 68(I)/2006 dated 28.01.2006 have been rescinded. FED of Rs. 0.40 per kg of oilseeds,as at Serial number 54 of First Schedule has also been withdrawn by omitting this serial.Other salient features of the change are:

(i) The rate of FED on ghee and cooking / edible oils has been enhanced to 17%.

(ii) In case of products in retail packing FED shall be payable on the basis of retail price.

(iii) The refund on export of these items, as made on or after 1st July, 2019, shall be paid on the basis of actual excess of input tax under the Sales Tax Rules, 2006 and not the basis of fixed rate notification.

6. FED on aerated waters enhanced;

FED on aerated waters has been enhanced from eleven and half percent to 13% of retail price.

7. Federal Excise Duty on locally produced Cigarettes:

Three-tiered structure of FED on cigarettes has been replaced with two-tiered one, given as under:

Tier	Retail price per 1000 cigarettes	FED rate per 1000 cigarettes
Upper Tier	>Rs. 5,960	Rs. 5,200
Lower Tier	=<Rs. 5,960	Rs. 1,650

The aforesaid rates were made effective from 12.06.2019 vide SRO 608(I)/2019 dated 11.06.2019, and continued with effect from 1st July, 2019, through amendment by theFinance Act, 2019.

8. Increase of Federal Excise Duty on Cement:

FED of Rs.1.50 per kg levied on cement under serial number 13 of the 1st schedule to the Act has been enhanced to Rs. 2 per kg.

9. Federal Excise Duty on Imported Motor Cars:

FED on imported and local cars has been rationalized and cars below engine capacity 1700cc have also been subjected to FED. However, auto-rickshaws have been excluded from this levy. Rates of both are as under:

Imported motor cars, SUVs and other motor vehicles, excluding auto rickshaws, principally designed for the transport of persons (other than those of headings 87.02), including station wagons and racing cars	87.03	
(a) of cylinder capacity up to 1000cc		2.5% *ad val.*
(b) of cylinder capacity from 1001cc to 1799cc		5% *ad val.*
(c) of cylinder capacity 1800cc to 3000cc		25% *ad val.*
(d) of cylinder capacity exceeding 3001cc		30% *ad val.";*

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Locally manufactured or assembled motor cars, SUVs and other motor vehicles, excluding auto rickshaws principally designed for the transport of persons (other than those of headings 87.02), including station wagons and racing cars:	87.03	
(a) of cylinder capacity up to 1000cc		2.5% *ad val.*
(b) of cylinder capacity from 1001cc to 2000cc		5% *ad val.*
(c) of cylinder capacity 2001cc and above		7.5% *ad val.*

10. Withdrawal of exemption on internet services and bandwidth services provided by foreign satellites:

Entries at serial number 2 of Table-II of Third Schedule have been amended to provide as under:

(i) Clause (i) has been omitted, thus withdrawing exemption on internet service in Islamabad Capital Territory (ICT).

(ii) Clause (ii) has been amended to take out bandwidth services provided by foreign satellites from purview of exemption under this clause. Again, this change is alsoapplicable to ICT.

C. Islamabad Capital Territory (Tax on Services) Ordinance, 2001:

1. Reduction of rate on services provided by call centres:

The rate of sales tax on services by call centres was 18.5% at serial number 41 of theSchedule. This rate was at par with rate of federal excise duty on telecom services. Sincerate of FED on telecom services has already been reduced to 17%, the rate for call centreservices has also been reduced to 17%.

2. Addition of new services to the Schedule

Serial numbers 43 to 58 have been added to the Schedule, thus subjecting new range ofservices to sales tax at 16%.

D. First Schedule to the Customs Act, 1969:

Changes in Chapter 98 relating to classification of services:

Chapter 98 of First Schedule to the Customs Act, 1969, pertains to classification ofservices. The services are subjected to FED and sales tax based on this classification. Some ofentries in this chapter pertained to activities which essentially comprised of supplying goods, such as restaurants, caterers, contracts of furnishing supplies and ship chandlers. Such entries have either been omitted or amended to omit references to such activities. The details are as under:

PCI heading	Nature of change
98.01	Reference to ‘restaurants’ omitted
9801.2000	Related to restaurants. Omitted
9801.5000	Related to caterers and suppliers of food and drinks. Omitted
9805.8000	Related to Ship chandlers. Omitted
9809.0000	Relates to contractual execution of work. Reference to “furnishingof supplies” omitted

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It is also added that recently Peshawar High Court in a judgement dated 12.04.2018 hadheld that the supply of food is taxable under section 3 of the Sales Tax Act, 1990. The SupremeCourt refused appeal against this judgement and review petition was also dismissed.

(Tauqeer Ahmed)
Secretary (ST &FE-Budget)

C. No. 1/2-STB/2019 **Islamabad, the 01st August, 2019**

Circular No. 02 of 2019

Subject: Sales Tax Clarifications

It has been observed that in many cases, suppliers of goods and services are charging Sales Tax on invoices/receipts without identifying their Sales Tax Registration Number (STRN) on the 'Invoices/Receipts' issued to the customers. At times, National Tax Number (NTN) is indicated on invoices, to exhibit that the supplier is registered.

02. Customers are suggested to ask for invoices/receipts having Sales Tax Number (STRN) on the invoices/receipts on purchase of goods and services. Sales Tax can only be recovered from the customer if the supplier is registered for sales tax purposes, and reflects the Sales Tax Registration Number (STRN) on the invoice/receipt issued to the customer. In other cases, the supplier is not entitled to recover sales tax from the customers. Customers should beware of the same.

03. This clarification is being issued for the reason that many suppliers are charging Sales Tax from customers without getting them registered under the Sales Tax regime. This practice is against the law and is liable to penal action. This practice leads to increase in prices and undue enrichment of sellers without any deposit of tax with the government. Customers are suggested to seek invoices/receipts from supplier with STRN on the invoices / receipts issued, if Sales Tax is charged on their purchases.

04. It is further clarified that buyer is not required to provide his NIC in case of purchases from a person not registered for sales tax.

05. It is also clarified that in case of purchase of third schedule items, which are subject to sales tax on the basis of retail price and on which retail price along with sales tax is legibly and indelibly printed or embossed, the sales tax on the same is deposited by the manufacturer or importer. In case of such items, STRN may not be required if the same are purchased from a retailer.

(Tauqeer Ahmed)
Secretary (ST &FE-Budget)

1-193-15-09-19

C. No. 9(11)ST-LPE/Misc/2016/105566-R **Islamabad, the 09th August, 2019**

All Chief Commissioners Inland Revenue,
Large Taxpayers Units (LTUs)/ Regional Tax Offices (RTOs)

Subject: EXTENSION IN THE DATE FOR SUBMISSION OF SALES TAX AND FEDERAL EXCISE RETURN FOR THE TAX PERIOD OF JULY, 2019.

In exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of submission of Sales Tax &Federal Excise Return and related Annexures for the tax period of July, 2019 as per following schedule, due to Eidul-Azha Holidays:-

Item	Due Date	Extended Date
Annexure-C & Annexure-I	10.08.2019	16.08.2019
Payment of Sales Tax and Federal Excise Duty	15.08.2019	19.08.2019
Submission of Sales Tax and Federal Excise Return	18.08.2019	21.08.2019

(Khalid Mehmood)
Second Secretary,STM IR (Operations)
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1-193-15-09-19

C. No. 9(11)ST-LPE/Misc/2016/106287-R **Islamabad, the 16th August, 2019**

All Chief Commissioners Inland Revenue,
Large Taxpayers Units (LTUs)/ Regional Tax Offices (RTOs)

Subject: EXTENSION IN THE DATE FOR SUBMISSION OF SALES TAX AND FEDERAL EXCISE RETURN FOR THE TAX PERIOD OF JULY, 2019.

I am directed to refer to FBR's letter of even number dated 09.08.2019 and in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to further extend the dates of submission of Sales Tax & Federal Excise Return and related Annexures and payments for the tax period of July, 2019 as per following schedule:-

Item	Due Date	Extended Date
Submission of Annexure-C & Annexure-I	10.08.2019	19.08.2019
Payment of Sales Tax and Federal Excise Duty	15.08.2019	21.08.2019
Submission of Sales Tax and Federal Excise Return	18.08.2019	23.08.2019

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1-193-15-09-19

C. No. 9(11)ST-LPE/Misc/2016 Islamabad, the 22nd August, 2019

All Chief Commissioners Inland Revenue,
Large Taxpayers Units (LTUs)/ Regional Tax Offices (RTOs)

Subject: EXTENSION IN THE DATE FOR PAYMENT OF SALES TAX AND FEDERAL EXCISE RETURN FOR THE TAX PERIOD OF JULY, 2019.

I am directed to refer to FBR's letter of even number dated 09.08.2019 and 16.08.2019 on the subject and to say that in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of payment of Sales Tax and Federal Excise Duty for the tax period of July, 2019, which was due on 10.08.2019 and extended upto 21.08.2019, is hereby further extended upto 23.08.2019.

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C. No. 9(11)ST-LPE/Misc/2016 Islamabad, the 23rd August, 2019

All Chief Commissioners Inland Revenue,
Large Taxpayers Units (LTUs)/ Regional Tax Offices (RTOs)

Subject: EXTENSION IN THE DATE FOR SUBMISSION OF SALES TAX AND FEDERAL EXCISE RETURN FOR THE TAX PERIOD OF JULY, 2019.

I am directed to refer to FBR's letter of even number dated 09.08.2019 and 16.08.2019 on the subject and to say that in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of submission of Sales Tax and Federal Excise Returns for the tax period of July, 2019, which was due on 18.08.2019 and extended upto 23.08.2019, is hereby further extended upto 28.08.2019.

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C. No. 9(11)ST-LPE/Misc/2016 Islamabad, the 16th September, 2019

All Chief Commissioners Inland Revenue,
Large Taxpayers Units (LTUs)/ Regional Tax Offices (RTOs)

1-194-25-10-19

Subject: Extension in the date for submission of Sales Tax and Federal Excise Return for the tax period of August, 2019.

I am directed to refer to the subject and to say that in exercise of the powers conferred under Section 74 of the Sales Tax Act, 1990 and Section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for submission of Sales Tax & Federal Excise Return for the tax period of August, 2019, which was due on 18.09.2019, is hereby extended upto 20.09.2019.

(Khalid Mehmood)
Second Secretary, STM IR (Operations)
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C. No. 9(11)ST-LPE/Misc/2016 **Islamabad, the 20th September, 2019**

All Chief Commissioners Inland Revenue,
Large Taxpayers Units (LTUs)/ Regional Tax Offices (RTOs)

Subject: Extension in the date for submission of Sales Tax and Federal Excise Return for the tax period of August, 2019.

I am directed to refer to the subject and to say that in exercise of the powers conferred under Section 74 of the Sales Tax Act, 1990 and Section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date for submission of Sales Tax & Federal Excise Return for the tax period of August, 2019, which was due on 18.09.2019 and extended upto 20.09.2019, is hereby further extended upto 24.09.2019.

(Khalid Mehmood)
Second Secretary, STM IR (Operations)
Phone: 051-9208742, Fax: 051-9207826

C.No. 9(11)ST-LPE/Misc/2016/261110-R **Islamabad, the 18th October, 2019**

All Chief Commissioners Inland Revenue,
Large Taxpayers Units (LTUs)/ Regional Tax Offices (RTOs)

Subject: Extension in the date of payment/submission of Sales Tax and Federal Excise Return for the tax period of September, 2019.

I am directed to refer to the subject and to say that in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of payment and filing of Sales Tax and Federal Excise retum for the tax period of September, 2019, as per following schedule:

Item	Due Date	Extended Date
Payment of Sales Tax and Federal Exise Duty	15.10.2019	22.10.2019
Submission of Sales Tax and Federal Excise Return	18.10.2019	25.10.2019

(Khalid Mehmood)
Second Secretary, STM IR (Operations)
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1-194-25-10-19

C.No. 3(5)ST-L&P/2019/261837-R **Islamabad, the 21st October, 2019**

Subject: Sales Tax Circular No. 4 of 2019.

I am directed to refer the subject and to state that in the wake ofrescission of SRO 1125(I)/2011, the Federal Board of Revenue had committed with the exporters of the export oriented sectors, i.e. textiles, leather, carpets, sports goods and surgical goods, that refunds shall be paid to them within 72 Hours of filing of refund claim. For this purpose, FASTER refund module has been developed, which shall process claims of exporters of five export-oriented sectors for.the tax period July, 2019, and onwards. FBR has earlier clarified that submission of Annex-H, which is a form in the monthly sales tax return, shall be treated as submission of refund claim.

2. It is added that the number of refund claims received is not significant. The exporters are facing some difficulties in filing of their tax refund claims (Annex-H) under FASTER. Many claimants have approached the Board with request that they may be allowed revision of their return on the ground that the entries made in Annex-F do not match with those in Annex-H.

3. It is accordingly clarified that refund is processed on the basis of entries in Annex-H. The entries in Annex-F have no bearing on refund claim except that carry forward of value addition tax is excluded from refund amount.

4. Accordingly, the claimants are advised not to revise the returns on the ground that entries in Annex-F do not match with those in Annex-H. They should submit Annex-H, if not already submitted so that their claims can be processed. Further, field formations are advised not to draw an adverse inference if the Annex-F does not match with Annex-H in case of monthly returns already submitted.

(Muhammad Ali Khan)
Secretary, ST& FE-Policy)

C.No. 9(11)ST-LPE/Misc/2016 **Islamabad, the 31st October, 2019**

All Chief Commissioners Inland Revenue,
Large Taxpayers Units (LTUs)/ Regional Tax Offices (RTOs)

Subject: Extension in the date of submission of Sales Tax and Federal Excise Return for the tax period of September, 2019.

I am directed to refer to the subject and to say that in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to further extend the date of submission of Sales Tax and Federal Excise retumupto 08.11.2019, for the tax period of September, 2019, which was due on 18.10.2018 and extended upto 25.10.2019.

(Khalid Mehmood)
Second Secretary, STM IR (Operations)
Phone: 051-9208742, Fax: 051-9207826

1-195-10-12-19

C.No. 1/2-STB/2019/6599-R **Islamabad, the 16thJanuary, 2020**

Subject: Tax Laws (Second Amendment) Ordinance, 2019 -Explanation of important amendments in Sales Tax Act, 1990 and Federal Excise Act. 2005.

SALES TAX

Measures taken through the subject Ordinance are explained as

1. Definition of Greenfield Industry

Through the Finance Supplementary (Second Amendment) Act, 2019, exemption from sales tax was provided on the import of plant and machinery by the greenfield industry under serial number 150 of Table-1 of Sixth Schedule to the Sales Tax Act, 1990. Many queries have been received seeking clarification of the term "greenfield industry". A definition of this term in section 2 of the Sales Tax Act, 1990 has now been inserted as under

(a) a new industrial undertaking which is-

(i) setup on land which has not previously been utilized for any commercial, industrial or manufacturing activity and is free from constraints imposed by any prior work;

(ii) built without demolishing, revamping, renovating, upgrading, remodelling or modifying any existing structure, facility or plant;

(iii) not formed by the splitting up or reconstitution of an undertaking already in existence or by transfer of machinery, plant or building from an undertaking established in Pakistan prior to commencement of the new business and is not part of an expansion project;

(iv) using any process or technology that has not earlier been used in Pakistan and is so approved by the Engineering Development Board; and

(b) is approved by the Commissioner on an application made in the prescribed form and manner, accompanied by the prescribed documents and, such other documents as may be required by the Commissioner:

Provided that this definition shall be applicable from the 1st July, 2019 and onwards.".

2. Rationalizing the Scope of Tier 1 Retailer

In view of the higher tariff rates of electricity the conditions to qualify for a Tier 1 retailer have been amended so as to increase the threshold of electricity consumption from Rs 600,000 to Rs 1200,000

3. Penalty for Persons who violate FBR Integrated Software for Sale or Track and Trace System

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FBR is aiming to strengthen online monitoring of the productions and retail sales by integrating such sectors with its online system of integration and also by introducing Track and Trace systems for real time recording of sales. However, it is observed that such persons who are required to integrate with the FBR or have been integrated, either do not get themselves integrated or do not make proper compliance or tamper with the systems so installed so as to avoid correct reporting and recording of production and sales. In order to circumvent the above said behaviour penalties/fines have been added to the law.

4. Penalty for violation of Printing requirement of Retail Price

Sales tax is levied on the basis of retail price on the items specified in the Third Schedule to the Act. Such retail price is required to be printed with retail price. In order to ensure compliance in this respect, and to safeguard revenue associated therewith, its penalties have been provided alongwith the punitive actions by amending section 33 of the Act.

5. Penalty for violation of Section 40D - To document further supplies from tax exempt areas

It has been noticed that some persons are fictitiously routing their goods through areas having exemptions/special tax treatments. In order to discourage this activity and to protect genuine businesses of these areas a new provision has been added which stipulates that:

(1) The conveyances carrying goods supplied from the tax-exempt areas, shall be accompanied by such documents in respect of the goods carried as may be prescribed under rules.

(2) The Regional Tax Office having jurisdiction may establish check-posts on the routes originating from tax-exempt areas for the purpose of examining the goods carried and the documents related thereto. An officer not below the rank of Inspector, Inland Revenue, as authorized by the Commissioner, Inland Revenue, and assigned to such check-posts, may stop vehicles on such routes as coming from tax-exempt areas and examine documents for ascertaining their validity and conformity to the goods carried.

(3) In the absence of the prescribed documents or any discrepancy in such documents, the goods so carried shall be seized along with the vehicle carrying the goods by the officer as aforesaid under proper acknowledgment.

(4) The notices to the owner of the goods and the vehicle to show cause against imposition of penalty shall be issued within fifteen days of the seizure as aforesaid.

(5) For the purposes of this section, the expression “tax-exempt areas” means Azad Jammu and Kashmir, Gilgit-Baltistan, Tribal Areas as defined in Article 246 of the Constitution of the Islamic Republic of Pakistan and such other areas as may be prescribed.

6. Amendment in Section 73-Manufacturers to sell goods to Registered Persons

Section 73 has been amended to provide that a registered manufacturer shall make all taxable supplies to a person who has obtained registration under the Act excluding supplies not exceeding a value of rupees hundred million in a financial year and rupees 10 million in a month, failing which the supplier shall not be entitled to claim credit adjustment or deduction of input tax as attributable to such excess supplies to unregistered person.

The provision has been introduced so as to ensure that if supplies are being made by a registered person to any person who purchased goods of more than 100 million in the financial year, further supplies to him shall not be made unless such person also become a sales tax registered person. Similarly, no supplies exceeding 10 million in a month will be made to any person who is not registered persons under Sales Tax Act, 1990.

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It is clarified that the threshold is applicable in relation to persons to whom such supplies are being made and not in relation to total supplies made by the registered persons in a taxperiod. It is further clarified that such requirement of registration is only applicable to persons who are likely to be involved in supply of taxable goods after such purchases. The conditions and clarification in this regard has been issued vide STGO 01 of 2020 dated 16.01.2020.

7. Rationalization of rate of Imported Cotton

The local supply of ginned cotton was exempt from payment of sales tax prior to the enactment of the Finance Act, 2019. Vide Finance Act 2019, the same was subjected to the reduced rate of sales tax at 10%. However, the imported raw and ginned cotton remained at previously prescribed rate of sales tax at 5% as provided at serial number 5 of Table-1 of Eighth Schedule to the Act. In order to remove disparity between sales tax rates on imported and local cotton, the rate of sales tax on imported cotton has been raised to 10% by amending the aforesaid serial number 5.

8. Amendment in the 12th Schedule

In the Twelfth Schedule to the Sales Tax Act, 1990, the import of goods which are not inputs or raw material and whose customs duty rate is 16% or above are subject to an additional value addition tax at 3%. Certain exclusions have also been provided therein from the levy of this 3% value addition tax. Through this Ordinance, the said Twelfth Schedule has been amended to the effect that:

(a) The said 3% value addition tax is not payable on the plant, machinery and equipment falling Chapters 84 and 85 of the First Schedule to the Customs Act, 1969 (IV of 1969), as are imported by a manufacturer for in-house installation oruse.

(b) The refund of 3% value addition tax shall not be barred if paid on goods used in making zero-rated supplies.

9. Chargeabilitv of Mobile Phones

To promote the digital economy, Ninth Schedule to the Sales Tax Act 1990 has been amended and sales tax on the mobile phones upto the value of 30 US dollars has been reduced from Rs 130 to Rs 100 and phones having value upto 100 US Dollars from Rs 1320 to Rs200

(Tauqeer Ahmed)
Secretary (ST-FE Budget)

C. No. 9(11)ST-LPE/Misc/2016 Islamabad, dated 18th April, 2020.

Subject: Extension in date for payment & submission of sales tax and Federal Excise return for the tax period of March, 2020

I am directed to refer to the subject and to say that in exercise of the powers conferred under Section 74 of the Sales Tax Act, 1990 and Section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to .extend the date of payment & submission of Sales Tax and Federal Excise Return for the tax period of March, 2020 as per following:

1-200-15-09-2020

March, 2020	Due Date	Extended Date
Payment Date	15.04.2020	27.04.2020
Submission Date	18.04.2020	30.04.2020

(Khalid Mehmood)
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C. No. 2/10-STB/2020(Pt-I)/132927-R **Islamabad, dated 06th August, 2020.**

Circular No. 01 of 2020

Subject: Finance Act, 2020 - Eexplanation of important amendments in Sales Tax Act, 1990 and Federal Excise Act, 2005

A. SALES TAX ACT. 1990

1 CORRECTIVE AND ENFORCEMENT MEASURES IN SALES TAX LAW

Various provisions in the Sales Tax Act, 1990 ("1990 Act" hereafter) required some corrections for removing drafting errors or for ensuring smooth implementation of law. Needless to highlight that such changes tend to promote certainty and in turn, Ease of Doing Business Such changes in law are grouped in the following table:-

S. No.	Section	Amendments proposed with Rationale
1.	2(1)-Active Taxpayer	Following two changes have been made in the definition of the expression "Active Taxpayer"; i. The word "blocked" has been removed because no such concept appears in the law elsewhere. Change has been made for removing confusion. ii. As withholding agents' obligation to file withholding statements in the Income Tax Ordinance, 2001 has been changed from monthly to quarterly withholding statements, a corresponding change has also been made in the sales tax law to ensure harmony.
2.	Section 2(20) output tax	Sales tax on services in the provinces is being separately levied and monitored under provincial sales tax laws, hence, the present expression appearing in clause (c) "Provincial sales tax levied on services rendered or provided by the person;" has become redundant. Since FBR is presently enforcing and monitoring sales tax on services in the Islamabad Capital Territory (ICT) only, clause (c) appearing in section 2(20) has been substituted and the same now reads as under: "Sales tax levied on the services rendered or provided by the person under Islamabad Capital Territory (Tax on Services) Ordinance, 2001;"

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3.	Section 2(46)- Value of Supply	The value of supply in the case of Independent Power Producers (IPPs) has been defined as not to include "capacity purchase price." Initially this concept was embodied in the Special Procedure Rules 2007 and was transposed into the main statute through the Finance Act, 2019, when the expression ''WAPDA" was left out during this transposition. It needed a change so that the concept of value of supply in case of electricity supply by WAP DA may also be aligned with the same applicable to other players in the sector. Now, value of supply of electricity in case of WAPDA shall not include "Capacity Purchase Price", however, the change being of substantive nature shall be effective from 1-7-2019.
4.	Section 3(7)- Scope of tax.	Following two changes have been made in subsection (7) of Section 3: i. The expression "by the buyers" has been omitted and ii. after the word "persons" the expression "being purchaser of goods or services" has been added". The first change is only clarificatory/ v. consequential, however, the second change enlarges the scope of sales tax withholding by including purchase of services in the ambit of sales tax withholding regime.
5.	Section 8- Tax credit not allowed.	The word "services" has been added alongwith goods to enlarge the scope of disallowance of input tax on account of non-mentioning of CNIC of the buyer by the seller on the invoice as required under section 23 of the 1990 Act. Resultantly, input tax claimed against goods as well as services shall be disallowed on *pro rata* basis if supplies have been made to persons without obtaining their CNIC/ NTN subject to the conditions mentioned in the law. The measure is expected to optimally broaden the sales tax base.
6.	Insertion of new section 11C- Power of tax authorities to modify orders	To align the sales tax law with the provisions of the Income Tax Ordinance 2001, a provision parallel to Section 124A of the Income Tax Ordinance 2001 has been added by insertion of Section 11C through the Finance Act, 2020. The newly inserted section provides that where a question of law has been decided by Appellate Tribunal or High Court in favour of a particular registered person, and an appeal against the said order has been filed by the department, pending

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		assessments of such taxpayer may also be finalized in accordance with the decided question of law till such time, such judgment is reversed or modified by subsequent higher court. And if such judgment is reversed or modified, all such earlier assessments shall be modified within one year of receipt of the court decision so as to conform to the pronouncement of the higher court.
7.	Section 26-Return.	The expression "complete" has been inserted in the existing requirement of filing of return for more clarity. Accordingly, changes in the electronic format of the sales tax return are being made so that incomplete returns/ returns missing to fill-in essential fields cannot be electronically filed.
8.	Section 33-(Penalties)-Serial No. 25 of the table (Penalty for failing to integrate with FBR computerized system)	Following two changes have been made in the sales tax penalties regime by slightly amending serial No. 25 (Penalty for failing to integrate with FBR computerized system) of the table given in Section 33: i) Time period allowed to a registered person for integrating his business activities with FBR's computerized system, subsequent to imposition of penalty, has been reduced from six to two months, ii) The law provided that both punitive actions of "embargo" and "sealing of premises" could be taken against a defaulting registered person who fails to integrate his business with the Board's computerized system. The word "embargo" has been omitted as a streamlining measure.
9.	Section 33(28)-Penalty for default of Section 56AB	If a person who is required to share information under the newly inserted section 56AB, fails to do so in the manner as required under the law, he shall be liable to pay a penalty of twenty five thousand rupees for first default and fifty thousand rupees for each subsequent default. Section 56AB empowers the Board to have online access to databases of different organizations
10.	Section 45BAppeals under ST Act 1990 & Section 33 of the FED Act 2005	To align the appeal procedure with the Income Tax Ordinance 2001, a change has been made whereby the Commissioner (Appeals) is prohibited to accept any evidence which was not brought before the assessing officer at the time of assessment proceedings. It is an accepted principle of procedural fairness that if someone, without sufficient cause, does not produce any evidence which is in his command and control before a lower adjudication forum, is rendered disentitled to produce the same before higher appellate forum.

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11.	Section 45B of Sales Tax Act and Section 33 of the FED Act 2005-Appeal before the Commissioner IR Appeals, regarding.	Appeal fee has remained at Rs. 1000 for a long time. The provision has been amended in line with relevant provisions of the Income Tax Ordinance, 2001 to create harmony amongst the statutes.
12.	Section 56 of STA 1990 and Section 47 of the FED Act 2005-service of notices and orders.	An amendment has been made by replacing the words "by the limited companies, both public and private" with the words "registered persons". The amendment is only clarificatory and aims at facilitating electronic service of notices on all persons.
13.	Section 58A Representative	An explanation has been added to subsection (3) section 58A clarifying that the expression "Non Resident" shall have the same meaning as given in the Income Tax Ordinance 2001. Further, a person shall be treated as representative of the non-resident person for the financial year in which a relevant tax period/ periods fall. The change has replaced the term tax year because tax year is a concept of income tax.
14.	Serial 15A of Table 3 of the Sixth Schedule – LED lights	The existing table has been substituted with that of the table as given in the Customs Act to align both the laws for ease of the taxpayers to avail exemptions in both the statutes. Exemption as already available to the parts of LED lights continues to remain the same.
15.	Serial 103-import and supply of ships	Exemption available to import and supply of ships chartered by a Pakistani entity previously available till the year 2020 has been extended till 2030 on the request of the Ministry of Maritime Affairs. The Marine Policy has been amended and notified accordingly.

2. VALUE OF SUPPLY FOR CAR DEALERS OF USED VEHICLES

A new clause (j) has been inserted in Section 2(46) for providing special definition of the value of supply in case of used vehicle dealers. Value of supply in case of used vehicle dealers shall be taken as the difference between sale and purchase prices of the vehicle if the vehicle being sold by the vehicle dealer has suffered sales tax at import or manufacturing stage. Valuation method of the vehicles shall be prescribed by the Board.

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3. FIXATION OF MINIMUM PRODUCTION BY THE BOARD ON THE BASIS OF SINGLE OR MORE INPUTS AND FIXATION OF WASTAGE

A new subsection (5) has been inserted in Section 7 for empowering the Board to give industrial benchmarks for minimum production and wastage of input goods/ raw materials in respect of various sectors. The change has been made for eliminating discretion of the adjudicating officers and for according similar treatment across the board on allowability/disallowability of input tax credit against input goods wasted during normal business processes, to the extent such credit is in excess of the Board-prescribed benchmarks/limits.

4. RESTRICTION OF INPUT TAX CREDIT ON SALE OF LOCALLY MANUFACTURED ELECTRIC VEHICLES

Locally manufactured Electric Vehicles are subject to sales tax at reduced rate of 1% as per newly added serial 70 in Table 1 of the Eighth Schedule to the Act. However, by inserting sub-section (4A) in section 8B, it has been provided that the input tax claimed on such vehicles shall not exceed the output tax payable thereon and the input tax which is not adjustable as a result of this restriction shall neither be carried forward nor refunded.

5. INCREASE IN THE THRESHOLD OF SUPPLIES TO UNREGISTERED PERSONS FOR OBTAINING CNIC

Through the Finance Act 2019, Section 23 was amended by inserting the condition of mentioning of NIC of the unregistered purchaser on the invoice. The measure was introduced to broaden the income as well as sales tax base. However, in case of supplies by a retailer to end consumers, the requirement was applicable if the transaction value exceeded Rs. 50,000. Many representations were received stating that the retailers are facing hardship in obtaining CNIC of the buyers/ customers. Hence, amendment in section 23 has been made for enhancing the threshold from Rs.50,000 to Rs 100,000. Now, it would not be compulsory for the retailers to mention NIC of buyer if transaction value does not exceed Rs. 100,000 where supply is made to an ordinary consumer.

6. CONCEPT OF CONDUCTING AUDIT PROCEEDINGS THROUGH ELECTRONIC MEANS

A novel and much needed concept of conducting audit hearings/ meetings through video links has been introduced in the statute by making amendment in Section 25 of the Act. It would be more relevant now in the context of Covid-19 or similar situations where face-to-face contact is not possible or is inconvenient. The Board shall prescribe mode and manner of conducting such proceedings. Changes will also result in minimizing interface between taxpayers and tax collectors.

7. REAL TIME ACCESS TO ELECTRONIC RECORD

Section 38 has been amended to empower the field formations to have a real time electronic access to data and records. This has been done to bring more clarity in the provision. In this regard an enabling provision has also been added whereby the Board may make rules relating to electronic real-time access for audit or a survey of persons liable to tax.

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8. RESTRUCTURING THE PROVISIONS RELATED TO THE ALTERNATE DISPUTE RESOLUTION (BOTH IN ST ACT 1990 AND FE ACT 2005)

For giving more transparency to the process of appointment of members of ADRC Committee, giving more power & recognition to the decisions of the Committee and making it optional for the taxpayers to withdraw appeal which is pending before any other forum of appeal, the procedure for constitution and working of ADRCs under Section 47A of ST Act 1990 and Section 38 of the FED Act 2005 has been substituted. Salient features of the change are as follows:

- The dispute may relate to:
    - the liability of tax against the aggrieved person,
    - admissibility of refunds,
    - waiver of default surcharge and penalty,
    - any other specific relief required to resolve the dispute, or
    - The Board may appoint a committee comprising—

    (a) Chief Commissioner Inland Revenue having jurisdiction over the case; and

    (b) two persons from a panel notified by the Board comprising of chartered accountants, cost and management accountants, advocates, having minimum of ten years' experience in the field of taxation and reputable businessmen.
- The Board shall communicate the order of appointment of committee to the court of law or the appellate authority where the dispute is pending and the Commissioner.
- The Committee so appointed shall examine the issue and may, conduct inquiry, seek expert opinion, direct any officer of the Inland Revenue or any other person to conduct an audit and shall decide the dispute through consensus, within one hundred and twenty days of its appointment.
- The Committee may stay recovery of tax payable for a period not exceeding one hundred and twenty days in aggregate or till the decision of the Committee or its dissolution, whichever is earlier.
- The decision of the committee shall be binding on the Commissioner when the aggrieved person, being satisfied with the decision, has withdrawn the appeal pending before any appellate authority or the court of law and has communicated the order of withdrawal to the Commissioner:
- If the order of withdrawal is not communicated to the Commissioner within sixty days of the service of decision of the committee upon the aggrieved person, the decision of the committee shall not be binding on the Commissioner.
- If the Committee fails to decide within the period of one hundred and twenty days, the Board shall dissolve the committee by an order in writing and the matter shall be decided by the court of law or the appellate authority where the dispute is pending.

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- The Board shall communicate the order of dissolution to the court of law or the Appellate Authority and the Commissioner.
- The aggrieved person, on receipt of the order of dissolution, shall communicate it to the court of law or the appellate authority, where the dispute is pending.
- The aggrieved person may make the payment of sales tax and other taxes as decided by the committee and all decisions and orders shall stand modified to that extent.
- The Board may prescribe the amount to be paid as remuneration for the services of the members of the Committee, other than the member appointed under clause (i) of sub-section (2).
- The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this section.

9. REAL-TIME ACCESS TO INFORMATION AND DATABASES OF VARIOUS AUTHORITIES

New sections, 56AB in the STA 1990 and Section 47AB in the FE Act 2005, have been added whereby various authorities/ organizations will be duty-bound to give real time access to the Board for online sharing of data in their respective databases. The purpose of the measure is to enhance FBR's capacity of detecting tax evasions, broadening tax bases, improving compulsory registrations in appropriate cases, encouraging and promoting voluntary compliance by "national concerted efforts". Following authorities have been added in the first place:

- National Database and Registration Authority
- Federal Investigation Agency and the Bureau of Emigration and Overseas Employment
- Islamabad Capital Territory and provincial and local land record & development authorities
- Islamabad Capital Territory and provincial Excise and Taxation Departments
- All electricity and gas supply and distribution companies
- Any other agency, authority, institution or organization notified by the Board.

The Board shall make arrangements for laying the infrastructure for real-time access to information and databases and aligning it with its own database in the manner as may be prescribed. Until real-time access to information and database is made available, such information and data shall be provided periodically in such form and manner as may be prescribed. All information received under the provisions under reference shall be used only for tax purposes and kept confidential. Penalty for default of this provision has also been provided.

10. WIDENING THE SCOPE OF SECTION 73-TRANSACTIONS NOT ADMISSIBLE

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Before amendment by Finance Act, 2020, subsection (4) of Section 73 provided that corresponding input tax credit shall not be allowed if a registered person "being a manufacturer or producer" made supplies exceeding Rs.100(M) in a financial year or exceeding Rs.10(M) in a tax period to an unregistered person. The scope of the said subsection has been enlarged by substituting the expression "manufacturer or producer" with the expression "any person". Now this precondition for allowability of input tax shall be applicable to all registered persons irrespective of their status whether manufacturer/ producers or not. Further, the Board has also been empowered to exclude any persons or class of persons from purview of restriction in this sub-section subject to such conditions or restrictions as it may notify.

11. INSERTION OF THE TAX LAWS (AMENDMENT) ORDINANCE 2019 RELATING TO TAX CONCESSIONS AND EXEMPTIONS TO GAWADAR PORT AND GAWADAR FREE ZONE, IN THE FINANCE ACT 2020

The Tax Laws (Amendment) Ordinance, 2019 was promulgated on 6-10-2019. National Assembly further extended it for a period of four months, but it expired on 31-05-2020, as National Assembly was not in session. Therefore, the facilities and exemptions relating to Gwadar Port and Free Zone, as enacted in the aforesaid Ordinance, have been continued with effect from 1st June, 2020, by incorporating the relevant amendments in the Finance Act, 2020. In this regard Sr. Nos. 13 and 14 have been added to the Fifth Schedule and Sr. No. 100D has been inserted in the Sixth Schedule to the 1990 Act.

12. EXEMPTION ON IMPORT OF DIETETIC FOODS INTENDED FOR SPECIAL MEDICAL PURPOSES

On the request of the Ministry of National Health Services, exemption has been granted to the import of Food for Special Medical Purpose (FSMP) for the children suffering from Inherit Metabolic Syndrome. For this purpose, a new serial 154 has been added to the Table 1 of the Sixth Schedule to the 1990 Act, with the condition that such exemption is available on import and subsequent supply only.

13. EXEMPTION TO OIL CAKE AND OTHER SOLID RESIDUES.

Exemption from sales tax has been made available to the oil cake and other solid residues, both at import and local supply stage. Resultantly, a new Sr. No. 155 has been added to the Table 1 of the Sixth Schedule and at the same time Sr. No. 2 relating to this item has been omitted from the Eighth Schedule, Table 1.

14. TAX RELIEF TO THE MANUFACTURING AND SUPPLY OF ELECTRIC VEHICLES

In compliance to the Electric Vehicle (EV) Policy approved by the Federal Government, following relief has been provided to the sector to promote the Electric Vehicle manufacturing and their use in the country.

- Through addition of new Sr. No. 156 in the Table 1 of the Sixth Schedule to the 1990 Act, exemption has been provided on the import of CKD kits by local manufacturers of following Electric Vehicles:
    - Road Tractors for semi-trailers (Electric Prime Movers)
    - Electric Buses

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- Three Wheeler Electric Rickshaws
- Three Wheeler Electric Loaders
- Electric Trucks
- Electric Motorcycles

- Through addition of Sr. No. 20 in the Table 3 of the Sixth Schedule exemption on import of plant and machinery to assemble or manufacture the aforesaid EVs has been provided. The exemption shall be admissible on one time basis for setting up a new assembly and/or manufacturing facility of the vehicles and expansion in the existing units to the extent of electric vehicles specific plant and machinery, duly approved/ certified and determined by the Engineering Development Board (EDB)
- Through the addition of Sr. No. 70 in the Table 1 of the Eighth Schedule the rate of tax on supply of locally manufactured EVs has been reduced to 1% only. However, a parallel provision has been added in newly inserted subsection (4A) in Section 8B to allow input tax adjustment to the extent of output tax paid on the local supply as per Sr. No. 70 of the Eighth Schedule and no refund and carry forward of excess input tax shall be allowable.

15. ENHANCEMENT OF RATE OF TAX ON POTASSIUM CHLORATE

Prior to change, sales tax @ Rs.70 per kg was charged in addition to the sales tax @17% on import and supply value of potassium chlorate. The fixed component of levy has now been enhanced from Rs.70 to Rs.80 per kg. This change of tax rate, however, shall not be applicable to imports made by and supplies made to the organizations under the control of Ministry of Defense Production.

16. REDUCTION IN THE RATE OF TAX ON CERTAIN TIER-1 RETAILERS OF TEXTILE AND LEATHER PRODUCTS

Rate of tax on supplies made from retail outlets integrated with Board's computerized system for real-time reporting of sales, has been further reduced from 14% to 12%, if supplied goods are finished fabric, & locally manufactured finished articles of textile and textile made-ups, and leather & artificial leather subject to the condition that they have maintained 4% value addition during the last six months. This is to encourage integration and registration of the retailers with Board's computerized system for real time reporting/ monitoring.

17. CHANGES IN SALES TAX RATES ON MOBILE PHONES

The Ninth Schedule governs the sales tax payment on import and local supply of both feature and smart mobile phones. Through Finance Act, 2020, the Ninth Schedule has been restructured with amendments in tax rates as well as in various conditions applicable. Further, some redundant provisions of Ninth Schedule have also been omitted. Important changes are as under:

- Separate rates of tax have been introduced on import of mobiles in CKD/ CBU condition and various rates have been provided for different sets depending upon on their values
- No input tax adjustment shall be available in respect of tax payable under Ninth Schedule at any stage of supply chain of mobile phones.

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18. TAX TREATMENT OF CEMENT OR CONCRETE BLOCKS

Tenth Schedule provides for a levy, payment and collection of sales tax on bricks manufacturers/ brick kiln operators on fixed basis. Another paragraph (2) has now been added to the Tenth Schedule, with a Table therein providing fixed rates on supply of concrete or cement blocks also. The purpose is to bring similar/ nearly similar types of business activity under similar sales tax regime.

19. STREAMLINING ELEVENTH SCHEDULE TO THE SALES TAX ACT 1990

Eleventh Schedule provides for withholding agents to deduct tax at the time of purchase from both registered and unregistered persons. The categories of withholding agents include Federal and Provincial Government departments, companies, public sector organizations and autonomous bodies. However, it has been noticed that most of the registered suppliers whose tax has been withheld do not usually file their sales tax returns and resultantly, fail to pay their remaining amount of 4/5th tax in case 1/5th of the tax involved is withheld by the purchaser as aforementioned. To enforce returns by the such suppliers and payment of remaining tax involved, the whole concept of withholding has now been linked to the supplier (withholdee) being on the ATL list of the FBR or otherwise. The persons other than Active Taxpayers shall be given the same treatment as was previously accorded to unregistered persons i.e. government and public sector enterprises shall deduct whole of the tax involved in case of supplies made by persons other than those on ATL and the companies shall deduct 5% of gross value of supplies on supplies by such persons. This aims at promoting return filing and documentation culture in the country.

20. AMENDMENT IN THE TWELFTH SCHEDULE TO STA 1990- EXCLUSION OF MANUFACTURERS

The Twelfth schedule provides for the collection of Value added Tax @ 3% at the time of import in addition to the normal tax rate applicable to the imports. Previously, in the case of raw materials and intermediary goods exclusion from the purview of the VAT was only available where the Customs duty involved was less than 16%. This provision had created hardship for some manufacturers. Hence, raw materials and intermediary goods have now been generally excluded from the purview of 3% VAT if imported by the manufacturers for their in-house consumption, irrespective of customs duty structure applicable to such imports.

B FEDERAL EXCISE ACT 2005 ("2005 Act" hereafter)

1. ENLARGING THE SCOPE OF SEIZURE AND CONFISCATION OF THE NONDUTY PAID ITEMS SUBJECT TO FED

In view of increasing trend of non-duty paid products and illicit manufacturing of excisable items and products, all products subject to Federal Excise Duty have now been made liable to seizure in case FED is not paid. Previously, the scope of such seizure was limited to cigarette and beverages sectors only. Now, if any product which is subject to FED is seized on account of non-duty payment, that will also be subject to confiscation. Necessary amendments in sections 26 and 27 of 2005 Act have been made accordingly.

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2. BOARD TO KEEP THE PARAMETERS OF AUDIT SELECTION CONFIDENTIAL

The provisions relating to confidentiality of parameters of audit selection were inserted in the income tax and sales tax statutes in earlier Finance Acts, but the same were missing in the 2005 Act. As a part of the Board's drive for harmonization of various tax statutes, section 42B has been inserted in the 2005 Act.

3. OMISSION OF THE CONDITION OF AUDIT TO BE CONDUCTED ONCE IN THREE YEARS

The provisions relating to condition that audit cannot be conducted more than once in three years were omitted in other statutes, hence for the purpose of harmonization the same has also been omitted from the 2005 Act.

4. INCREASE IN THE RATE OF FED ON IMPORTED CIGARETTES AND OTHER SIMILAR PRODUCTS AND ELECTRONIC CIGARETTES

(i) FED on imported cigarettes, cheroots, cigarillos, cigars of tobacco and tobacco substitutes were fixed at 65% of the retail price.

However, there was no clear distinction between the locally produced cigarettes and the imported ones. To resolve the matter Sr. No. 8 has been substituted and imported cigarettes have been separated from the rest of the categories like Cigars, cheroots, Cigrillos of tobacco or tobacco substitutes. The duty on imported cigarettes has been substituted as 65% of the retail price or the rate of duty as prescribed at Sr. No. 9, of the First Schedule, whichever is higher.

(ii) At the same time, a separate Sr. No. 8b has been inserted for the rest of the categories like Cigars, cheroots, cigarillos and cigarettes, of tobacco and tobacco substitutes with duty defined as 65% of the retail price or ten thousand rupees per kg whichever is higher.

(iii) However, there was no duty prescribed for the E-liquids for which the rate has now been notified at Rs.10 per ml. A new Sr. No. 8a has been inserted for this purpose. Thus by charging FED on these liquids, the e-cigarettes or machines have been subjected to FED.

5. REDUCTION IN THE RATE OF DUTY ON CEMENT

The rate of FED on Cement has been reduced from Rs. 2 per kg to Rs 1.50 per kg. It is applicable on both import and local supply.

6. LEVY OF FED IN THE CASE OF 4x4 DOUBLE CABIN PICK UP

FED structure is already in place for both local and imported motor cars and SUVs excluding auto rickshaw falling under the PCI heading 87.03 i.e primarily passenger transport. However, double cabin pick up vehicles were still outside the ambit of FED despite being primarily used as passenger transport in the country. Keeping in view its usage as a passenger transport vehicle in Pakistan, it has now been brought in the ambit of FED @ 7.5% ad valorem in case of locally manufactured vehicles and @25% in the case of imported ones. However, the locally manufactured vehicles which have been booked on or before the 30th June 2020 will not be subject to FED, subject to the conditions as specified by the Board separately.

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7. INCREASE IN THE RATE OF FED ON FILTER RODS

Filter rod is basic input material for cigarette manufacturing. Previously, rate of FED on filter rods was Rs 0.75 per filter rod. To enhance the effect of monitoring and discourage tobacco consumption, duty on filter rods has been enhanced to Re.1 per filter rod.

(Tauqeer Ahmed)
Secretary (ST & FE-Budget)

1-232-25-04-2024

Sales Tax Circular **Islamabad, dated 30th September, 2020.**

Order

Subject: Creation of Post Refund Analysis Cell at the FBR (HQs) Islamabad

In order to streamline the payment of refund claims and to initiate enforcement measures to minimize the risk of inadmissible refund claims, a system-based Post Refund Analysis Cell (hereinafter referred as PRAC) is established at FBR (HQs) to ensure validity and appropriateness of refunds sanctioned through FASTER and ERS systems. PRAC will work under Chief (Analysis) IR Wing, FBR. Since refund processing system has been programmed in auto-mode without human involvement, PRAC is aimed at bringing transparency and further clarity in automated refund system by restricting the inadmissible claims centrally at the national level.

2. PRAC will work as per set SOPs/mandate to thoroughly scrutinize Issues pertaining to inadmissible/excess/not warranted refunds. Functions of PRAC shall include:-

(i) To identity the cases of inadmissible refunds; and

(ii) To analyze the cases of inadmissible/ excess refund claims and in particular, cases where there are suspicions of; (a) refund claimed on the strength of fake/flying invoices; (b) refund claimed on inadmissible inputs including building materials, paints, wires & cables, vehicles and other such items which are restricted under the provisions of Section 8 of the Sales Tax Act, 1990; (c) falsification of documents with the·intent to deliberately disguise the nature of transaction; (d) collusion amongst taxpayers to avail the bogus refunds.

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3. Where a fiscal investigation is required, the matter will be referred to the concerned LTO/CTO/MTO/RTO as the case may be with a report from PRAC. The concerned field officers will be responsible to thoroughly scrutinize the observations including any other observation which in the opinion of the concerned officers is deemed necessary to ascertain the genuineness of the claim. However, the officer posted in the cell will:-

(a) Arrange and elaborate the facts indicating the commission of offense/crime;

(b) Chronology of events, primary and secondary evidences to establish the offense;

(c) List of documentary evidences including the positions, submissions to prove the offense; and

(d) Any other facts or evidence to establish the offense.

4. The officers posted in PRAC after completion of the analysis would submit the report regarding the assigned matters to Chief (IR-Analysis) at the earliest or within the time stipulated (if any) who will forward the said rep.ort to concerned field offices after the approval of Member-IR (Ops).

5. PRAC would accordingly coordinate and provide active cooperation to the field offices in discharge of their legal duties.

6. PRAC shall come into effect on October 1st 2020.

[C. No. 1(8)19/CSTRO/2020/171192-R]

(Malik Akhlaq Ahmad)
Second Secretary (ST-Operations)

Sales Tax Circular No. 03/2020 **Islamabad, dated 07th December, 2020**

Operations

Subject: Standard Procedure for Sanctioning of Missing Amounts Stuck in FASTER System due to System Glitches

In the wake of rollback of zero-rating extended vide SRO 1125 of 2011 issued under sections 3(2)(b) & (6); 4(c); 8(1)(b); and 71 of the Sales Tax Act, 1990, with effect from January 1, 2012, a *Fully Automated Sales Tax e-Refund System* (FASTER) was introduced to process and sanction exporters' refunds expeditiously. Although, FASTER was rolled out inside the very first quarter of T/Y 2020, yet it continued to malfunction on multiple counts producing suboptimal outcomes. One evidence of FASTER's malfunctioning was that the system would simply miss out on sales tax credits of various taxpayers stalling processing of their refund claims. This system glitch created problems for exporting taxpayers in terms of uncertainty and stuck-up liquidity, and for the tax administration in terms of credibility deficit.

2. The matter has been analyzed threadbare at the head office, and found out that the problem of missing amounts cropped up due to the very designing of the FASTER module plausibly on three counts, namely;

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(i) FASTER was programmed to pick the least of the three opening balances of carry forward of previous month from (a) Sales Tax Return; (b) Annex-H; and (c) the e-RPO generated;

(ii) FASTER module's non-synchronization with STRIVE i.e. Serial 7a and 7b of the Sales Tax Return; and

(iii) Misapplication of section 8B to certain exporters in FASTER module.

3. These design flaws resulted in wide-going anxiety amongst the exporters' community as large number of missing amounts claimed by them was not being reflected on their e-RPOs after processing by the system. Thus, the matter having two dimensions, that is, improving the system design for future glitch-free processing of refund claims in FASTER, and devising a.mechanism to deal with the past missing amount cases expeditiously and judiciously, has been resolved as follows:-

(i) Future Processing Module

The problem of opening balance has been overcome by de-linking the opening balance of Sales Tax Return and Annex-H effectively, and linking it to the previous e-RPO alone. Going forward, this improvement in the FASTER module will not only solve the issue of missing amountsarising due to opening balances but also the issue of non-synchronization of FASTER system with Sales Tax Return and application of Section 8B on certain exporters.

(ii) Process of Past Missing Amounts

The issue of past missing amounts has been solved as under:-

(a) That, in all cases wherein the missing amounts could be effectively pulled up by the system, have already been communicated to taxpayers for re-filing after adequate modifications in the refund claims/sales tax return;

(b) That, in all remaining cases, where a taxpayer believes that a material amount of his refund claims has been unaccounted for, he may apply to the Deputy Commissioner concerned; &

(c) That, the Deputy Commissioner will examine the case and after due verification, will sanction the due amount.

4. The Chief Commissioners concerned would keep a complete log of the pending missing amount refund cases in their formations and ensure their disposaland processing in the shortest possible time as per law, and instructions.

[C. No. 1(3)19/ST/P&R/Circular/2020/223265-R]

(Arafat Faiz Rasool)
Second Secretary (Refunds)

Sales Tax Circular No. 04/2020 **Islamabad, dated 30th December, 2020**

Subject: Standard Operating Procedure for Registration of New Manufacturers for Concessionary Tariff Rates on Supply of Electricity and Gas

1-203-31-12-2020

The Economic Coordination Committee (ECC) of the Cabinet vide its decision in case No.ECC-434/59/2020 dated 02.12.2020, directed Federal Board of Revenue,

Ministry of Commerce and other stake-holders to devise a standard operating procedure (SOP) for enrollment of Registered Persons under the export-oriented sectors (erstwhile zero-rated sectors) to qualify concessionary regime of electricity, RLNG and Gas tariff. Accordingly, a meeting was held in FBR on 22.12.2020 and as a result of thorough deliberations amongst all stakeholders the requisite SOP has been agreed upon and being rolled onto. The main features of the SOP are as under:-

(i) For new registration of manufacturers for concessionary tariff rates, applicants may apply through respective representative Association, as listed at Annex-A.

(ii) The Association concerned, after verifying the particulars on the prescribed format (Annex-B), may forward the application along-with its element recommendations, duly signed by its Chairman/President, to the Export-oriented Sector Registration Cell (ESRC) of FBR.

(iii) The ESRC shall examine the particulars and recommendations of the respective Associations and counter-verify particulars of the taxpayer including declarations in the registration profile etc. as required, and forward the case to the Ministry of Commerce for allowing concessionary tariff through respective DISCOs/Gas Companies.

(iv) In case the ESRC spots any discrepancies in the verification report and data available with FBR, the matter will be referred to Inland Revenue field formations for ground-check, report and recommendations.

(v) The newly enrolled taxpayers shall be entitled to avail concessionary tariff prospectively.

(vi) The DISCOs/Gas Companies shall ensure that the taxpayers are active on FBR's (Sales Tax) Active Taxpayers List (ATL) as shared with DISCOs/Gas Companies each month before generating the monthly utility bill. In case the taxpayer is found non-active on the ATL, standard utility tariff shall apply on supply of utilities for the relevant period.

(vii) Any taxpayer aspiring to avail concessionary utility rates and who is not registered with the respective sector Association, may approach the IR field formation concerned for verification of its business particulars and onward submission of report on the prescribed format to the ESRC within 15 days of the submission of the application.

2. The procedure for registration of new entrants in Export-oriented Sectors shall become applicable with effect from lst January 2021.

[C. No. 1(1)/ST-LP&E/ZR/2017/243658-R]

End: as above

(Annex A & B not reproduced here)

(Khalid Mehmood)
Second Secretary (ST-L&P)

1-203-31-12-2020

Sales Tax Circular No. 01/2021 **Islamabad, dated 30th March, 2021**

Subject: Standard Operating Procedure for Registration of New Manufacturers for Concessionary Tariff Rates on Supply of Electricity and Gas

In pursuance to Ministry of Commerce, Islamabad's O.M. C.No.9(34)TID-13/RDA dated 05.03.2021 and in continuation of FBR's Circular No.04/2020 dated 30.12.2020, following Associations of the export-oriented sectors (erstwhile zero-rated sectors) are further inserted to Annex-A of the above-said Circular for forwarding of cases of taxpayers for enrollment under concessionary regime of electricity, RLNG and Gas tariff:-

(i) Pakistan Tanners Association (PTA)

(ii) Pakistan Knitwear & Sweater Exporters Association (PAK-SEA)

(iii) Towel Manufacturers' Association of Pakistan (TMA)

(iv) All Pakistan Bedsheets & Upholstery Manufacturers Association (APBUMA)

(v) Pakistan Silk & Rayon Mills Association

2. The Associations listed above shall follow the procedure for registration of new entrants in Export-oriented Sectors as envisaged in Circular 04/2020 dated 30.12.2020.

(Khalid Mehmood)
Second Secretary (ST-L&P)

Sales Tax Circular No. 02/2021 **Islamabad, dated 01st July, 2021**

Subject: Finance Act, 2021 - Explanation of Important Amendments in Sales Tax Act. 1990 and Federal Excise Act, 2005

(A) CORRECTIVE AND STREAMLINING MEASURES:

There are certain provisions in the Sales Tax Act, 1990 (hereinafter referred to as "STA") and Federal Excise Act, 2005 (hereinafter referred to as "FEA"), which required some corrections or streamlining, while some changes have been made for the purpose of "ease of doing business" for registered persons. Further, some drafting errors have also been corrected. All such measures are listed below:

S. No.	Section	Amendments with Rationale
1.	2(4AA) of STA	A new definition has been inserted to define Commissioner
2.	2(5AB) of STA	Annual threshold for the cottage industry has been increased from Rs. 3(M) to Rs. 10(M) by amending section 2(5AB).
3.	2(18A) of STA	For the purpose of defining online market place, new clause (18A) has been inserted under section 2.
4.	2(37) of STA	Drafting error has been corrected in clause (37) of section 2.

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5.	2(43A) of STA	Definition of tier-1 retailer has been streamlined through insertion of a new clause, whereby a retailer who has acquired point of sale is also included therein.
6.	2(44) of STA	Advance receipt of payment has been excluded from the purview of definition of time of supply.
7.	3 of STA	Besides correcting drafting error and deleting proviso regarding cash back, new sub-section (9AA) has been inserted in section 3 for fixation of minimum production as per criteria specified in newly added Thirteenth Schedule.
8.	8B of STA	In order to encourage listed corporate sector, Public limited Companies listed on Pakistan Stock Exchange have been excluded from the purview of section 8B of the Sales Tax Act, 1990. Moreover, in order to enhance cost of retailers not integrated with the FBR's online system, disallowance of input tax adjustment by such retailers has been further enhanced to 60%.
9.	11 of STA	Sales tax returns are filed on monthly basis, while audit is carried out on annual basis. Hence, in order to streamline section 11, the words "relevant date" have been substituted with the words "end of the financial year in which the relevant date falls".
10.	22 of STA	Section 22 has been amended by inserting cash book and electronic version of record to strengthen and streamline the requirement of record keeping.
11.	25AA of STA	A new sub-section has been added in section 25AA to provide enabling provision for prescribing rules for determining transfer pricing of taxable supplies between associates to reflect fair market value in arm's length transactions.
12.	26AB of STA	For the purpose of facilitation of the registered persons and in order to streamline the procedure for extension of time for furnishing of sales tax returns, new section 26AB has been inserted.
13.	40D of STA	Border Sustenance Markets have been included in the tax exempt areas and accordingly supplies made from such areas to the taxable areas shall be chargeable to sales tax.
14.	40E of STA & 45AA of FEA	New section has been added in both STA and FEA making it mandatory for manufacturers of the specified goods to obtain brand license for each separate brand or stock keeping unit (SKU) produced by them.
15.	48 of STA & 14 of FEA	Enabling provision has been inserted in both STA and FEA regarding assistance in collection and recovery of taxes with other countries on mutual basis.

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16.	50 of STA	Procedure for publishing and placing the rules has been streamlined.
17.	56A of STA & 47A of FEA	Enabling provisions regarding sharing of data with other ministries or divisions of Federal Government or Provincial Governments besides providing for mechanism for assistance in recovery of taxes with foreign countries on reciprocal basis have been inserted in section 56A of STA and 47A of FEA.
18.	56C of STA	Enabling provision has been inserted in section 56C to monitor and regulate the invoices issued by tier-1 retailers by way of mystery shopping.
19.	67 of STA	Benefit of additional payment has also been extended to those persons in whose case any order is passed under section 66 and refund is not issued within forty-five days of date of refund order.
20.	73 of STA	For the purpose of promoting ease of doing business, the concept of constructive payment (setting off payables against receivables from the same registered person) has been introduced in section 73 by inserting a new proviso in sub-section (1).
21.	76 of STA & 49 of FEA	Enabling provision has been inserted in in both STA and FEA for authorizing and prescribing the manner for utilizing the fees and service charges collected by the Board from taxpayers.
22.	S. Nos. 18, 19 & 20 of Tablell of the Sixth Schedule to STA	S. No. 18 of Table-II of Sixth Schedule to STA, which grants exemption to marble and granite manufacturers having annual turnover less than Rs. 5 million, has been omitted, as the said exemption is already available under section 2(5AB) of STA. Moreover, exemptions on bricks and crush stones have already expired on 30th June, 2018; hence these serial numbers have been omitted, being redundant.
23.	4 of FEA	Provision for revision of return without seeking approval from the Commissioner has been incorporated in section 4 of the FEA.
24.	S. No. 56 of Table-1 of the First Schedule to FEA	To correct drafting error, PCT heading for filter rod has been substituted.

(B) REVENUE & RELIEF MEASURES:

1. INCLUSION OF SUGAR IN THE THIRD SCHEDULE TO THE STA:

Currently, the price of white crystalline sugar is fixed at Rs.60/- per kg in terms of SRO 812(I)/2016, dated 02.09.2016, which is considerably below the actual market price of the commodity. In order to address this anomaly, sugar is proposed to be included in Third Schedule to the STA, so that sales tax is charged and

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collected on actual retail price of the product at the manufacturing stage. This measure would not only ensure due payment of tax but also help in putting a more effective price control mechanism in place for sugar.

2. WITHDRAWAL OF ZERO-RATING UNDER FIFTH SCHEDULE TO THE STA:

In order to capture the supply chain in a better manner, following entries in the Fifth Schedule to the STA, which grant zero-rating to different items, have been withdrawn. This measure will plug the revenue leakage, if any in the supply chain.

Serial No of Fifth Schedule	description
1	Supply, repair or maintenance of aircraft subject to certain conditions
6	Plant and machinery to petroleum and gas sectors
10	Petroleum Crude Oil
11	Inputs of zero-rated plant and machinery

3. GRANT OF ZERO-RATING ON CERTAIN ITEMS:

Zero-rating on local supply of raw material, components, parts and plant and machinery to registered exporters under Export Facilitation Scheme, 2021 has been granted. Moreover, milk and fat filled milk have also been included in zero-rated regime.

4. WITHDRAWAL OF EXEMPTIONS UNDER SIXTH SCHEDULE TO THE STA:

In pursuance of rationalizing and streamlining policy, certain exemptions under Table 1 of Sixth Schedule have either been withdrawn or shifted to Table 2 for the purpose of broadening of tax base and enhancing revenue, while retaining only those exemptions which are related to basic food items, health and education.

5. EXEMPTION OF SALES TAX ON WHITE SPIRIT AND SOLVENT OIL:

In order to support agriculture sector, exemption has been granted on white spirit and solvent oil for manufacture of pesticides and their ingredients registered under the Agriculture Pesticides Ordinance, 1971.

6. EXEMPTION OF SALES TAX ON PRINTING PAPERS FOR HOLY QURAN:

Currently art and printing papers are chargeable to sales tax at standard rate of 17%. The said products have been granted exemption from sales tax, if used for printing and publication of Holy Quran. Resultantly, art and printing paper alongwith relevant PCT headings have been inserted in S. No. 137 of Table-1 of the Sixth Schedule to the STA.

7. EXEMPTION OF SALES TAX ON CKD KITS FOR ELECTRIC VEHICLES:

Exemption on import of CKD kits for electric vehicles has been granted to facilitate local manufacturing to introduce environment friendly and cheaper source of transportation to the general public. Accordingly, S. No. 157 has been inserted in the Sixth Schedule to the STA.

1-209-15-07-2021

8. EXEMPTION OF SALES TAX ON TEMPORARY IMPORT BY INTERNATIONAL ATHLETES:

For the purpose of facilitation of international athletes, goods temporarily imported into Pakistan by international athletes or sportsmen which would be subsequently taken back by them within 120 days have been exempted from levy of sales tax. For this purpose, S. No. 158 has been inserted in the Sixth Schedule to the STA.

9. EXEMPTION OF SALES TAX ON IMPORTS OF AUTO-DISABLED SYRINGS AND RAW MATERIALS:

To promote usage of auto disabled syringes during COVID situation in the country, tax exemption on import of auto disposable syringes and their raw material was granted till 30th June, 2021 vide Tax Laws (Second Amendment) Ordinance, 2021. Accordingly, this exemption has been incorporated at S. No. 159 and 160 of Table-1 of Sixth Schedule to the STA.

10. EXEMPTION OF SALES TAX ON PLANT. MACHINERY, EQUIPMENT AND RAW MATERIAL FOR SPECIAL TECHNOLOGY ZONES:

To provide incentive to the IT industry in the country, import of plant, machinery, equipment and raw materials by Special Technology Zone Authority, developers and enterprises has been granted exemption by adding S. No. 161 of Table-1 of the Sixth Schedule to the STA.

11. EXEMPTION OF SALES TAX AND FED ON IMPORT UNDER EXPORT FACILITATION SCHEME. 2021:

For the purpose of facilitation of exporters, exemption has been granted on import of raw materials, components, parts and plant and machinery by registered persons authorized under Export Facilitation Scheme, 2021. Similarly exemption from federal excise has also been granted on import and supply of certain items by registered persons authorized under Export Facilitation Scheme, 2021.

12. EXEMPTION OF SALES TAX ON LOCALLY PRODUCED SILOS:

To facilitate the farmers and encourage storage of grain and agricultural activity in the rural areas, tax exemption on locally produced silos has been granted by adding S. No. 26 in the Table-2 of the Sixth Schedule to the STA.

13. EXEMPTION OF SALES TAX ON SUPPLY OF WHEAT BRAN

Exemption has been granted on local supply of wheat bran, which will result in facilitation of poultry industry by reduction in manufacturing cost of poultry feed.

14. EXEMPTION OF SALES TAX ON IMPORT OF POS MACHINES:

In order to facilitate and encourage integration of teir-1 retailers, POS machines imported for installation on retail outlets as are integrated with the Board's Computerized System have been granted exemption from sales tax. Moreover, sales tax rate on textile and leather items through POS integrated retailers has been reduced from 12% to 10%.

1-209-15-07-2021

15. EXEMPTION OF SALES TAX AND FED TO BORDER SUSTENANCE MARKETS:

In order to mitigate the problems faced by people residing in border areas of Baluchistan and Khyber Pakhtunkhwa due to fencing and counter smuggling measures, Border Sustenance Markets are being established on the border with Iran and Afghanistan. To facilitate the said markets, exemption on certain specified items has been granted by inserting new Table-4 in the the Sixth Schedule to the STA. Similarly exemption from federal excise has also been granted on specified items meant for such markets.

16. WITHDRAWAL OF EXEMPTION OF NON-ESSENTIAL ITEMS. RAW MATERIALS UNDER EIGHTH SCHEDULE:

In pursuance of rationalizing and streamlining policy, certain reduced rates under Eighth Schedule have been enhanced to standard sales tax rate for the purpose of broadening tax base and increasing revenue, while retaining only those concessionary rates which are related to basic food items, health and education.

17. REDUCTION OF SALES TAX ON LOCALLY MANUFACTURED ELECTRIC VEHICLES:

To encourage and promote the local manufacturing of electric vehicles, reduced rate of 1 % of sales tax has been provided for these vehicles.

18. REDUCTION IN SALES TAX RATE ON LOCALLY MANUFACTURED MOTORCARS UPTO IQOOcc:

In order to provide relief to the general body of consumers, rate of sales tax has been reduced from 17% to 12.5% on locally manufactured cars upto 1000cc.

19. INCREASE IN SALES TAX RATE ON IMPORT OF POTASSIUM CHLORATE:

For encouraging organized sector of matches manufacturing industry, rate of sales tax at Rs.80/- per kg has been enhanced to Rs.90/- per kg. The said increase may result in discouraging the unregistered persons, who procure potassium chlorate from commercial importers.

20. GOODS SUPPLIED FROM EXEMPT AREA TO TAXABLE AREAS:

In order to check misuse of exemption to tax exempt areas, reduced sales tax rate of 16% has been provided for goods supplied from erstwhile FATA/PATA to the taxable areas.

21. WITHDRAWAL OF FIXED SALES TAX ON SIM CARD:

Sales tax on Subscriber Identification Module (SIM) cards charged at Rs.250/- per SIM card under the provision of Table-I of the Ninth Schedule to the STA has been abolished with effect from 1st July, 2020.

22. WITHHOLDING REGIME FOR SUPPLIERS OF LEAD:

At present, lead and used lead batteries sector contributes very little to the revenue, as most of the suppliers are unregistered persons. To plug revenue leakage and ensure due payment of sales tax, a new S. No. 7 has been added in the Eleventh Schedule to the STA.

23. WITHHOLDING REGIME FOR ONLINE MARKET PLACES:

Online market places facilitating the supply of goods owned by third party suppliers are required to withhold sales tax at the rate of 2% of gross value of supplies made by persons other than active taxpayers.

1-209-15-07-2021

24. EXEMPTION FROM VALUE ADDITION TAX TO ELECTRIC VEHICLES:

To promote environment friendly transportation facility and to encourage cheaper source of transportation, minimum value addition tax under Twelfth Schedule is withdrawn from electric vehicles (4-wheelers) upto 50 Kwh battery in CKD/CBU condition and electric vehicle LCV upto 150 kwh batter in CKD/CBU till 30th June, 2026.

Furthermore, electric vehicles 2-3 wheelers and heavy commercial vehicles in CBU condition is also excluded from the purview of value addition tax under Twelfth Schedule till 30th June, 2025.

25. WITHDRAWAL OF VALUE ADDED TAX ON MOTOR VEHICLES UPTO 850CC:

In order to provide relief to the general body of consumers, small cars upto engine capacity of 850cc have been exempted from value added tax at import stage.

26. EXEMPTION FROM FEDERAL EXCISE TO INDSUTRIAL UNITS LOCATED IN FATA AND RATA:

In order to facilitate the people of tribal area and encourage investment and economic growth in these areas, levy of federal excise has been withdrawn on to the industrial units located in erstwhile FATA and FATA by omitting corresponding serial numbers in First Schedule and Second Schedule besides omitting Fourth Schedule of FEA. Corresponding amendments have also been made in the relevant provisions of the STA.

27. WITHDRAWAL OF FED ON JUICES:

In order to provide relief to this sector, federal excise duty on juices has been withdrawn.

28. IMPOSITION OF FED ON ELECTRICALLY HEATED TOBACCO PRODUCTS

In order to discourage tobacco usage, electronically heated tobacco products have been brought under the federal excise regime by inserting new S. No. 8c of Table-1 of the First Schedule to the FEA.

29. REDUCTION IN FED ON LOCALLY MANUFACTURED CARS:

In order to cause reduction in prices of locally manufactured vehicles, federal excise duty has been reduced by 2.5% for each category, as prescribed under S. No. 55B of Table-1 of the First Schedule to the FEA.

30. REDUCTION OF FED ON TELECOMMUNICATION SERVICES:

Federal excise has been reduced from 17% to 16% on telecommunication services.

31. IMPOSITION OF FED ON MOBILE CALLS:

Federal excise on mobile phone calls exceeding five minutes has been imposed at 75 paisa per call.

1-210-20-08-2021

32. EXEMPTION FROM FED ON MERCHANT DISCOUNT RATE (MDR):

To provide relief to businesses and promote digitization of economy, payment on account of Merchant Discount Rate has been excluded from the ambit of federal excise duty.

(Fakhryia Anjum)
Secretary (ST&FE-Budget)

Sales Tax Circular No. 03/2021 Islamabad, dated 10th August, 2021

Subject: Finance Act, 2021 - Taxation of Erstwhile FATA/PATA Domiciled Industries.

A number of significant amendments have been introduced via Finance Act, 2021 in the Sales Tax Act, 1990 (hereinafter "STA, 1990") as applicable to various industries located in erstwhile FATA/PATA regions. The most important change brought about by the Finance Act 2021, is vis-a-vis the new entry No. 74 added in 8th Schedule to the STA, 1990, to charge sales tax @16% on all "Goods supplied from tax-exempt areas of erstwhile FATA/PATA to the taxable areas."

2. Accordingly, a FATA/PATA-domiciled person having status of "Active Taxpayer" in terms of Section 2(1) of the STA, 1990 would continue to import raw materials for consumption at his own manufacturing site against deposit of post-dated cheques (PDC) in line with its determined installed production capacity. The Importation, Transportation, Exemption (from import-stage income tax), and Consumption of raw materials have been elaborately dealt with vide FBR's CGO # 1 of 2021, Circular # 5 of 2021, Circular # 9 of 2021 and Circular No.13 of 2021, which continue to be applicable.

3. In order to facilitate the operationalization of benefits laid down in the law, the FATA/PATA-domiciled industrial units may acquire installed capacity determination certificate (ICDC) from the Khyber Pakhtunkhwa Department of Industries or the Ministry of Industries, Government of Pakistan. The Commissioner concerned shall accept the ICDC presented until he has reasons to believe that the actual capacity installed is less than the capacity determined and certified. It goes without saying that only the goods meant for value addition are to be imported and not finished products.

4. In order to undertake foolproof surveillance of exit points from non-taxable to taxable territories, Inland Revenue Enforcement Network (IREN) check posts under Section 40D of the STA, 1990 are being established and functionalized to ensure that due tax is paid at the rate of 16 percent on goods supplied into taxable territories. The Regional Tax Office, Peshawar shall also establish a tax office in Malakand Division for prompt release of consignments, processing of Consumption and Exemption Certificates and effective and timely implementation of law in letter and spirit.

Salman Ahmad Khan
Secretary (Analysis)

1-2(10-20-08-2021

No. 9(11)ST-LPE/Misc./2016 Islamabad, dated 13th August, 2021

Subject: Extension in date for Payment and Submission of Sales Tax & Federal Excise Returns for the period of July, 2021.

I am directed to refer to the subject and to say that in exercise of the powers conferred under Section 74 of the Sales Tax Act, 1990 and Section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of payment and submission of Sales Tax & Federal Excise Return for the tax period of July, 2021 as per following:

a) Date of Payment of Sales Tax & Federal Excise Return which is due on 15th August, 2021 is hereby extended opto 23rd August, 2021;

b) Date of Submission of Sales Tax & Federal Excise Return which is due on 18th August, 2021 is hereby extended upto 24th August, 2021.

Khalid Mehmood
Second Secretary (ST-L&P)

C.No. 7(I)TIPU/IR/2020/205371-R Islamabad, dated 14th December, 2021

Circular No. 4 of 2022 - Operations

(Inland Revenue)

Subject: Revocation of the condition of Installed Capacity Determination Certificate (ICDC) from the Khyber Pakhtunkhawa Department of Industries or the Ministry of Industries, Government of Pakistan and certain timelines to be adhered to.

Reportedly, Khyber Pakhtunkhawa Department of Industries has shown its inability to issue Installed Capacity Determination Certificate (ICDC) as required under Circular 3 of 2022 dated August 10, 2021 as stated by certain industrial units of FATA/PATA in their representations to the Board and FPCCI's letter No.7756 dated 17-09-2021.

2. Hence, taking into account the ground reality and to facilitate the FATA/PATA domiciled industrial units, the condition of acquiring ICDC as required under Circular No.3 of 2022 is done away with immediate effect. Henceforth, the CIR concerned will determine the capacity of the installed machinery. The remaining portion of the Circular will be operative.

3. Further, in order to streamline the process of import of raw material and its consumption, the following time lines are being laid down:

(i) Circular 9 of 2021 - Revocation of Detention Order issued by the Collector Customs, Peshawar

On an application filed by the importer with the Office of the CIR concerned accompanied with all relevant documents and details, the CIR will complete the verification process through physical visits of the manufacturing premises and issue a Revocation letter (or otherwise) within six working days.

In case, the application is not filed within five days of the receipt of the Detention Order by the importer, the CIR concerned may issue a speaking order within seven working days, thereby excluding the defaulting manufacturer/ importer from the concessions put forth in the various Circulars.

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The CIR, concerned will ensure the monthly stock-taking of the raw materials consumed by the manufacturing units and file a monthly report by the 10th of each month to the Board.

(ii) Circular 5 of 2021 - Consumption Certificates

The FATA/PATA domiciled manufacturer will apply with the CIR concerned within ten days of consumption of raw material for the issuance a Consumption Certificate (GD wise) along with all documents and evidences detailed in Para 3 of Circular 05 of 2021.The CIR concerned shall take a decision of issuing the Consumption Certificate within 30 working days from the day the taxpayer applies.

(iii) Circular 13 of 2021 - Exemption Certificate for import of industrial inputs/machinery by FATA/PATA resident manufacturers

The CIR concerned shall ensure issuance /rejection of the exemption certificate within seven working days of the receipt of application.

In case, the exemption certificate is not issued or rejected by the concerned CIR, the taxpayer shall within seven working days apply to the CCIR, RTO Peshawar for redressal of grievance, which will be addressed within seven days of receipt of the application in the CCIR's office.

4. It is essential that the concerned Commissioner maintains a close liaison with Collector Custom, Peshawar and receives details of Detention Orders of the raw materials issued by the Collectorate so that a systemic and coordinated effort to enforce the writ of law is ensured.

Salman Ahmad Khan
Secretary (IR-Analysis)

C.No. 1(3)ST-LP&E/Misc/2020/1182-R **Islamabad, dated 04th Jan, 2022**

Subject: Applicability of Sales Tax @10% as provided under entry listed at Sr.No.66 of the Eighth Schedule to the Sales Tax Act, 1990.

I am directed to refer to your letter C.No. TH/Retail/Rate of Tax/2021 dated 20.12.2021 on the subject and to say that S.No.66 of trhe Eighth Schedule to the STA, 1990 provide that supplies las made from retail outlets as are integrated with Board's computerized system for real-time reporting of sales is chargeable to sales tax @10% if supplied goods are finished fabric, and locally manufactured finished articles of textile and textile made-ups and leather and artificial leather subjectto the condition that they have maintained 4% value addition during the last six months".

2. Therefore, supplies asmade through POS toend consumers lis chargeable to sales tax @10% in terms of serial number 66 of the Eighth Schedule to the Sales Tax Act, 1990. However, bulk supply through POS tantamount tobe treated as wholesale and hence chargeable to standard rate ofsales tax under the law.

(Khalid Mehmood)
Second Secretary (ST-L&P)

1-215-31-01-2022

C.No. 9(11)ST-LPE/Misc/2016/7917-R Islamabad, dated 17th Jan, 2022

Subject: Extension in date of submission of Annex-C, Payment and filing of Sales Tax and Federal Excise Return for the Tax period of December, 2021.

I am directed to refer to the subject and to say that in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of submission of Annex-C, payment and filing of Sales Tax and Federal Excise Return for the tax period of December, 2021 as per following schedule:-

(a) The date of submission of Annex-C of Sales Tax & FED, which was due on 10.01.2022, is hereby extended upto 19.01.2022;

(b) The payment of Sales Tax & FED, which was due on 15.01.2022, is hereby extended upto 21.01.2022;

(c) The date of submission of Sales Tax & Federal Excise Return, which is due on 18.01.2022, is hereby extended upto 24.01.2022.

(Khalid Mehmood)
Second Secretary (ST-L&P)

C.No. 1(05)STL&P/TAMA/2022/8559-R Islamabad, dated 18th Jan., 2022

Circular No. 5 of 2022 - Operations

(Sales Tax)

Subject: POS Integrated Retailers — Implementation of Rule 150ZEB(II) of the Sales Tax Rules, 2006

All Tier-I Retailers as defined in section 2(43A) of the Sales Tax Act, 1990 are expected to maintain highest standards of documentation, reporting, and transparency. In their endeavours to achieve such high standards, they are integrated with FBR's IT system for real-time reporting of their economic transactions. It has transpired that many an integrated Tier-I Retailer indulge in making cash transactions, which mitilates not only against the overall scheme of things, but also the intended objectives.

2. In this connection, it is pertinent to note that Rule 150ZEB(II) of the Sales Tax Rules, 2006, mandates that each Tier-I Retailer "must have the facility of debit and credit card machine installed at each notified outlet and the sales through debit or credit cards shall not be ordinarily refused."

3. Accordingly, all integratable Tier-I Retailers are liable to have debit/credit card machine installed at their outlets and IRS Field Formations to ensure implementation the rules in this respect.

(Khalid Mehmood)
Second Secretary (ST-L&P)

1-215-31-01-2022

C. No. 4/1-STB/2022 **Islamabad, dated 20th Jan., 2022**

Circular No. 6 of 2022

(Sales Tax)

Subject: Finance (Supplementary) Act 2022 - Explanation of Important Amendments in Sales Tax Act 1990, ICT (Tax on Services) Ordinance 2001 and Federal Excise Act 2005.

In order to achieve broader economic and financial stability through sustainable economic growth through removal ofdistortions, broadening oftax base and documentation of economy, Finance (Supplementary) Act, 2022 has been passed. Explanations and context ofimportant changes brought about are explained as follows:

I. Streamlining of 5th Schedule

Zero-rating under 5th Schedule to the Sales1 Tax Act, 1990 has been rationalized and some of the entries have been omitted. For example, zerorating on local supply of plant and machinery to Export Processing Zones (EPZ), duty free shops, local supplies to exports covered under Export Facilitation Scheme, and supply/repair/maintenance of ships and related equipment and machinery has been withdrawn.

On the other hand, zero-rated regime at import stage is introduced for drugs registered under the Drugs Act, 1976. Pharmaceutical goods and their raw materials were earlier exempt from Sales Tax; as a result, most ofthe supply chain was undocumented. This had led to misuse ofthis facility and revenue leakages. Moreover, the sector had absorbed tax paid on various inputs including packaging material and utilities. These input taxes became part of cost and were passed on to patients. In order to address these issues, pharmaceutical products are made zero rated and any tax paid on their inputs are made refundable. This measure will bring transparency to the sector and help FBR in documenting the entire supply chain. It will also help the government in controlling and reducing the price ofpharmaceutical goods. In order to process the refund claims of this sector, a refund module on the pattern ofFASTER is devised. Zero-rating to crude oil, which was withdrawn through Finance Act, 2021 has also been restored.

II. Streamlining of 6th Schedule

For the purpose of tax rationalization and broadening of tax base, while retaining exemptions on essential food items, basic healthcare and education, a number of exemptions from Table-1 ofthe Sixth Schedule to the Sales Tax Act, 1990 have been withdrawn. The goods on which GST at standard rate has been imposed can be broadly categorized as imported/branded food items or plant and machinery and industrial inputs. Imported live animals/poultry, imported meat/uncooked poultry, imported eggs, imported seeds and various types of agriculture equipment, plant and machinery of green field industries are some ofthe items which are now brought in to the standard regime.

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Through new insertion in Table-2 ofthe Sixth Schedule, local supply of food items like cereals, meat, poultry, vegetable, fruits, eggs etc. has been exempted from the levy of sales tax. Similarly, supplies of locally manufactured laptop and newspapers are also exempt. Exemption on local supply ofsugar cane has also been provided. On the other hand, some ofthe existing exemptions available in Table-2 have been withdrawn on raw cotton, whey and sausages (sold other than retail packaging), match-boxes among others. Furthermore, before Finance (Supplementary) Act, 2022, bread, sheermal, vermicillies, bun and rusk sold at all bakeries and sweet shops were exempt by virtue of S. No. 7 of the Table ibid. However, the said provision has now been amended, whereby tax at standard rate has become chargeable on these items when they are sold in bakeries, restaurants, food chains and sweet shops falling under the category ofTier-1 Retailers.

Exemption to various plants, machinery and equipment, often involving huge tax expenditure, are available under Table-3 ofthe Sixth Schedule. Some ofthese exemptions have been withdrawn.

III. Streamlining of 8th Schedule

Eight Schedule to the Sales Tax Act, 1990, provides rates lower than standard rate of GST and before Finance (Supplementary) Act, 2022 a wide array of rates ranging from 1% to 16.9 % were available under the said Schedule. This caused distortion in the tax system. The differential rates were difficult to administer and open to misuse. Eighth Schedule has now been streamlined and a number of reduced rates and concessionary regimes have been withdrawn bringing these goods under standard regime.

IV. Rationalizing 9th Schedule

The rate of Sales Tax on cellular/mobile devices are specified under the provisions of Table-2 ofNinth Schedule to the Sales Tax Act, 1990. The rates ofhigh-end mobile devices (exceeding 200 US$) imported in CBU condition were chargeable to fixed sales tax ranging from Rs. 1,740 to Rs. 9,270 per device. There was little justification for reduced rate on import of expensive/ high-end branded mobile devices. Therefore, tax @ 17% ad valorem has been introduced for imported mobile devices valuing more than US$ 200.

V. Other Important Amendments

(i) For the purposes ofdocumentation, competitiveness and fair tax regime for all the earlier threshold for cottage industry of rupees ten million has been reduced to eight million annual turnover from all supplies.

(ii) Exemption has been retained for imported fruits and vegetables from Afghanistan.

(iii) Person whose deductible tax under section 236G/236H of the Income Tax Ordinance 2001 has exceeded a threshold as may be specified by the Board has also been included in a definition of a Tier-1 retailer.

(iv) Board has been empowered to include/exclude any item from the Third Schedule

(v) A new Directorate General for Digital Invoicing and Analysis has been provided in the Act.

(vi) Through amendment in section 33, sealing of business premises has been provided in case ofviolation ofsection 9A ofsection 3 and section 40C or in case of non-integration with the computerized system ofthe Board.

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(vii) Sugar has been excluded from the purview of Third Schedule with effect from 1st December, 2021.

(viii) In order to facilitate general consumers, the condition ofCNIC has been withdrawn in case ofpayment made through debit/credit card or digital mode.

(ix) Under S. No. 61, 62 and 63 ofTable-1 ofthe Eighth Schedule, reduced rate of sales tax on silver, gold and precious metals jewelry has been withdrawn being luxury items which will not affect the common man

(x) Under S. No. 66 ofTable-1 ofthe Eighth Schedule, the rate ofsales tax has been enhanced from 10% to 12%.

(xi) Reduced rate of sales tax has been retained in respect of locally manufactured hybrid electric vehicles.

(xii) Personal computers and laptops have been made chargeable to tax @ 5% if imported in CBU condition.

(xiii) Rate ofsales tax on imported EV in CBU condition has been enhanced from 5% to 12.5%.

2. Likewise, services liable to tax under ICT (Tax on Services) Ordinance, 2001, are specified in the Schedule to the Ordinance ibid, along with the applicable rates. However, there were a number ofnotifications in the field wherein, subject to certain conditions, reduced rates were provided in respect of some services. In order to streamline and consolidate the taxable services and their chargeable rates under ICT (Tax on Services) Ordinance, 2001, the existing Schedule was substituted as Table1 and a second Table was inserted incorporating the rates earlier notified through SROs at different timings.

3. Through S. No. 55, 55B, 55C and 55D ofTable-1 ofthe First Schedule to the Federal Excise Act, 2005, the rates of FED on imported, locally manufactured motorcars/SUVs, imported and locally manufactured double cabin are | provided respectively. In order to rationalize the existing rates of FED on vehicles, the following increase in the various slabs has been made:

#	Description of Goods	Previous rate of FED	Current rate of FED
55	Imported motor cars, SUVs and other motor vehicles:		
	(a) of cylinder capacity up to 1000cc	2.5% ad val	No change
	(b) of cylinder capacity from 1001cc to 1799cc	5% ad val.	10% ad val.
	(c) of cylinder capacity 1800cc to 3000cc	25% ad val.	30% ad val.
	(d) of cylinder capacity exceeding 3001cc	30% ad val.	40% ad val.
55B	Locally manufactured or assembled motor cars, SUVs:		
	(a) of cylinder capacity up to 1300cc	(a) (i) upto 1000cc - 0% (ii) 1001cc to 2000cc -2.5%	2.5%

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	(b) of cylinder capacity from 1301cc to 2000cc	2.5% ad val.	5% ad val.
	(c) of cylinder capacity 2001cc and above	5% ad val.	10% ad val.
55C	Imported double cabin (4x4) pick-up vehicles	25% ad val.	30% ad val.
55D	Locally manufactured double cabin (4x4) pick-up vehicles except the vehicles booked on or before the 30th June, 2020 subject to the restriction or conditions specified by the Board.	7.5% ad val.	10% ad val.

4. The aforementioned changes in law and tax/FED rates are applicable with effect from January 16, 2022.

(Mukhtiar Ahmad Shar)
Secretary (ST&FE-Budget)

C.No.1(1) SS(Pro.Taxes-I)/2022 **Islamabad, dated 20th Jan., 2022**

Circular No. 7 of 2022

(Sales Tax)

Subject: Explanation of Important Amendment Introduced in the Sales Tax Act, 1990, through Finance (Supplementary) Act, 2022-Sales Tax on Supply of Prepared Food, Food Stuff and Sweetmeats Supplied by Restaurants, Bakeries, Caterers and Sweetmeats Shops.

Upto 15.01.2022, Food, Food Stuff and Sweetmeats supplied by Restaurants, Bakeries, Caterers and Sweetmeats Shops was taxable @ 7.5% under serial No.64 of Eighth Schedule of Sales Tax Act, 1990, with the condition that no input tax shall be adjusted. Through Finance (Supplementary) Act, 2022 serial No.64 of Eight Schedule of Sales Tax Act, 1990 has been omitted; now these products shall be chargeable to tax @ 17% under the VAT regime.

2. It is further explained that services mentioned under serial No.1 of the Schedule to ICT Service Ordinance, 2001 by Hotels, Motels, Guest Houses, Marriage Halls and Lawns (by whatever name called) including “pandal” and “shamina” services, clubs including race clubs, and caterers shall continue to be chargeable to tax @ 16%.

3. The taxpayers falling in the above category at Para-1 are required to charge Sales tax @ 17% on supply w.e.f 16.01.2022.

(Naila Ashraf Khan)
Second Secretary (Provincial Taxes-I)

1-215-31-01-2022

C.No.1(5)ST-L&P/TAMA/2022 **Islamabad, dated 20th Jan., 2022**

Order

Subject: Constitution of Sub-Committee on Tax Administration Modernization and Automation (TAMA) - Sub-Committee on Administrations on Supply Chain Capture.

In order to formalize the functions of Sub-Committee on Supply Chain Capture Business, the following Terms of References (TORs) of the aforesaid sub-committee (Group-II) are hereby notified:-

TORs for Committee on Integration of Businesses

(i) To identify wholesalers, distributors, small, medium, and large manufacturers/ importers who potentially have taxable income but neither, they have been brought into the tax base of Pakistan nor being part of the tax base but are evading and suppressing taxes and invoices.

(ii) To define the potential target market and quantify the size of the target market.

(iii) Develop a Business Plan comprising of budget pertaining to project plan, human, IT, and infrastmcture resources required to bring the potential target market into the tax base, in order to generate incremental tax revenue.

(iv) To obtain legal and regulatory protection, facilitation, and support of stakeholders in order to achieve the objective in collaboration and support ofFBR.

(v) To define policy & mles for a licensing framework for appointment of intermediaries who will coordinate and facilitate the integration of supply chain to capture and report all sales transactions.

(vi) To coordinate with various associations and trade bodies to facilitate the integration of supply chains.

(vii) Controlling, monitoring & implementation of supply chain capture integration program in coordination with IRS Operations

(viii) To develop a correlation between invoice and digital /electronic payments for the purpose of audit, in coordination with necessary stakeholders including but not limited to SBP

(ix) To leverage software to capture the entire supply chain from manufacturer, distributor, wholesaler, retailer, and customers to capture transactions, WHT information and use the developed database to capture potential taxpayers.

(x) To leverage data analytics to capture Sales Tax demand on the input/output at each stage of supply chain from manufacturer to end consumer, thereby bringing unregistered distributors, sub-distributors, and retailers into the tax net.

(xi) To develop organizational structure required to deliver on above TORs based on size of potential target market, physical dispersion of potential target market, and committed time lines for achieving TORs. Develop the costs associated with recruitment, third party agreements, or consultancy arrangements required to acquire the desired human resource.

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(xii) To determine IT-related resources required in terms of hardware, software, bandwidth, storage along with financial cost and time lines for delivery.

(xiii) Determine the infrastructure in terms of premises, furniture, equipment, rent/lease, renovations/iiJ.ternallayout-related costs.

(Khalid Mehmood)
Second Secretary (ST-L&P)

C.No. 9(11)ST-LPE/Misc/2016/10320-R **Islamabad, dated 21st Jan, 2022**

Subject: Extension in date of Payment and filing of Sales Tax and Federal Excise Return for the Tax period of December, 2021.

I am directed to refer to Board's letter of even number dated 17.01.2022 on the subject and say that in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to extend the date of payment and filing of Sales Tax and Federal Excise Return for the tax period of **December, 2021** as per following schedule:-

(a) The date of payment of Sales Tax & FED for all taxpayers, is hereby further extended upto **25.01.2022;** and

(b) The date of submission of Sales Tax & Federal Excise Return for all taxpayer is hereby further extended upto **28.01.2022.**

(Khalid Mehmood)
Second Secretary (ST-L&P)

C.No. 3(1)ST-L&P/2019 **Islamabad, dated 21st July, 2022**

Circular No. 9 of 2022

Sales Tax, Federal Excise and ICT (Tax on Services)

Subject: Finance Act, 2022 - Explanation of Important Amendments in Sales Tax Act 1990, Federal Excise Act, 2005 and ICT (Tax on Services) Ordinance, 2001

In order to achieve economic stability and revenue maximization as well as for simplification of revenue laws for the taxpayers, certain amendments/ insertions/ additions have been made in Sales Tax Act, 1990 (hereinafter referred to as "STA"), Federal Excise Act, 2005 (hereinafter referred to as "FEA") and Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (hereinafter referred as "ICTO") through the Finance Act, 2022.

1. Fixed Tax Regime for Retailers and Specific Sectors:

The fixed tax regime for the retailers has been rationalized and now instead of percentage of the amount of monthly electricity bill, tax shall be charged on their monthly electricity bills as; Rs. 3000 for monthly bill upto Rs. 30,000, Rs. 5,000 if the monthly bill exceeds Rs. 30,000 but does not exceed Rs. 50,000 and Rs. 10,000 for monthly bill over Rs. 50,000. This shall constitute full and final discharge of tax liability of such persons under both Income Tax Ordinance, 2001, and STA.

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However, these tax amounts shall be doubled if the name of the retailer is not appearing on the Active Taxpayers List (ATL) issued by the Board under section 181A of the Income Tax Ordinance, 2001 on the date of issuance of monthly electricity bill.

In addition to the above, the Board has been empowered to notify through an STGO persons or class of persons required to discharge their sales tax liability through payment of a fixed amount along with their monthly electricity bills.

2. Revamping of Alternate Dispute Resolution Mechanism

Through the Finance Act, 2022, the mechanism of alternate dispute resolution has been revamped. Major departure points from previous regime are highlighted as under:

(a) Disputes involving tax liability of one hundred million or above only can now be brought for settlement. Previously, there was no such bar for filing of application under this mechanism.

(b) Disputes involving question of facts and law both can now be brought by a taxpayer for settlement by the committee subject to the condition that decision by the committee will not be cited or taken as a precedent in any other case or in the same case for a different tax year. Previously, disputes involving interpretation of question of law having effect on other cases were specifically excluded from the purview of dispute resolution committee.

(c) The scope of initial proposition has been expanded which now includes proposal from the taxpayer to settle the matter, including an offer for payment of tax which cannot be withdrawn.

(d) The choice available to a taxpayer to appoint a member of dispute resolution committee has been enhanced. Now a taxpayer can nominate a member from a panel notified by the Board in this regard or an Officer of Inland Revenue Service who has retired in B521 or above or a reputable business person as nominated by a Chamber of Commerce and Industry. The third member of the committee will be selected through consensus by Chief Commissioner Inland Revenue (being other member of the committee) having jurisdiction over the case and taxpayer's nominee member jointly from the panel notified by the Board in this regard.

(e) Taxpayer and the Chief Commissioner Inland Revenue having jurisdiction over the case either individually or both as the case may be, will withdraw their appeal pending before a court of law or appellate authority after the constitution of committee but before commencement of proceeding by the committee. Previously, there was no requirement of withdrawal of appeal and the taxpayer could choose to pursue his appeals in case he did not accept the committee's decision.

(f) The committee members will decide the dispute pending before the committee through majority. Earlier, consensus decision by committee members was required for dispute resolution.

(g) The decision by committee will be binding on both the taxpayer and Chief Commissioner Inland Revenue having jurisdiction over the case. Previously, it was binding on Chief Commissioner only after it had been accepted by the taxpayer through withdrawal of appeal.

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The changed procedure of dispute resolution will ensure that it is focused on high revenue yielding cases and does not result in wastage of time and resources for the taxpayer as well as field formations by being an effective alternative and not a parallel mechanism to the appeal process.

3. Provision of Zero-Rating Under the Fifth Schedule to STA:

Majority of the export facilitation schemes being operated under Customs Rules are going to be merged in the Export Facilitation Scheme (EFS) 2021 by August, 2023. Therefore, in order to make EFS attractive for the exporters local supplies of raw material, machinery and components to the registered exporters authorized under this scheme have been made zero rated.

4. Grant of Exemptions from Sales Tax under the Sixth Schedule to STA:

The following goods have been exempted from sales tax:

(i) Import and supply of Photovoltaic cells and modules.

(ii) Goods imported by or donated to hospitals run by the non-profit making institutions and local supplies of goods (other than electricity and natural gas) to hospitals run by the charitable hospitals of fifty beds or more.

(iii) Goods temporarily imported into Pakistan, meant for subsequent exportation.

(iv) Import and local supply of fertilizers, tractors, and seeds for sowing.

(v) Import and supply of oil cake and other solid residues used in the animal feed industry.

(vi) Imports including machinery, equipment and materials for exclusive use within the limits of Export Processing Zone or for making exports. Previously these were made subject to tax at standard rate through the Finance Supplementary Act, 2022.

(vii) Goods temporarily exported which were produced in Pakistan and are subsequently imported within one year of their exportation.

(viii) Art card used in printing of the Holy Quran.

(ix) Goods imported by or supplied to UN Diplomats and Missions w.e.f. 15th January 2022.

(x) Local supplies of raw hides and skins, prepared food stuff by restaurants and caterers, and naan, chappati and all types of breads.

(xi) Plant and machinery imported by the energy projects, including those under CPEC, that have entered into implementation agreement with the Government of Pakistan prior to 15th January 2022.

5. Reduction of Tax Rate on Potassium Chlorate:

GST at Rs. 90 was charged over and above 17% ad valorem on potassium chlorate, the rate has been reduced to Rs. 60 per kg which is to be paid in addition to 17% standard rate.

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6. Reduction of Rate for Electric Vehicles (ES') Buses:

In order to encourage use of non-fossil fuels and renewable energy, rate of tax on EV buses of 25 seats or more which will be mostly used by common man has been reduced to 1%.

7. Reduction WHST for Online Market Places:

Online market places are expanding with the growth of technology and digital payment modes. In order to facilitate the economic activity through online market places, the rate of withholding tax on sales of third party goods of persons not appearing in ATL made through their platform has been reduced from 2% to 1%.

8. Condition of MC Number:

The condition of providing of NIC number has now been restricted in case of supplies by importer/manufacturers to un-registered distributors only.

9. Reduced Rate for Locally Manufactured items of Jewelry:

A fixed rate of 3% on locally manufactured articles of jewellery has been introduced subject to the condition that no input tax is adjustable. Furthermore, all jewelers have been included in the definition of Tier-1 retailers except those whose shop area is less than 300 sq. ft.

10. Withdrawal of Zero-Rating on Drugs:

Drugs registered under the Drugs Act, 1976 have been made chargeable to tax at reduced rate of 1% without input adjustment. Similarly, Active Pharmaceutical Ingredients (APIs) and their raw materials are also chargeable at fixed rate of 1% subject to certification by DRAP.

11. Normal Tax on Import of Expensive EVs:

Before Finance Act, 2022, all types of electric vehicles (EVs) in CBU condition were chargeable at reduced rate of 12.5%. This relief has now been limited to small cars of 50 KWh only and large and expensive vehicles have been made chargeable to tax at normal rate.

12. Public Limited Companies included in Section 8B:

Public limited companies listed on stock exchange were exempt from the provision of section 8B of STA. This discriminatory exemption has been withdrawn to provide level playing field to the entire corporate sector.

13. Increase in Rate on Coal:

Locally produced coal was chargeable at Rs. 425 per metric tonne or 17% ad valorem whichever is higher. This rate has not been revised since 2017. This has now been increased to Rs. 700 per metric tonne or 17% ad valorem whichever is higher.

14. VAT on Scrap:

In order to curb the misuse of certain items of imported scrap, Value Added Tax (VAT) has been imposed at 3% on import of compressor scrap, motor scrap and copper cable cutting scrap by manufacturers as well as commercial importers.

15. FED on Locally Manufactured Cigarettes:

To discourage smoking and to tap the true potential of cigarette & tobacco sector as per international best practices, the rate of FED on cigarettes has been increased. FED rates have been enhanced from Rs. 5200 per 1000 cigarettes to Rs. 5900 on Tier-1 and from Rs. 1,650 to Rs 1850 per thousand cigarettes on Tier-2. Furthermore, in order to raise the minimum price of cigarettes, the price threshold has also been enhanced from Rs. 5960 to Rs. 6,660 per 1000 cigarettes.

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16. FED on Air Travel:

To raise revenue from the high income earners through indirect taxation on luxury travel, FED on international air travel in business, first and club classes has been increased from Rs. 10,000 to 50,000 per passenger embarking on international journey. This enhanced levy is to be collected at the time of issuance of air tickets after 1' July, 2022.

17. FED on Telecommunication Services:

To bring the rate of FED on telecommunication services in ICT at par with the rates of GST on these services imposed by provincial legislations, it has been enhanced from 16.5% to 19.5%.

18. Certain provisions required corrections or streamlining, while some amendments have been done for saving of the changes brought through the Third Amendment Ordinance, 2021 that have now been made part of the Act. The changes and their rationale is explained as follows;

Sr. No.	Section	Amendment with Rationale
1.	2(12) & 2(33)(e) of STA	The term "production, transmission and distribution of electricity" included in the definition of goods and supply to remove any confusion regarding status of these activities attached to the generation and supply of electricity.
2.	2(46)(i) of STA	Subsidy provided by the federal government or provincial governments to the electricity consumers is excluded from the value of supply.
3.	3(1A) of STA	The scope of further tax has been extended to nonactive taxpayers.
4.	3(7) of STA	Purchasers of services that are liable to sales tax under a Provincial enactment excluded from requirement of withholding sales tax.
5.	6(5) of STA	The Federal Government has been empowered to grant permission to the Federal & Provincial Governments, and Public Organizations to pay ST in installments both prospectively and retrospectively.
6.	30C of STA	Name of the Director General of Training Inland Revenue changed to Inland Revenue Services Academy
7.	74 of STA & Section 43(2) of FEA	Streamlined for effective application of provision of condonation of time limits
8.	76 of STA and 29(2) of FEA	Uniform has been prescribed for the FBR workforce
9.	Preamble of the Eleventh Schedule to STA	Expressions (i) to (viii) omitted for streamlining

1-221-10-10-2022

10.	Sr. Nos. 8a & 35 of Table-1 of First Schedule to FEA	Unit of measurement for e-liquids, filter rods, and Liquefied Petroleum Gas brought in line with the trade practice and WeBOC system
11.	Various entries of the Schedules to STA and FEA	PCT Headings are mentioned against each one of the Sr. Nos. for their true identification. Certain PCT Headings have been transposed in the Pakistan Customs Tariff Code. Corrections are accordingly made in the relevant serial numbers in the schedules to bring them in line with the new Pakistan Customs Tariff Code.
12.	Various provisions of STA	Amendments introduced through the Third Law Amendment Ordinance, 2021 incorporated in the statute though this Act

Amendments made in the ICT (Tax on Services) Ordinance, 2001

1. Food Supplied in Restaurants:

Food supplied in restaurants is now subject to sales tax under ICTO. S.No. I of Table-I of ICTO has been amended and "Restaurants" have been inserted in the said S.No.

2. Harmonization of Tax on Services:

Under Table-I: In order to harmonize sales tax on various services falling under Table-I of the Ordinance with provincial revenue authorities, the standard rate has been reduced to fifteen per cent (15%) from the existing sixteen and seventeen per cent. The services under the Table shall, however, continue to enjoy the benefits of value-added tax mode i-e adjustment of input tax shall be admissible.

3. Export Facilitation of IT & Software:

S.No. 11 of Table-2 of ICTO has been substituted to provide for a reduced rate of 5% on services provided by software or IT-based system development consultants. The scope is restricted to the extent of services provided by consultants.

(Farooq Azmat Chatha)
Secretary (ST&FE) Policy

C.No. 3(1)ST-L&P/2019(Pt) **Islamabad, dated 24th August, 2022**

Subject: Abolition of Fixed Tax Scheme for Retailers & Other through Tax Laws (Second Amendment) Ordinance, 2022

I am directed to refer to the subject and to say that the Tax Laws (Second Amendment) Ordinance, 2022 has been promulgated on 22.08.2022.

2. The fixed tax on retailers (other than Tier-I) that was imposed through Finance Act, 2022 under section 3(9) of Sales Tax Act, 1990 and Section 99A read with Section 235 of Income Tax Ordinance 2001 stands withdrawn with effect from 01.07.2022 and the previous regime (prevailing prior to Finance Act 2022) has been restored.

1-221-15-10-2022

3. Resultantly, with effect from the 1st day of July 2022 sales tax is to be charged and collected from retailers (other than Tier-I) under section 3(9) of Sales Tax Act, 1990 through their monthly electricity bills as under.

i. At the rate of five percent where the monthly bill amount does not exceed rupees twenty thousand; and

ii. At the rate of seven and half per cent where the monthly bill amount exceeds rupees twenty thousand

4. All electricity distribution companies (DISCOs) including K-Electric are advised to collect tax under section·3(9) of the Sales Tax Act, l990 at the rates as mentioned in para 3 above for the electricity bills that have been issued or are to be issued on or after 01.07.2022. The DISCOs may advise a mechanism for adjustment of the excess amount collected or short collected.

5. The taxes collectable on electricity bills / connections as on 30.06.2022 shall continue to be so collected as per law.

(Farooq Azmat Chatha)
Secretary (ST&FE-Policy)

C.No. 4/5-STB/2022(Pt-2) Islamabad, dated 06th September, 2022

Subject: Clarification Regarding SRO 1636(I)/2022 dated 30th August, 2022

I am directed to refer to the subject.

02. Various queries have been received in the Board regarding exemption available to local supplies of goods needed for flood relief activity under SRO 1636(I)/2022, dated 30th August, 2022.

03. To provide immediate relief to the flood affectees, the Federal Government through its Cabinet decision in Case No. 394/Rule-19/2022, dated 30.08.2022 directed that both import and supply of the goods as certified by the NDM or a PDMA may be exempted from sales tax and consequently SRO 1636(I)/2022, dated 30.08.2022 was issued to give effect to the subject decision.

04. In view of the above, as per SRO 1636(I)/2022 dated 30.08.2022, for a period of 90 days w.e.f. 30.08.2022, any goods that are certified by NDMA/PMDA are exempt from the whole of sales tax whether they are imported or locally supplied/sold.

(Zahid Baig)
Second Secretary (ST&FE-Policy)

C.No. 3(1)/ST-L&P/2019(Pt-1)/33186 Islamabad, dated 28th February, 2023

Circular No. 01 of 2023

Subject: Finance (Supplementary) Act, 2023- Explanation of Important Amendments in Sales Tax Act, 1990 & Federal Excise Act, 2005.

1-224-28-02-2023

Important amendments introduced in Sales Tax Act, 1990 (STA) and Federal Excise Act, 2005 (FEA) through Finance (Supplementary) Act, 2023 are explained as follows:

1. Enhancement in Standard Rate of Sales Tax

In order to reduce fiscal gap and increase tax to GDP ratio, the standa rate of sales tax has been increased from 17% to 18%.

2. Federal Government's Powers to enhance Sales Tax Rate

In line with the provision of section 3(2)(b) of STA, the Federal Government has been empowered to enhance the rate of sales tax in respect of goods falling in purview of the Third Schedule, through insertion of a new proviso in clause (a) of sub-section (2) of section 3 of the STA.

3. Rationalization of Eighth and Ninth Schedule

In the Eighth Schedule, S. No. 47 and 56 of Table-1 has been aligned with the increase in the standard rate of sales tax.

Similarly, imported cellular/mobile phones (CBU) valuing US$ 200 and above were chargeable to 17% under Table-2 of the Ninth Schedule. The Schedule ibid has now been rationalized in line with the enhancement in standard rate of sales tax and the considered decision to introduce special rate of 25% for certain luxury goods. The new rates of sales tax for imported mobile phones are as follows:

Value	New ST Rate
US$ 201 to US$ 500	18%
US$ 501 and above	25%

It is pertinent to point out that there is no change in sales tax regime o locally manufactured mobile phones and imported mobile phones valuing less than US$ 200 which shall be continued to be chargeable as per the relevant provision of Table-2 of the Ninth Schedule.

4. Increase in rate of FED on Aerated Water and Imposition of FED on Sugary Drinks

The rate of federal excise duty on all types of aerated water has been increased from 13% to 20% and 10% FED has been imposed on sugary fruit juices, syrups and squashes, waters whether or not containing added sugar or artificial sweeteners excluding mineral and aerated water.

5. FED on Locally Manufactured Cigarettes.

The rate of federal excise duty under S. No. 9 and 10 of Table-1 of the First Schedule to the FEA has been increased through Finance (Supplementary) Act, 2023. The threshold of minimum price has also been enhanced by means of amendment in "Restriction-3-Minimum Price".

Furthermore, in order to secure revenue and ensure that no cigarette brands become liable to lesser FED as a result of changes in the price threshold, a new condition "Rate of Duty" has been added after the Table-1 in First Schedule to FEA.

6. Enhancement of FED on Cement

The rate of FED on cement was Rs. 2/kg which was reduced to Rs. 1.50/kg as part of the relief measure in the wake of Covid-19 pandemic through Finance Act, 2020. In order to bring at par with the rate prevailing prior to lst July, 2020, the rate of FED on cement has been increased to Rs. 2/kg.

1-224-28-02-2023

7. Enhancement of FED on International Air Travel in Club, Business and First Class

A fixed TATA region-wise FED has been imposed on international air travel in club, business and first class. It is pertinent to point out that there is no change in FED on international air travel in economy class and domestic air travel.

It is worth highlighting that the new rate of FED is only applicable in respect of air tickets issued on or after the date of commencement of Finance (Supplementary) Act, 2023.

(Akhtar Abbas)

Secretary (ST& FE-Policy)

C.No. 3(1)/ST-L&P/2015(Vol-III) Islamabad, dated 21st July, 2023

Circular No. 02 of 2023-24

Sales Tax, Federal Excise and ICT (Tax on Services)

Subject: Explanation of Important Amendments in Sales Tax Act 1990, ICT (Tax on Services) Ordinance, 2001 and Federal Excise Act, 2005 through the Finance Act, 2023.

The Finance Act, 2023 has brought about certain amendments in Sales Tax Act, 1990 (hereinafter referred to as "STA"), Federal Excise Act, 2005 (hereinafter referred to as "FEA") and Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (hereinafter referred as 'ICTO"). Significant amendments are explained hereunder. Changes are effective from 1st day of July, 2023.

1. Revamping of Alternative Dispute Resolution Mechanism.

In order to facilitate the registered persons and to reduce litigation as well as cost of litigation, common amendments have been made in STA and FEA by revamping alternative dispute resolution mechanism through the Finance Act, 2023. Major highlights and departure points from previous regime are highlighted as under:

a. The flexible nature of initial proposition by the registered person for resolution of the dispute including an offer of tax payment has been introduced which previously was fixed in nature, once offered, and un-retractable by the registered person;

b. The Board will appoint the committee within 15 days of receipt of application for dispute resolution instead of previous 45 days;

c. The third member of the dispute resolution committee which previously was appointed through consensus between the Chief Commissioner and registered person nominated member from the panel has been replaced with a retired judge not below the rank of a judge of a High Court, who will also be the Chairperson of the dispute resolution committee, to be nominated by the Board from a panel notified by the Law and Justice Division;

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d. Previously, both registered person and Commissioner were required to withdraw pending appeals before appellate fora in respect of the dispute. Now no such requirement of withdrawal of appeal is binding on both registered person and the Commissioner for the resolution of the dispute. The Board will only communicate the order of appointment of Committee to the aggrieved person, court of law or the appellate authority where the dispute is pending and to the concerned Commissioner;

e. Dispute resolution committee is now bound to decide the dispute within 45 days extendable by 15 days for reason to be recorded in writing. Previously, the dispute resolution committee was required to decide the dispute within 120 days;

f. Recovery of tax payable by the registered person in connection with the dispute will be deemed to be stayed from the date of constitution of the committee till decision or dissolution of the committee. Previously, the deemed stay was applicable from withdrawal of appeal from appellate fora till decision or dissolution of committee;

g. The decision of the committee will be binding on the commissioner when the aggrieved person has withdrawn his appeal and communicate the same to Commissioner within 60 days of such decision instead of previous binding nature of decision to both Commissioner and the aggrieved person;

h. The Commissioner will withdraw the appeal pending before any court of law or an appellate authority within thirty days of the communication of the order of withdrawal of appeal by the aggrieved person to the Commissioner subject to payment of sales tax and/ on FED or other taxes within such time as decided by the Committee.

Amendments made in the STA:

Revenue Measures:

2. Sales Tax on Supply Of Certain Specified Goods Sold Under Brand Names and Trademarks.

Prior to Finance Act, 2023, imports and local supplies of certain edible goods when sold in retail packaging with brand names and trademarks were made chargeable to sales tax. However, as a result, certain quantity of such goods was treated as “bulk” packaging and were claimed as exempt from charging of sales tax although such “bulk” supply was still under a brand name/ trademark.

In order to remove the ambiguity, the relevant entries under the Table-1 and Table-2 of the Sixth Schedule has been suitably amended by removing the distinction between any types of packaging whether ‘retail’ or bulk. As a result, all supplies of goods specified below when made under brand names or trademarks are now chargeable to sales tax. These items include red chilies, ginger, turmeric, yogurt, butter, desi ghee, cheese, processed cheese not grated or powdered, products of meat or meat offal, meat of bovine animals, sheep, goat and uncooked poultry meat & fish and crustaceans.

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3. Enhancement of Rate of Sales Tax from 12% to 15% for Tier-1 Retailers of Finished Fabrics and Articles of Textile Leather etc.

Prior to Finance Act, 2023, supplies of goods made by retail outlets integrated with the Board's real time reporting system dealing in finished fabrics and locally manufactured finished articles of textile leather and artificial leather etc. (subject to the condition that they have maintained 4% value addition during the last six months) were chargeable at reduced sales tax rate of 12%. Through Finance Act, 2023, the said reduced rate has been enhanced to 15%.

4. Enhancement in Rate of Further Tax

Further tax is charged on supplies of taxable goods made by a registered person to a person who has not obtained sales tax registration number or has obtained registration number but not an active taxpayer. The said rate of sales tax under sub-section (1A) of section 3 of STA was previously 3% which has now been enhanced to 4% through Finance Act, 2023.

5. Imposition of Sales Tax on DAP.

Prior to Finance Act, 2023, all types of fertilizers including DAP were exempt from sales tax. Through Finance Act, 2023, a reduced rate of 5% sales tax has been imposed on import and local supply of DAP only. However, excess input tax, if any, shall not be admissible for refund.

Relief Measures:

6. Preparations Suitable for Infants.

Prior to Finance Act, 2023, preparations suitable for infants, put up for retail sale not exceeding Rs. 500 per 200 grams enjoyed zero-rating. The threshold has now been increased to Rs.600 per 200 grams.

7. Extension in Exemption of Sales Tax in FATA/PATA till 30.06.2024.

Exemption of sales tax under S. No. 151 and 152 of Table-1 of the Sixth Schedule to the STA on supplies and imports of plant, machinery, equipment etc. and electricity respectively, available to the industrial units located in the jurisdiction of erstwhile FATA/PATA expired on 30.06.2023. In order to promote and support the industry that has provided employment in said territory, the period of said exemption has been extended till 30.06.2024.

8. Streamlining Exemption on Wheat Bran.

Wheat Bran is a by-product obtained during milling of wheat to produce wheat flour. Bran has always remained exempt, except some period when the exemption notification lapsed on 30.06.2018. An insertion has been made in the already available exemption to wheat Bran to cover the intervening period and expression has been added that this exemption shall apply from the 1st day of July, 2018.

Streamlining Measures:

9. Deletion of Category of Covered Area for Tier-1 Retailers

In order to provide level playing field to retailers, the category of covered area for Tier-1 retailers has been removed. The sub-clauses (e) and (ga) of clause (43A) of section 2 regarding the requirement of shop area i.e. 2,000 sqf. for furniture retailers, 1,000 sqf. for other retailers and 300 sqf. for jewelers are omitted.

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10. Enhancement of Scope of Penal Action

In order to enhance the scope of penal action against the person who commits an offence as listed in section 33 of the STA, the expression "cigarettes packs" has been substituted in clause (23) of section 33 with "goods or class of goods specified by the Board under sub-section (1) of section 40C". It provides penal action against any person who manufactures, possesses, transports, distributes, stores or sells goods or class of goods as specified by the Board under sub-section (1) of section 40C with counterfeited tax stamps, banderoles, stickers, labels or barcodes or without tax stamps, banderoles, stickers, labels or barcodes.

11. Broadening the Scope of Zero-rating of Sales Tax Supplies made To Registered Exporters Authorized Under EFS, 2021.

Scope of zero-rating facility on local supplies of raw material, components, parts and plant and machinery to the registered exporters authorized under Export Facilitation Scheme, 2021 notified by the Board with such conditions, limitations and restriction as specified therein is enhanced by inserting the word "commodities" under S. No. 21 of Fifth Schedule to the STA.

12. Explanation Regarding Blood Bag CPDA-1 With Blood Transfusion Set Pack in Aluminum Foil With Set.

Blood transfusion sets are integral part of blood bag but are not required to be packed and placed inside the same aluminum foil in which blood bags are packed. The explanation is added to remove ambiguity and to clarify that exemption of sales tax is also available to blood transfusion sets even though not packed in aluminum foil but imported in one consignment in corresponding quantity under S. No. 121 of Table-1 to the Sixth Schedule to the STA.

13. Enhancement of Scope of Reduced Rate of 1% to Alternative medicines/ Medicaments.

Prior to Finance, Act, 2023, S. Nos. 81 and 82 of Table-1 of the Eighth Schedule provided reduced rate of 1% on import and supply of substances registered as drugs under the Drugs Act, 1976 (XXXI of 1976) and to APIs excluding excipients, for manufacture of drugs registered under the Drugs Act, 1976 (XXXI of 1976) or raw materials for the basic manufacture of pharmaceutical active ingredients subject to certain conditions. The wording of said S. Nos. did not cover alternative medicines/medicaments, hence, they were chargeable at standard rate of sales tax @ 18%.

In order to streamline the sales tax structure on raw materials, APIs and drugs and to include alternative medicines/medicaments in the reduced rate regime of 1% sales tax, S. Nos. 81 and 82 of Table-1 of Eighth Schedule are substituted to extend 1% reduced rate of sales tax to alternative medicines/ medicaments subject to certain conditions. It is pertinent to mention here that S. No 81 stands substituted from the 1st day of July, 2022.

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14. Implementation of Decision of National Tax Council on Electricity Transmission Services.

National Tax Council (NTC) decided that "transmission" of electricity is a "service" and the same may be excluded from the purview of GST under the STA. Therefore, in order to harmonize the federal and provincial tax laws the words "production, transmission and distribution of electricity" have been omitted from the definition of 'goods' and 'supply' under clause (12) and sub-clause (e) of clause (33) of section 2 respectively, the effect of which is that only "transmission" of electricity will be excluded from the charging of GST under the STA, however, the electricity itself being a "good" will continue to be chargeable to GST under the STA.

Amendments made in the ICTO:

Revenue Measures:

15. Imposition of Tax on Electric Power Transmission Services (&) 15%.

Through Finance Act, 2023, tax on electric power transmission services is imposed @ 15% within the territorial jurisdiction of ICT through addition of S. No. 60 in the Table-1 of the Schedule to implement the decision of National Tax Council (NTC).

Relief Measures:

16. Reduction in the Rate of Sales Tax to 5% on Services Provided by Restaurants if Payment is made through Debit or Credit Cards etc.

In order to encourage documentation and discourage under reporting of sales, digital payments at restaurants through debit or credit cards, mobile wallets or QR scanning have been provided a special provision of reduced rate of 5% instead of standard 15%, without adjustment of input tax. In case of other modes of payment, tax @ 15% shall be applicable with input adjustment.

The services provided or rendered by hotels, motels, guest houses, farmhouses, marriage halls, lawns, clubs and caterers are however, chargeable to 15%. In situations where restaurants, cafes, ice-cream parlors, coffee houses, coffee shops etc. exist within hotels, motels or clubs, the rate of 5% will apply, being special law to prevail over general law, if conditions as envisaged are met.

Streamlining Measures:

17. Streamlining and Harmonizing the Scope of IT and ITeS.

Prior to Finance Act, 2023 scope of levy of sales tax on services was limited to 'software or IT based system development consultants. In order to enhance the scope of sales tax on services in tandem with scope of such services under the Income tax Ordinance, 2001 and other Provincial revenue authorities, the definition of IT and ITeS as given in the Income Tax Ordinance, 2001 has been inserted.

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Amendments made in the FEA:

Revenue Measures:

18. Enhancement of Rate of FED on Tobacco Mixture in an Electrically Heated Tobacco Product.

Rate of duty on Tobacco mixture in an electrically heated tobacco product by whatever name called, intended for consumption by using a tobacco heating system without combustion has been enhanced from Rs. 5,200 per kg to Rs. 16,500 per kg in line with rate of duty imposed on locally produced cigarettes under S. No. 9 of Table I of the First Schedule to the FEA.

19. Enhancement of Rate of FED on Sugary Fruit Juices, Syrups etc.

Rate of duty on sugary fruit juices, syrups and squashes, waters whether or not containing added sugar or artificial sweeteners excluding mineral and aerated waters has been enhanced from 10% of retail price to 20% of retail price under S. No. 59 of Table I of the First Schedule to the FEA.

20. Imposition of FED on Energy Inefficient Fans and Incandescent Bulbs.

FED @ Rs. 2,000 per energy inefficient fan and @ 20% ad valorem on incandescent bulbs has been imposed. The said levy under S. No. 60 and 61 of Table I of First Schedule will be applicable w.e.f 01.01.2024.

21. Imposition of FED on Fertilizers

Though Finance Act, 2023, FED @ 5% ad valorem on all types of fertilizers has been imposed by adding S. No. 62 of Table I of the First Schedule to the FEA.

22. Enhancement of the Scope of FED by Adding Royalty and Fee for Technical Services.

A franchisee enjoys an authority given by the franchiser to produce, manufacture, sell or trade in or do any other business activity in respect of goods or to provide service or to undertake any process identified with franchiser against a fee or consideration including royalty or technical fee. Prior to Finance Act, 2023 only the expression "Franchise Services" was given in S. No. 11 of Table II of the First Schedule to FEA. Now the expression "Franchise services, royalty and fee for technical services" has been substituted in order to enhance the Scope of FED.

Streamlining Measures:

23. Enhancement of the Scope of FED.

Section 3 of the FEA provides chargeability of FED on excisable goods and services. However, there are certain activities or transactions that are neither treated as goods nor as services. In order to cater such situation a new clause (e) of sub-section (1) of section 3 has been added through Finance Act, 2023 which elaborates that any item not covered in clause (a) to (d) of section 3(1) of the FEA but specified in the first schedule shall also be chargeable to FED.

24. Alignment of FEA and STA Procedure/ Provisions.

The procedure for publication of general orders, departmental instructions and rulings of the Board and placement on FBR website has been added through insertion of sub-section (4) of section 40. This will align the procedure/ provisions under FEA with procedure/ provisions available under the STA.

(Akhtar Abbas)
Secretary (ST & FE-Policy)

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C.No. 3(1)/ST&FE/MISC/2023/42611-R Islamabad, dated 04th March, 2024

Circular No. 01 of 2024/IR Operations

Subject: Standard Operating Procedure for Disposal of Cases of Condonation of Time Limit under Section 74 of the Sales Tax Act, 1990.

For the purpose of disposal of requests of registered persons for condonation of time or period under section 74 of the Sales Tax Act, 1990, the Board is pleased to prescribe the following procedure:

(i) The registered person shall apply to the Commissioner Inland Revenue having jurisdiction for extension of time or period specifying the grounds for delay. In case, a request is directly received in the Board, the same shall be forwarded to the Commissioner Inland Revenue concerned for action as stated below. However, in cases where the Board is satisfied that sufficient information is available, the orders as deemed fit may be passed without referring the matter to the Commissioner Inland Revenue concerned.

(ii) The Commissioner Inland Revenue concerned, after considering the grounds mentioned and any other information called for by him, shall send his categorical recommendations to the Board on the following format:

S.No.	Check List	Remarks
(1)	(2)	(3)
1	Brief facts of the case	(i) Brief facts of the case (ii) Reasons for seeking condonation (iii) Section for which condonation is required (iv) Date on which condonation application has been received
2	Revenue impact, if any	Amount to be mentioned.
3	Period to be condoned as requested by the registered person.	No of days (to be reckoned from the day following the last day on which the application was to be made or the act or thing was to be done till the day on which the application has been made or is to be made or the act or thing has been done or is to be done).
4	Categorical recommendation of the Commissioner-IR concerned.	Recommendation along with reason(s) is to be made here.

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5	Whether supplier discharged due sales tax on supply after issuance of invoice and duly verified from Annexure-C in the condonation cases of power sector.	If "Yes", specify the date and month of return in which the same has been incorporated
6	Documents attached.	Application for condonation Ori ginal return/Annexure s Proposed return/Annexures Any other relevant document

(iii) The Commissioner Inland Revenue concerned shall forward his recommendations to the Board within fifteen days of the receipt of the application where the application is received in RTO/LTO/CTO/MTO. In case the Commissioner Inland Revenue calls for further information, the said period shall be reckoned from the date of receipt of such information.

(iv) After receipt of the recommendations from the Commissioner Inland Revenue, the Board shall examine the request and the recommendations and communicate approval or rejection of the request to the Commissioner lnland Revenue as well as to the applicant.

2. The above instructions shall, *mtutatis mutandis* be applicable for condonation sought under section 43(2) of the Federal Excise Act, 2005.

3. This Circular supercedes Sales Tax Circular No.02 of 2020/IR Operations dated 21.09.2020.

(Naila Ashraf Khan)
Secretary (Sales Tax Operations)

C.No. 3(1)/ST&FE/MISC/2023/154578 **Islamabad, dated 30th July, 2024**

Circular No. 02 of 2024/IR Operations

Subject: Extension of Time for Biometric Re-Verification.

Under the provision of proviso to sub-rule (4) of rule 5 of the Sales Tax Rules, 2006, every individual, any member of an association of persons, and a director of a company having only one shareholder or member, as the case may be, are required to visit e-Sahulat Centre of NADRA during the month of July every year for biometric re-verification.

2. Under the provisions of section 74 of the Sales Tax Act, 1990, the Board has been pleased to extend the said time and direct that biometric re-verification by the said persons, in the manner as provided in the said proviso, may be made by the 31st August, 2024.

C.No. 1/8-STB/2024 **Islamabad, dated 05th August, 2024**

Circular No. 03 of 2024-25

(Sales Tax and Federal Excise)

Subject: Finance Act, 2024 - Explanation regarding Important Amendments made in Sales Tax Act, 1990 and Federal Excise Act. 2005.

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Important amendments made in the Sales Tax Act, 1990 (hereinafter referred to as "STA") and Federal Excise Act, 2005 (hereinafter referred to as PEA") through the Finance Act, 2024 are explained in the subsequent paragraphs.

(Sales Tax)

1. Definition of the Associates or Associated Persons and the Board.

Through Finance Act, 2024, clause (3) of section 2 of STA has been substituted. The definition of "associates or associated persons" has been aligned with the definition as provided in Income Tax Ordinance, 2001.Now associates or associated persons shall have the same meaning as defined in section 85 of the Income Tax Ordinance, 2001. Furthermore, clause (4) of section 2 has also been substituted and the Board shall now have the same meaning as defined under clause (8) of section 2 of the said Ordinance.

Cross Adjustment of Input Tax on Provincial Services.

As per section 2(14)(d) of the STA, input tax includes the provincial sales tax levied on services rendered or provided to a person. Through Finance Act, 2024, the Board has been empowered to exclude certain services from the purview of the input tax by imposing certain conditions, restrictions, and limitations through notification in the official Gazette.

2. Digitization of Supply Chain.

Various provisions have been introduced through Finance Act, 2024 for the purpose of digitization of supply chain. These are as follows:

(i) 'Licensed Integrator' has been defined through insertion of a new clause (15A) under section 2 of the STA. Licensed integrator means any person licensed by the Board to provide electronic invoicing system for integration of registered persons in the prescribed manner.

(ii) A new serial No.25AA has been introduced through Finance, Act, 2024 in section 33 of the STA and penalty has been introduced for any licensed integrator who fails to integrate registered persons in the prescribed manner.

(iii) Changes have been introduced in Section 23 to require certain registered persons to issue electronic invoices subject to certain conditions, restrictions and limitations as may be prescribed by Board.

(iv) New sub-sections (4) and (5) of section 40C of the STA have been added and the Board has been empowered to require any person or class of persons to integrate their electronic invoicing system with the Board's Computerized System for real time reporting of sales and to prescribe the manner for a Licensed integrator to integrate electronic invoicing system of registered persons.

3. Broadening the scope of tax fraud.

The definition of 'tax fraud' has been broadened and covers intentional understating or underpaying the tax liability or overstating the entitlement to tax credit or tax refund in contravention of duties or obligations imposed and includes the following acts or omission:

- Suppression of taxable sales / receipts
- False claim of input tax credit

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- Supply of taxable goods without issuing any tax invoice
- Issuance of any tax invoice without actual supply of goods leading to inadmissible claim of input tax credit or refund
- Tax evasion by availing undue input tax credit or claim of inadmissible refund by any other means
- Failing to deposit any amount collected as tax after expiry of three months from due date of payment
- Creating or using false financial records, documents, or information to evade taxes or claim inadmissible refunds, whether through human, mechanical, or electronic methods
- Tampering or destroying any evidence / documents required to be maintained
- Dealing with goods which are liable to confiscation
- Making of taxable supplies without getting sales tax registration Intentional doing of any act or causing to do an act to cause loss of tax

Furthermore, the acts or omissions mentioned in this clause shall be treated as intentional unless the person accused of tax fraud proves that he had no intention, motive, knowledge, or reason to believe that he was committing a tax fraud.

4. Amendments in Section 33 & 37A

Criminal proceedings have been separated from civil liability by bringing amendment in sections 33 and 37A of the Sales Tax Act, 1990. The words "tax evaded or sought to be evaded" have been introduced in these sections through Finance Act, 2024 whereby criminal prosecution proceedings may be initiated irrespective and independent of the civil liability at any time before initiating or concluding the civil liability proceedings by a sales tax authority.

Offences relating to tax fraud at Serial No. 11 & 13 of section 33 have been made liable to more stringent punishments. Any person who commits, causes to commit or attempts to commit tax fraud or abets or connives in commissioning of a tax fraud shall be liable, upon conviction by a Special Judge to imprisonment for a term which may extend upto five years if the tax evaded or sought to be evaded is upto five hundred million and above, and which may extend to ten years if the tax evaded or sought to be evaded is one billion and above and fine which may extend to an amount equal to the amount of tax evaded or sought to be evaded. The same punishment applies for any person who submits a false or forged document to any officer, who destroys, alters, mutilates or falsifies the records, or who knowingly or fraudulently makes a false statement, false declaration, false representation, false personification, gives any false information or issues or uses a forged or false document.

5. Definition of Time of Supply

Prior to Finance Act, 2024, as per section 2(44)(a) of the STA, time of supply means the time at which the goods are delivered or made available to the recipient of the supply. Through Finance Act, 2024, the scope of the definition of the time of supply has been enhanced. Now, the liability to pay sales tax on goods shall arise at the time when the goods are delivered or made available to the recipient of the supply, or when any payment is received by the supplier in respect of that supply, whichever is earlier.

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6. Fixation of Value of Supply

The provision of first proviso to clause (46) of section 2 of the STA, empowers the Board to fix the value of supply of any imported goods or taxable supplies or class of supplies, if the Board deems it necessary. For that purpose, Board may fix different values for different classes or description of same type of imported goods or supplies.

The said proviso has been amended through Finance Act, 2024 to expressly empower the Board to fix the value of supply in case of imported goods specified in the Third Schedule to STA which are subject to sales tax at the rate of 18% of the retail price under the provisions of clause (a) of sub-section (2) of section 3 of the said Act. As a result of this amendment, Board has the power to fix the value of supply for Third schedule items which will be used to determine the retail price of these items as defined in Section 2(27).

For example, in the case of imported tea, Board vide STGO No. 104 of 2019 dated 29th August, 2019 read with STGO No. 103 of 2019 dated 7th August, 2019, specified that the importer of tea (a Third Schedule item), shall pay sales tax on such imported tea at retail price and the retail price shall not be less than 130 percent of the imported value of such goods as increased by assessed customs duties, excise duty and such other applicable taxes and charges excluding sales tax. It was also clarified vide said STGO No. 104 of 2019 that having paid sales tax at 130 percent of the value of imported tea as aforesaid, the balance of sales tax as per retail price shall be paid along with return.

After the said amendment, if the Board deems it necessary to fix the value of supply of imported items which are Third Schedule items, the sales tax may be paid at 130 percent of such value as fixed by the Board under the said first proviso to clause (46) of section 2 of STA, as increased by customs duty, federal excise and other applicable taxes excluding sales tax, in view of the said STGOs. The balance sales tax shall be paid by such importer along with his sales tax return as the sales tax charged on retail price is higher than the amount of sales tax paid on import at 130 percent of the value fixed by the Board as aforesaid.

7. Assessment of Tax

The provisions relating to the assessment of sales tax have been revamped. Section 11 has been omitted and new Sections 11D, 11E, 11F, and 11G have been introduced. These separate sections are introduced for the purpose of streamlining and simplification of assessment of tax. A brief overview of newly introduced sections is as under:

a) Best Judgment Assessment

Through insertion of Section 11D, the concept of best judgment assessment has been introduced which empowers an officer of Inland Revenue, not below the rank of Assistant Commissioner, to make best judgment assessment, based on any available information or material and to the best of his judgment, against persons who fail to furnish the return in response to notice issued under section 26(2A) or who fail to furnish information / documents required under sections 25 and 38A of the STA, 1990. The officer of Inland Revenue may also disallow or reduce a registered person's input tax on goods if the registered person is unable to provide invoice or other record or evidence of the transaction or circumstances giving rise to such claim. Furthermore, show cause notice and the assessment shall abate if the registered person pays the amount of tax payable along with default surcharge and penalty within sixty days of the of issuance of order under this section.

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b. Assessment of Tax and Recovery of Tax Not Levied or Short Levied or Erroneously Refunded.-

Section 11E has been introduced to recover tax not levied, short levied or erroneously refunded either through a deliberate act or due to inadvertence. Section 11E empowers an officer of Inland Revenue not below the rank of• Assistant Commissioner to issue a show cause notice to recover tax not paid, short paid, claim of input/refund not admissible or to recover refund not due.

c. Failure to Withhold Sales Tax

A new section 11F has been introduced to recover sales tax withheld under sub-section (7) of section 3 when withholding agent either fails to withhold the tax or after withholding the tax, fails to deposit the same in the prescribed manner.

d. Limitation for Assessment

A new section 11G has been introduced to provide statutory limitation for completion of assessment. A show cause notice under section 11D, 11E or 11F shall be issued within five years, from the end of the financial year in which the relevant date falls.

For the purpose of 11D, 11E and 11F, the relevant date means:-

(a) the time of payment of sales tax or charge as provided under section 6;

(b) the time of payment for goods or services on which sales tax was to be withheld under sub-section (7) of section 3; and

(c) in a case where sales tax or charge has been erroneously refunded, the date of its refund.

An order under sections 11D, 11E and 11F shall be made within one hundred and twenty days of issuance of show cause notice or within such extended period as the Commissioner may, for reasons to be recorded, in writing specify, provided that such extended period shall in no case exceed ninety days. Period adjourned on account of grant of stay, time for ADR proceedings or adjournment taken by the registered person, shall be excluded from time limitation mentioned above.

8. Order of Blacklisting and Suspension

Prior to Finance Act, 2024, the order of suspension and blacklisting were appealable orders before the ATIR. The order of suspension along-with order of blacklisting passed by the Commissioner has now been made liable to review by the Chief Commissioner either on his own motion or on receipt of request/application from the registered person. The Chief Commissioner may after making such inquiry as deemed necessary, modify the order after providing an opportunity of being heard to the registered person.

9. Revamping Audit of Sales Tax Affairs

In order to make the audit selection and procedure more effective, section 25 has been revamped. Under the amended section, the Commissioner on the basis of reasons to be recorded in writing, may direct the Officer of Inland Revenue, not below the rank of Assistant Commissioner to conduct audit of sales tax affairs of any registered person. The Commissioner shall communicate the reasons of selection in audit through a notice to the registered person based upon the scrutiny of available record including sales tax and FED record, Income Tax returns, the withholding statements, financial statements or third-party information. These

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reasons shall not include mere verification of input tax, output tax, refund claims and compliance of legal provisions without identifying the risk factors. The powers of the Commissioner to direct conduct of audit are independent of powers of the Board u/s 72B of the Sales Tax Act, 1990. The officer concerned shall conduct audit of the sales tax affairs based on the record and evidence obtained and other documents maintained or furnished. After completion of the audit, the officer may, if required, pass an order under section 11E, after providing an opportunity of being heard to the registered person. The officer may proceed to make best judgement assessment where the registered person fails to provide information, documents, electronic machines or any other data.

10. Sales Tax Return Filing Notice

A new sub-section (2A) in section 26 has been inserted that empowers an Officer of Inland Revenue to issue notice to any person to file the sales tax return for a tax period or tax, periods. Officer of inland Revenue shall issue a notice under this sub-section for filing of sales tax return within 15 years from the end of financial year in which the return was to be filed in case of tax fraud and five years in all other cases.

11. Procedure for Confiscation.

The offences listed at serial numbers 23, 26 & 27 of section 33 of the STA attract the penal provisions regarding confiscation of goods with counterfeited tax stamps, banderoles, stickers, labels, or barcodes or without such tax stamps, banderoles, stickers, labels, or barcodes. The Board has been empowered through Finance Act, 2024 to prescribe the procedure for confiscation of such goods.

12. Rate of Default Surcharge [section 34]

After amendment in section 34, the rate of default surcharge is 12 percent per annum or KIBOR plus 3 percent per annum, whichever is higher.

13. Increase in the Time Limitation for Transfer of Cases from CIR (Appeal)

Prior to Finance Act, 2024, the date for transfer of all cases to Appellate Tribunal from Commissioner (Appeals) was 16th June, 2024. Amendments have been made in sub section (4) of section 43A of the STA. Now the cases pending before the Commissioner (Appeals) having the value of assessment of tax or, as the case may be, refund of tax exceeding ten million rupees shall on and from the 31st day of December, 2024 stand transferred to the Appellate Tribunal Inland Revenue. A new section 47AB has been introduced to provide savings to the orders of Commissioner (Appeals) or the Appellate Tribunal received prior the commencement of Tax laws (Amendment) Act, 2024.

As provisions of section 133 of Income Tax Ordinance 2001 apply mutatis mutandis to section 47 of STA, an explanation added to sub-section (1) of section 133 through Finance Act 2024 shall also apply to reference before the High court in sales tax proceedings. There were cases pending with the Commissioner (Appeals) at the time of commencement of the Tax Laws (Amendment) Act, 2024 and which were subsequently decided by the Commissioner (Appeals). The issue requiring attention was what would be the appellate authority where the impugned order of the Commissioner (Appeals) is contested in case where such order was communicated after the date of commencement of the Tax Laws (Amendment) Act, 2024.

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In this regard, an explanation has been added in sub-section (1) of section 133 to clarify that references against order of the Commissioner (Appeals) communicated after the F commencement of the Tax Laws (Amendment) Act, 2024, will lie before the High Court, even if proceedings were pending before the Commissioner (Appeals) prior to the commencement of the Tax Laws (Amendment) Act, 2024. The same procedure shall also apply to Sales Tax orders finalized by Commissioner (Appeals) and communicated after the commencement of the Tax Laws (Amendment) Act, 2024.

14. Amendment in Section 73

Prior to Finance Act, 2024, it was mandatory for the buyer to make payment through banking channel if the transaction amount exceeded rupees fifty thousand excluding payment for utility bills etc. Section 73 has been streamlined and amended to prevent splitting of invoices. As a result, banking channel is now mandatory for any payment in excess of Rs. 50,000 in aggregate to a single supplier in a tax period.

15. Withdrawal of Zero-Rating Under Fifth Schedule.

In order to capture the supply chain in a better manner, zero rating under 5th Schedule on stationery items (excluding exercise books), packaged milk, fat filled milk and local supplies to registered exporters authorized under Export Facilitation Scheme, 2021 has been withdrawn through Finance Act, 2024.

16. Rationalization of Exemptions under Sixth Schedule.

Through Finance Act, 2024, for the purpose of broadening of tax base and enhancing revenue, exemptions available to certain goods under Table-1 & Table-2 of Sixth Schedule have either been withdrawn or shifted to the 8th schedule as goods liable to reduced rate. Exemptions on edible vegetables and fruit imported from Afghanistan, Diagnostic kits or equipment, and import of cinematic machinery and equipment, have been removed. Items shifted to 8th schedule for sales tax at a reduced rate include: stationary items (other than textbooks), oil cake and other solid residues, tractors vermicelli, sheer mal, bun, rusk, poultry feed, cattle feed, sunflower seed meal, rape seed meals and canola seed meal.

Furthermore, some fresh exemptions have been introduced in Table-1 & Table-2 of the above-mentioned Schedule detailed as under:

(i) Supply of electricity to AJK

(ii) Import of gold under entrustment scheme (SRO 760(1)/2013)

(iii) Import of cystagon, cysta drops and trientine capsules (for personal use only)

(iv) Bovine semen (PCT heading 0511.1000)

(v) Import of all goods received, in the event of a natural disaster or other catastrophe, as gifts and relief consignments or any goods received as gift or donation from a foreign government or organization by the Federal or Provincial Governments or any public sector organization subject to certain conditions.

(vi) POL products.

(vii) Milk excluding:

  (a) that sold under a brand name; or

  (b) supplied by corporate dairy farms

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(viii) ron and steel scrap excluding supplied by manufacturer-cum-exporter of recycled copper, authorized under Export Facilitation Scheme, 2021.

17. Exemptions to ex-FATA/PATA.

Through Finance Act, 2024 exemption available to ex-FATA/PATA (import/ supply of goods and supply of electricity) has been retained till 30.06.2025. However, the exemption on import shall be available subject to presentation of pay order instead of post-dated cheque which would be released on furnishing (within six months) of the consumption/installation certificates issued by the concerned Commissioner.

18. Changes in Eighth Schedule:

Some of the important changes introduced in the Eighth Schedule through Finance Act, 2024 are as follows:

- Imported LPG and supplies by integrated outlet of textile and leather articles are brought in standard regime through omission of serial numbers 58 and 66 of the Tabel-1 of the above-mentioned schedule.
- Reduced rate of sales tax @ 1% has been withdrawn on medicaments as are classifiable under chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969). These medicaments are now brought under the standard regime of tax @ 18%.
- Certain goods such as specified stationery items, tractors, oil cake, poultry/ cattle food/various seed meals and vermicelli's, sheer mal etc. which were earlier exempt have now been made liable to reduced rate of sales tax @ 10%.
- The rate of sales tax on imported laptop and computers has been increased from 5% to 10%.

19. Introduction of Standard Rate under Ninth Schedule

Through Finance Act, 2024, Ninth Schedule has been rationalized. Resultantly locally manufactured mobile devices and their CKD/SIGD kits are now liable to standard rate of sales tax of 18%. As regards imported mobile devices in CBU condition, those valued up-to 500US$ are now subject to standard regime of 18%, however, expensive mobile devices with value exceeding 500US$ will continue to attract existing sales tax rate of 25%.

20. Amendments in the 11th Schedule.

To curb the use of fake and flying invoices, some important amendments have been made in the Eleventh Schedule to the STA through Finance Act, 2024. The registered persons receiving supplies of the following goods are now required to deduct sales tax as under:

- Cement manufacturers are required to withhold 80% of applicable sales tax from any persons supplying gypsum under chapter 25 (PCT headings 2520.1010, 2520.1020, 2521.0000) or limestone flux under chapter 25 (PCT headings 2520.1010, 2520.1020, 2521.0000).
- Registered persons are required to withhold 80% of the applicable sales tax from suppliers of
    - Coal under chapter 27 (PCT headings 2701.1100, 2701.1200, 2701.1900, 2701.2000, 2704.0010, 2704.0020, 2704.0090).

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- Waste of paper and paper board
- Plastic waste
- Crush stone and silica

Furthermore, manufacturers of lead batteries are now also required to deduct 80% of the applicable sales tax from any kind of lead supplier, instead of the previous rate of 75%.

(Federal Excise Duty)

1. Definition of the Board.

Through Finance Act, 2024, clause (4) of section 2 of FEA has been substituted and the definition of the Board has been aligned with Income Tax Ordinance, 2001 in order to harmonize the fiscal laws. Now the 'Board' shall have the same meaning as defined under clause (8) of section 2 of the Income Tax Ordinance, 2001.

2. Rate of Default Surcharge [Section 8]

After amendment in section 8 of FEA, the rate of default surcharge is 12 percent per annum or KIBOR plus 3 percent per annum, whichever is higher, in order to make the default charge comparable to the policy rate.

3. Penalty for the Removal of Plant & Machinery without Approval of the Commissioner.

To curb the menace of illicit and counterfeit excisable goods, a new penal provision has been introduced in terms of section 19(3)(t) of the FEA through Finance Act, 2024 for the illegal or unauthorized removal or installation of plant and machinery used in the manufacture of excisable goods. This provision applies when the value of such plant and machinery is Rs. 50 million or above.

4. Penalty for selling cigarettes without tax stamp.

Prior to Finance Act, 2024 there was no penal provision for the retailers who sell cigarettes packs without tax stamps. Through Finance Act, 2024, a new penal provision in terms of section 19(10A) of the FEA has been introduced to prevent sale of illicit and counterfeit cigarettes. As a result, if any retailer is found selling cigarettes packs without affixing, or affixing counterfeited, tax stamps, banderoles, stickers, labels or barcodes, his retail outlet shall be liable to be sealed in the prescribed manner.

5. Increase in the Time Limitation for Transfer of Cases from CIR (Appeals)

Prior to Finance Act, 2024, the date for transfer of all cases to Appellate Tribunal from Commissioner (Appeals) was 16th June, 2024. Amendments have been made in sub section (4) of section 33A of the FEA through Finance Act, 2024. Now the cases pending before the Commissioner (Appeals) having the value of assessment of tax or, as the case may be, refund of tax exceeding five million rupees shall on and from the 31st day of December, 2024 stand transferred to the Appellate Tribunal Inland Revenue.

Similarly, as provisions of section 133 of Income Tax Ordinance 2001 apply mutatis mutandis to section 34A of FEA, an explanation added to sub-section (1) of section 133 through Finance Act 2024 shall also apply to reference before the High court in FED proceedings. There were cases pending with the Commissioner (Appeals) at the time of commencement of the Tax Laws (Amendment) Act, 2024

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and which were subsequently decided by the Commissioner (Appeals). The issue requiring attention was what would be the appellate authority where the impugned order of the Commissioner (Appeals) is contested in case where such order was communicated after the date of commencement of the Tax Laws (Amendment) Act, 2024.

In this regard, an explanation has been added in sub-section (1) of section 133 to clarify that references against order of the Commissioner (Appeals) communicated after the commencement of the Tax Laws (Amendment) Act, 2024, will lie before the High Court, even if proceedings were pending before the Commissioner (Appeals) prior to the commencement of the Tax Laws (Amendment) Act, 2024. The same procedure shall also apply to FED orders finalized by Commissioner (Appeals) and communicated after the commencement of the Tax Laws (Amendment) Act, 2024.

6. Rationalization of FED on &liquids for Electric Cigarette kits

Prior to Finance Act, 2024, the rate of FED on E-liquids for electric cigarette kits was Rs.10,000 per Kg. However, through Finance Act, 2024, S. No. 8a of the first schedule to the FEA has been amended and the rate of FED on E-liquids for electric cigarette kits has been rationalized and it is now Rs.10,000 per Kg or sixty five percent of retail price, whichever is higher.

7. Imposition of FED

Through Finance Act, 2024, FED has been imposed on the following goods:

a) FED @ Rs. 44,000 per kg has been imposed on acetate tow.

b) FED @ Rs.1200 per Kg has been imposed on nicotine pouches

c) FED @ 5% ad valorem has been imposed on lubricating oil.

8. Increase in FED.

In the Finance Act, 2024, the rate of duty on the following products have been increased:

(i) FED on cement is enhanced from Rs.2 per Kg to Rs. 4 per kg.

(ii) The rate of FED on Filter rod for cigarettes is rationalized from existing Rs.1500 per Kg to Rs.80,000 per Kg to align it with the FED on acetate tow.

(iii) Currently the rate of FED on economy and economy plus ticket for international travel is Rs. 5,000 which has been increased to Rs.12,500 per ticket. However, there is a rebate of Rs. 7,500 for travelers to GCC countries holding labor visa printed on their passports duly verified by Protector of Emigrants (Bureau of Emigration & Overseas Employment). This rate would be applicable on tickets issued on or after the 1st day of July, 2024.

(iv) Similarly rates of FED on first and business class tickets for international travel has been increased as follows:

Description	New rate of FED/Per Ticket
Club, business and first-class air tickets issued on or after the 1st day of July, 2024:	(a) Three hundred and fifty thousand rupees

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(a) IATA Traffic Conference Area 1 (North, Central, South America and Environs)	
(b) IATA Traffic Conference Area 2 (I) Middle East and Africa	(b)(I) One hundred and five thousand rupees
(II) Europe	(b)(II) Two hundred and ten thousand rupees
(c) IATA Traffic Conference Area 3 (Far East, Australia, New Zealand and Pacific Islands)	(c) Two hundred and ten thousand rupees

9. Change in Federal Excise Regime of Locally Manufactured Cigarettes.

Following changes have been introduced in excise duty regime of locally manufactured cigarettes through Finance Act, 2024:

(i) Price threshold has now been increased from existing Rs.9,000 to Rs.12,500.

(ii) Currently, minimum price for locally manufactured cigarettes is 60% of the retail price threshold (RPT) as given in column (2) of S. No. 9 &10 of Table-1 of the First Schedule. The same is reduced to 55% of the above-mention RPT.

10. Brand variants.

For greater clarity and more effective enforcement, an explanation has been added to Restriction No. 2, defining 'brand variant' as any cigarette brand with a similar logo, name, color, design, pattern, or any unique distinguishing mark associated with an existing brand family.

11. Insertion of a new Table-III in First Schedule to the FEA.

A new table-III is inserted under First Schedule to the FEA through Finance Act, 2024 which relates to imposition of excise duty on items which are not covered under Table-I (goods) or Table-II (services) but which are liable to FED in terms of clause (e) of sub section (1) of section 3 to the FEA.

Under serial no. 1 of this table, first transfer/ allotment of the residential property and every transfer/ allotment of commercial property is liable to FED. Rate of FED are as under:-

Sr. No	Description of Item	Rate of duty	Condition for applicability
1.	Allotment or transfer of commercial property and first allotment or first transfer of open plot or residential property by a developer or builder	3% of gross amount of consideration involved	Where the buyer is appearing on active taxpayer list maintained under section 181A of the Income Tax Ordinance, 2001 on the date of acquisition of property;

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	-do-	5% of gross amount of consideration involved	Where the buyer has not filed the income tax return by due date as specified in proviso to Rule 1A of Tenth Schedule to the Income Tax Ordinance, 2001
	-do-	7% of gross amount of consideration involved	Where the buyer is not appearing on active taxpayer list maintained under section 181A of the Income Tax Ordinance, 2001 on the date of acquisition of property

Separate rules relating to mode, manner and conditions or restrictions relating to above levy shall be prescribed by the Board.

Under S.No.2 of Table-III, supply of white crystalline sugar has been made liable to FED subject to conditions detailed below:

Sr. No	Description of Item	Rate of duty	Condition for applicability
2.	Sugar supplied by any person to a manufacturing, processing or packaging entity	Rupees fifteen per kg	This levy is to the extent of supply of sugar for further use as a raw material and not for supply directly to ultimate consumers.

C.No. 9(11)ST-LP&E/Misc/2016/Pt/174500 Islamabad, dated 16th August, 2024.

Subject: Extension in date of submission of Sales Tax & Federal Excise Return for the period of July, 2024.

I am directed to refer to the subject and to say that in exercise of the powers conferred under Section 74 of the Sales Tax Act, 1990 and Section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to direct that the date of submission of Sales Tax & Federal Excise Returns for the Tax period of July, 2024 which is due on 18.08.2024 is extended to 23.08.2024.

C.No. 3(1)/ST&FE/MISC/2023/186085-R Islamabad, dated 05th September, 2024

Circular No. 04 of 2024/IR Operations

Subject: Extension of Time for Biometric Re-Verification.

Under proviso to sub-rule (a) of rule 5 of the Sales Tax Rules, 2006, every individual, any member of an association of persons, and a director of a company having only one shareholder or member, as the case may be, are required to visit e-Sahulat Centre of NADRA during the month of July every year for biometric re-verification.

2. Underthe provision of section 74 of the Sales Tax Act, 1990, the Board has been pleased to extend the said time and direct that biometric re-verification by the said persons, in the manner as provided in the said proviso, may be made by the 30th September.2024.

1-236-05-11-2024

.No. 1(25)/ST&FE/Misc/2019/190487-R Islamabad, dated 16th September, 2024

Circular No. 05 of 2024/IR Operations

Subject: Standard Operating Procedure for Disposal of Cases of Condonation of Time Limit under Section 74 of the Sales Tax Act, 1990.

For purposes of disposal of requests for condonation of time limit under section 74 of the Sales Tax Act, 1990, the Board is pleased to prescribe the following procedure:

(i) The registered person shall apply to the Commissioner-IR having jurisdiction for extension of time or period specifying the grounds for delay in terms of SR0.1444(1)/2024 dated 12.09.2024;

(ii) Where condonation beyond three years is involved, the Commissioner-IR concerned, after considering the grounds mentioned and any other information called for by him, shall send his categorical recommendation to the Board on the following format:

S. No.	Check List	Remarks
(1)	(2)	(3)
1.	Brief facts of the case	(i) Brief facts of the case (ii) Reasons for seeking condonation (iii) Section for which condonation is required (iv) Date on which condonation application has been received
2.	Whether any application for condonation submitted by the taxpayer with field formation?	If "yes", decision taken thereon by the field formation
3.	Genuineness/ authenticity of the reasons narrated for condonation sought by the taxpayers	If 'yes', elaborate with details along with supporting documents
4.	Whether the reasons for delay in seeking condonation on the part of the taxpayer are cogent?	If 'yes', elaborate with details along with supporting documents
5.	Revenue impact (in case of registered person as well as other persons involved), if any.	If "yes", amount to be mentioned.
6.	Whether any system/ technical glitch involved in the case?	If "yes", details of the system glitch along-with supporting documents.

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7.	Whether the condonation involved transaction of any closed, de-registered or any person whose registration has been blacklisted or suspended?	If "yes", then specify with reasons
8.	Whether the condonation involved adjustment/ refund of amount which has already been claimed by taxpayer?	Specify in detail
9.	Whether supplier discharged due sales tax on supply after issuance of invoice and duly verified form Annex-C in the condonation cases of Power Sectors etc?	If "Yes", specify the date and month of return has been incorporated in which the same
10.	Both buyer and supplier are active on Active Taxpayers List (ATL)	"Yes" / "No"
11.	Whether payment is made to supplier through banking channel as envisaged under section 73 of the Act (In the case of Power Sector and Provincial Revenue Authorities input)? In case, partial payment is made to supplier, balance payable to supplier with reasons.	"Yes" / "No"
12.	Period to be condoned as requested by the registered person	No of days
13.	Categorical recommendation of the Commissioner-1R concerned	Recommendation along with reason(s) is to be made here.
14.	Documents attached.	(i) Application for condonation (ii) Original return/Annexures (iii) Proposed return/Annexures (iv) Any other relevant document

(v) The Commissioner-IR concerned shall forward his recommendation to the Board within fifteen working days of the receipt of the application where the application is received in RTO/CTO/MTO/LTO. In case the Commissioner IR calls for further information, the said period shall be reckoned from the date of receipt of such information.

(vi) After receipt of the recommendations from the Commissioner-IR, the Board shall examine the request and the recommendations and to communicate approval or rejection of the request to the Commissioner-IR as well as to the applicant.

2. This Circular supersedes Sales Tax Circular No.01/2024/IR Operations dated 04.03.2024.

1-238-10-04-2025

C.No. 9(11)/ST-LP&E/Misc/2016/38813-R **Islamabad, dated 24th March, 2025**

Circular

Subject: Extension in Date of Submission of Sales Tax & Federal Excise Return for the Tax Period of February, 2025.

"I am directed to refer to the subject and say that in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005; the Federal Board of Revenue is pleased to direct that the date of submission of Sales Tax and Federal Excise Return for the tax period of February, 2025 which was due on 18.03.2025 is hereby extended to 27.03.2025."

Sales Tax Circular No. 1/2025 **Islamabad, dated 10th April, 2025**

Subject: Procedure for Integration into Digital Invoicing Systems.

For the purpose of the implementation of SRO 69(1)/2025 of the Sales Tax dated 29.01.2025, the Board is pleased to explain the procedure in this regard.

2. Registered persons for whom it is mandatory to issue digital invoices are required to integrate their hardware and software with the Board's computerized system in the first place through a licensed integrator.

3. At present, following are the approved license integrators:

(a) M/S Pakistan Revenue Automation Limited (Shall offer free of cost integration services.)

(b) M/S Haball (Pvt) Ltd.

(c) M/S EY (Pvt) Ltd.

(d) M/s WebDNAworks (Pvt) Ltd.

4. All the registered persons required to integrate with Board's digital invoicing system are advised to visit the digital invoicing portal at www.iris.fbr.gov.pk and select the licensed integrator of their choice and initiate the integration process.

5. Licensed integrators are advised to visit the digital invoicing portal at www.iris.tbr.gov.pk and adapt a highly responsive and efficient mechanism to respond to the integration applications.

6. Licensed integrators are also advised to follow the instructions regarding integration provided in the technical documentation for Application Programming Interface (API) integration, which has already been shared with them.

*5. In order to facilitate the integration drive, following support staff from PRAL is also nominated to assist the registered persons and the licensed integrators:

Senior Project Manager	Technical Support Officer
Email:mehboob.rehman@pral.com.pk	Email:adeel .abbasi@pral.com.pk
Phone: 03215326975	Phone: 03154000009

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*It should be 7.

C.No. 9(11)/ST-LP&E/Misc/2016/48825-R Islamabad, dated 18th April, 2025

Circular

Subject: Extension in Date of Submission of Sales Tax & Federal Excise Return for the Tax Period of February, 2025 and March 2025.

"I am directed to refer to the subject and say that in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to direct that:

(i) The date of submission of Sales Tax and Federal Excise Return for the tax period of February, 2025 which was due on 18.03.2025 and extended to 13.04.2025 is further extended till 25.04.2025 subject to the condition that due sales tax liability has been deposited within due date.

(ii) The date of submission of Sales Tax and Federal Excise Return for the tax period of March, 2025 which is due on 18.04.2025 is extended to 25.04.2025 subject to the condition that due sales tax liability has been deposited within due date."

C.No. 9(11)/ST-LP&E/Misc/2016/52816-R Islamabad, dated 25th April, 2025

Circular

Subject: Extension in Date of Submission of Sales Tax & Federal Excise Return for the Tax Period of February, 2025 and March 2025.

"I am directed to refer to the subject and say that in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to direct that:

(i) The date of submission of Sales Tax and Federal Excise Return for the tax period of February, 2025 which was extended to 25.04.2025 is further extended till 28.04.2025 subject to the condition that due sales tax liability has been deposited within due date.

(ii) The date of submission of Sales Tax and Federal Excise Return for the tax period of March, 2025 which was extended to 25.04.2025 is further extended till 29.04.2025 subject to the condition that due sales tax liability has been deposited within due date."

C.No. 9(11)/ST-LP&E/Misc/2016/68963-R Islamabad, dated 30th May, 2025

Circular

Subject: Extension in Date of Submission of Sales Tax & Federal Excise Return for the Tax Period of April, 2025.

I am directed to refer to the subject and say that in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to direct that the date of submission of Sales Tax and Federal Excise Return for the tax period of **April**, 2025 which was due on 18.05.2025 is extended till **05.06.2025** subject to the tondition that due sales tax liability has been deposited within due date."

1-240-15-09-2025

C.No. 2/1-STB/2025/(1) **Islamabad, dated 02nd August, 2025**

Circular No.02 of 2025-26

(Sales Tax and Federal Excise)

Subject: Finance Act, 2025 — Explanation regarding Important Amendments made in Sales Tax Act, 1990 and Federal Excise Act. 2005.

Important amendments made in the Sales Tax Act, 1990 (hereinafter referred to as "STA") and Federal Excise Act, 2005 (hereinafter referred to as FEA") through the Finance Act, 2025 are explained in the following paragraphs.

(Sales Tax)

1. Insertion of Definition of 'abettor'

Prior to Finance Act, 2025 provisions of the STA did not include or define the role of an 'abettor' in a tax fraud, who facilitates or connives with the tax fraudsters to evade the sales tax. The term 'abettor' and his/her role has now been defined to expand the scope of tax fraud, and punishment for the abetment of tax fraud has also been introduced.

2. Insertion of Definition of 'Cargo Tracking System, and 'e-bilty'

Through Finance Act, 2025, the concept of 'Cargo Tracking System' has been introduced into the STA to track goods throughout supply chain.

Similarly, the concept of 'e-bilty' has been introduced, which is to be generated through the 'Cargo Tracking System" and it shall accompany the goods during their movement in a supply chain. A penalty for failure to generate e-bilty or tamper an e-bilty has also been inserted to ensure compliance of the cargo tracking system.

3. Legislative Measures to capture E-commerce/supply of Digitally ordered taxable Goods:

(i) **Insertion of Definition of 'Courier'**

Definition of 'courier' has been inserted in section 2 to include persons engaged in the delivery of goods and collection of cash in the course of e-commerce on behalf of a seller of digitally ordered taxable goods within Pakistan, including logistics and ride-hailing services. Couriers have been made withholding agents to capture the taxable activity in the e-commerce sector.

(ii) **Insertion of Definition of 'e-commerce'**

For the purpose of bringing digitally ordered taxable goods into sales tax net, definition of the term 'e-commerce' has been introduced in section 2.

(iii) **Substitution of Definition of 'Online Market Place'**

For the purpose of harmonization of tax laws, the existing definition of 'online market place' has been substituted in line with the Income Tax Ordinance, 2001 to cover all kinds of taxable activities in e-commerce for chargeability under the STA.

(iv) **Insertion of Definition of 'payment intermediary'**

Definition of 'payment intermediary' has been inserted which provides that a banking company, any financial institution including a licensed foreign exchange company or payment gateway that facilitate the transfer of funds or payment instructions between two or more parties shall be treated as payment intermediary and the said entities shall be responsible for collection and payment of tax in respect of digitally ordered taxable goods.

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(v) **Liability to pay sales tax in e-commerce and role of withholding agents**

An enabling provision for collection and payment of sales tax on digitally ordered taxable goods in the course of e-commerce has been introduced in sub-section (3) of section 3.

Regarding the responsibility of collecting tax under this section, it is clarified that in the case of vendors being e-stores and similar mobile applications where payment is made online, the acquiring bank will be the payment intermediary for the purpose of this provision and shall be responsible to withhold tax. On the other hand, in the case of vendors being e-stores and similar mobile applications where payment is made on Cash on Delivery (CoD) basis, the courier or the aggregator providing service to the e-store or mobile application of delivering goods and collecting cash at the doorstep of the buyer shall be responsible to comply with all the statutory obligations in this regard.

Further, in case a vendor sells goods through Online Market Place (OMP) and payment is made online, the bank or financial institution of OMP in the second and final arm of transaction settling the payment between vendor and buyer shall be the payment intermediary for the purpose of the withholding of tax. It may be noted that the issuing and acquiring banks in the first arm of transaction could not be the payment intermediaries as they are involved in settling transaction between the buyer and OMP, which is acting as an agent for the vendor/seller and not a seller in real sense. On the other hand, in case a vendor sells goods through OMP or otherwise and payment is made on Cash on Delivery (CoD) basis, the courier, which could be an OMP in case vendor is using its services; or the aggregator who indirectly provides such services to e-store; or the courier directly providing those services to the e-store or mobile application of delivering goods and collecting cash at the doorstep of the buyer shall be responsible to comply with all the statutory obligations in this regard.

(vi) **Chargeability of e-commerce vendors**

A new sub-section (7A) has been inserted in section 3, which provides that the tax collected and paid by intermediary and courier in respect of digitally ordered taxable goods in course of e-commerce business shall be deemed as final discharge of tax liability on behalf of cottage industry and retailers other than tier-1 retailers and no input tax against such supplies shall be allowed. For the rest of the persons, sales tax shall be chargeable under standard regime and the tax withheld in e-commerce shall be adjustable against the output tax payable in sales tax return.

(vii) **Registration of e-commerce vendors supplying goods from or within Pakistan**

New sub-sections (1A) and (1B) have been inserted in section 14 for the purpose of registration of e-commerce vendor including a non-resident person selling digitally ordered goods from or within Pakistan through online market places. This brings clarity for the e-commerce vendors regarding their obligations under sales tax regime.

(viii) **Strengthening the reporting system of e-commerce**

Two additional provisos have been inserted in section 26 requiring online market places, payment intermediaries and couriers to file monthly sales tax statement by indicating the supplier-wise amount paid and tax due and such other information of the supplies of digitally ordered taxable goods from within Pakistan as may be prescribed.

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4. Fixation of maximum chilling charges and minimum value of imported Third Schedule goods

A proviso has been inserted in clause (27) of section 2, allowing reduction in retail price on account of chilling charges or other similar charges in case of aerated water, beverages, mineral water, or fruit juices upto an upper limit of five percent of the price inclusive of all taxes and duties.

Another proviso has also been inserted in the same clause whereby minimum retail price of imported goods in Third Schedule has been fixed and it shall not be less than one hundred thirty percent of the value determined under section 25 of the Customs Act, 1969 (IV of 1959), including the amount of customs duties and federal excise duty levied thereon.

5. Rationalizing the scope of 'tax fraud'

The definition of 'tax fraud' has been substituted and scope of this definition is rationalized to cover abetment and all kinds of tax frauds including those involving technology. The earlier explanation to the definition regarding the onus of proving no intention of tax fraud on the registered person has been omitted.

6. Omission of Proviso to sub-section (7) of section 3

Proviso to the sub-section (7) of section 3 relating to online market places has been omitted. The same provision has been transposed to sub-section (3) of section 3.

7. Omission of Proviso to sub-section (9A) of section 3

Proviso to sub-section (9A) of section 3 relating to integration of Tier-1 retailers has been omitted and the same has been transposed to sub-section (6) of section 23 of the STA.

8. Restriction of input tax based on Compliance Risk Management

An amendment has been introduced in sub-section (4) of section 88 whereby Board has been allowed to fix certain limit of input tax adjustment based on Compliance Risk Management (CRM). This change will provide an objective basis of setting up the limit for the purpose of section 88, thereby reducing the discretion. A registered person can file an application before the Commissioner against aforesaid fixation of input tax and the application shall be decided by the Commissioner within sixty days. However, it is clarified that input restrictions and conditions shall not be altered without meaningful consultation with the business and trade representatives related to the sector for which such action is intended.

9. Best judgement assessment of wholesalers based on Income Tax Withholding data

A new sub-section (5) in section 11D has been inserted, empowering an officer of Inland Revenue to assess sales tax liability on estimated value addition on reasonable grounds. This provision applies to wholesalers who are liable for registration due to tax withheld under section 236G of the Income Tax Ordinance, 2001, but fail to furnish sales tax return upon notice. The tax withheld under the section 236G will be used as one of the indicators to determine purchases and asses the sales tax liability.

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10. Separation of criminal and civil liability

Sub-section (1) of section 11E has been substituted where by non-payment of tax through collusion or deliberate act are excluded from its scope, because the provisions of law already exist in this Act under section 37A for initiation of criminal proceedings in such non-payments. Similarly, the provisions of section 11E shall not be applicable to the extent where proceedings have been initiated under section 37A. This differential between proceedings under section 11E and section 37A is important as the former deals with non-compliance whereas latter deals with the fraudulent activities.

11. Compulsory registration of persons liable to be registered

Powers for compulsory registration of a person who is liable for registration exists in the Sales Tax Rules, 2006. The said provisions of rules have now been explicitly incorporated into the statute by inserting sub-section (2A) of section 14 to enable the officers of Inland Revenue for compulsory registration of a person who is liable to register but fails to apply for registration.

12. Introduction of new enforcement measures

In order to encourage sales tax registration, strengthen enforcement against hard to tax persons and promote documentation of the economy, certain enforcement measures have been introduced through the insertion of new sections 14AC, l4AD, and 14AE. These measures include bar on the operation of bank accounts, bar on the transfer of immovable property, sealing of business premises, seizure of immovable property and appointment of a receiver. However, these enforcement measures shall be carried out in conformity with natural principles of justice and in a sequential manner to avoid undue hardships.

The provisions of Section 14AE already provide that before taking extreme measures the field formations have to fulfil the following conditions;

(i) A public notice of hearing

(ii) Hearing to be conducted jointly by concerned representative of the chamber of commerce & trade and concerned officer of inland revenue. Ample opportunity of being heard shall be provided to the person, intended to be registered, in the open hearing.

(iii) Such decisions shall be made public by placement on FBR's website and news papers.

13. Rationalizing the process of suspension of registration

A new sub-section (24) has been inserted in section 21 to empower the Commissioner to issue a show cause notice to the registered person for revoking of suspension of registration or blacklisting of the registered person within 30 days of the receipt of reply to the show cause notice.

The procedure for issuance of show cause after suspension of registration to a registered person is provided under Sales Tax Rules, 2006. The same is now explicitly provided into main statute through insertion of new sub-section (24).

Furthermore, sub-section (5) of section 21 has been omitted. Resultantly, the Chief Commissioner's power to call for and modify order of suspension and blacklisting has been withdrawn. Now, order of suspension and blacklisting has been made appealable before Commissioner (Appeals).

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14. Linkage of sales tax invoice with the e-bilty

A new proviso in clause (g) of sub-section (1) of section 23 has been inserted to ensure the linkage of tax invoice with e-bilty generated under section 40C of the STA and section 83C of the Customs Act, 1959 to monitor the transportation of taxable goods during their movement in supply chain. The long-term plan of its implementation will complete in stages in consultation with business chambers and trade bodies.

15. Integration of Electronic Invoices

Two new sub-sections, sub-section (5) and (6) are inserted in section 23 to ensure integration of sales tax invoices with the electronic invoicing system prescribed by the Board for real time reporting of sales. Previously, same sub-sections existed in section 40C from where they have been omitted and transposed into section 23 for proper placement within invoicing provisions.

16. Conditional revision of sales tax return

Proviso to sub-section (3) of section 25, which allowed a registered person to file revised sales tax return without prior approval of concerned CIR within 60 days of filing of return where amount of tax was more than the a mount paid or revised refund claim was less than the refund claimed in original return, has been omitted as misuse of this facilitative provision of law has been observed in a number of cases. Now, a new sub-section (3A) has been inserted where revision of sales tax return may be restricted based on the risk parameters identified through Compliance Risk Management.

17. Appointment of experts and auditors

Through Finance Act, 2025, a new section 328 has been introduced whereby Board or the Commissioner has been empowered to appoint experts for assistance in audit, investigation, litigation or valuation. Furthermore, Board has been vested with the power to appoint auditors through direct engagement or through third party to assist and improve the quality of work in the said matters.

18. Amendments in section 33

Prior to Finance Act, 2025 the marginal headings of Chapter VII and section 33 of the Sales Tax Act, 1990 were limited to the extent of offences and penalties but did not include the word “punishment”. Therefore, the word “punishment” has been added after the word “penalties” to more accurately reflect purpose of section 33.

For the purpose of imposition of penalty on failure to submit monthly statement by online market places, payment intermediary or courier, new S. Nos 1A and 18 have been inserted in section 33 and amount of penalty has been specified therein.

S. No. 11 of section 33 relating to submission of forged documents before an Officer of Inland Revenue has been omitted, as these come under the ambit of tax fraud for which specific penalty has been specified at serial no. 13.

S. No. 13 pertaining to penalties involving tax fraud has been substituted in line with the amendments brought in the definition and other provisions of law relating to tax frauds.

New S. No. 13A has been introduced in line with the newly inserted definition of abettor, for the purpose of imposition of penalty and punishment under section 33 of the Act.

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S. No. 22 of section 33 which provided imposition of penalty on unlawful access to the computerized system, unauthorized use of information obtained from the computerized system falsifying the information obtained from the computerized system, has been omitted as these come under the ambit of tax fraud for which penalty has been specified at serial no. 13.

S. No. 25A and reference of penalty therein have been amended in line with omission of proviso in sub-section (9A) of section 3 and transposition of the same to section 23.

A new S. No. 25B has been inserted to provide for imposition of penalty for non-generating e-bilty or tampering with, misusing, or forging such document in contravention of subsection (5) of section 40C.

19. Powers of Civil Court

A new sub-section (4) in section 37 has been inserted to empower the officer of Inland Revenue to exercise the powers of civil court under the Code of Civil Procedure, 1908.

20. Power to inquire and investigate sales tax frauds and procedure for arrest

Through Finance Act, 2025, powers and procedure of inquiry and investigation in cases of sales tax fraud and other offences warranting prosecution under sales tax act have been streamlined. Under the new framework, the Officer of Inland Revenue can initiate inquiry only after obtaining approval of Commissioner on the basis of material evidence pointing to commission of tax fraud or other offence warranting prosecution. After completion of inquiry and after providing an opportunity of being heard to the accused, Officer shall present inquiry report to the Commissioner who shall then decide to either close the inquiry or allow further investigation. In the case of approval of investigation, officer shall be required to complete investigation within three months and submit report before Special Judge for prosecution.

The subsections (8) and (9) of section 37A regarding arrest shall only be applied when investigation under subsection (6) of this section has been initiated.

Warrant of arrest under subsection (8) of section 37A may be issued only after approval by a committee comprising of three members of the FBR as may be notified by the Chairman and that too only in the cases where fraud involves amount exceeding Rs. 50 million and nature of the fraud falls within the ambit of any of the first six subclauses of the clause (37) of section 2, which are reproduced as under:

(a) using or preparing false, forged, and fictitious documents, including returns, statements, annexures, and invoices;

(b) false claim of input tax credit based on fictitious transactions;

(c) issuance of any tax invoice without supply of goods;

(d) tampering with or destroying of any material evidence or documents required to be maintained under this Act or the rules made thereunder;

(e) generating fake input through manipulation of return filing system of the Board and making fake entries in the sales tax returns or in the annexures;

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(f) making fictitious compliance of section 73, including routing of payments back to the registered person, or for the benefit of the registered person, through a bank account held by a supplier or a purported supplier; and when the fraud amount exceeds Rs. 50 Million.

Additional pre-conditions which can compel the officer to seek approval for arrest are:

(i) The accused may tamper with documents

(ii) The accused may abscond

(iii) The accused does not help investigations despite three served notices

Further, the power to compound an offence warranting prosecution has been provided where Commissioner can compound the offence if the person pays the amount of tax evaded along with default surcharge and penalty.

The warrant of arrest from judge under subsection (9) of section 37A may be obtained primarily in the sales tax frauds which are heinous or material including fake and flying invoices. Under this subsection, the following pre-conditions shall also apply as is the case of arrest under subsection (8) of section 37A.

(i) The accused may tamper with documents

(ii) The accused may abscond

(iii) The accused does not help investigations despite three served notices

In addition to that, the board will separately notify the detailed procedure, preconditions and restrictions through an STGO for the smooth operation of subsections (8) and (9) of Section 37A.

As stated above, through the substitution of section 37A, sufficient safeguards have been introduced and multiple approvals are required at inquiry stage as well as investigations stage to prevent the misuse of the provisions of prosecution.

The provisions of this section also state that the intent of the prosecution proceedings is not to recover the revenue but to create deterrence against the sales tax frauds.

Section 378 has been substituted by further elaborating the procedure to be followed on arrest of a person and producing the accused person before the court of law for further proceedings in accordance with the provisions of this Act as well as the code of criminal procedure.

21. Information from ISPs Telcos and PTA

New sub-section (5) in section 388 has been inserted which empowers the Commissioner to obtain subscriber's information pertaining to the internet protocol in connection with any inquiry or investigation in tax fraud cases from any internet service provider, telecommunication companies and Pakistan Telecommunication Authority.

22. Streamlining of section 40C

Sub-section (4) has been substituted for mutatis mutandis application of section 83C of the Customs Act, 1969 for cargo tracking system and generation of e-bilty.

Furthermore, sub-section (5) pertaining to integration of electronic invoice system of the registered person by the licensed integrator has been omitted and transposed to section 23 for proper placement.

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23. Improving appellate process

For the purpose of streamlining the process of filing appeals, pecuniary jurisdiction in filing of appeals provided under section 43A has been omitted.

Prior to Finance Act, 2025, Commissioner (Appeals) entertained those appeals against the orders passed under this Act wherein the value of assessment of tax or the refund did not exceed Rs. 10 million. Now, section 43A has been omitted and sub-section (1) of section 458 has been substituted. Resultantly, all orders passed under sections 10, 11A, 11D, 11E, 21, 33, 34 and 66 are made appealable before CIR (Appeals) irrespective of pecuniary limits. Furthermore, an option to directly file an appeal before the Appellate Tribunal Inland Revenue without availing the right of appeal under this section by the registered person has also been provided.

SOEs can only file appeal once they have exhausted the option of ADRC.

Sub-section (1) of section 45 has been substituted which provides procedure for filing of appeals before the Appellate Tribunal by the aggrieved person other than SOEs. Furthermore, a registered person is also entitled to prefer an appeal before the Appellate Tribunal against any order passed by an officer of Inland Revenue by avoiding the filing of appeal before the Commissioner (Appeals) in case the option under second proviso to sub-section (1) of section 45B is exercised.

24. Limiting the reference to High Court to the questions of law

Prior to Finance Act, 2025, reference can be filed against impugned order of CIR(A) or ATIR stating any question of law or a mixed question of law and fact arising out of such order. In continuation of amendments in section 458 and section 46, sub-section (1) of section 47 has also been substituted for streamlining of the legal requirements of filing of appeal before the High Court against the order passed by the Appellate Tribunal. Now reference can only be filed where a question of law arises out of the impugned order. Besides, time limit for filing of reference has been extended to sixty days. The amendment prevents undue burden on Hon. High Courts of references containing questions of facts.

25. Enabling provision to provide access of data to auditors

Prior to Finance Act, 2025, section 568 imposed bar on a public servant from disclosing any confidential information relating to the STA. Now, amendment in sub-section (1) of section 558 for imposition of said bar on experts or auditors appointed under sub-section (2) of section 32 has also been made. The purpose of this provision is to ensure privacy of registered persons' data.

26. Reference of audit firm to Audit Oversight Board

New section 58C has been introduced wherein the Chief Commissioner Inland Revenue is empowered to refer the audit firm to the Audit Oversight Board who has issued audit certificate to the registered person where the financial statements do not reflect the true and fair view of the affairs of the registered person with respect to the tax liabilities. It shall help in improving the audit oversight in Pakistan and make audited financial records more reliable for the sales tax purpose.

27. Limiting input adjustment - A flexible approach

Sub-section (4) of section 73 has been substituted which will empower the Board with the approval of federal government to fix the limit of input tax adjustment in relation with taxable supplies to unregistered persons in a financial year or a tax period.

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24. Addition of New Items in Third Schedule for Charging Sales Tax on Retail Price

In order to ensure tax payment on retail price goods sold in retail packing e.g. imported pet food, imported coffee, imported chocolates and imported cereal bars sold in retail packing have been added in the Third Schedule.

The purpose of the inclusion of these items in the Third Schedule is to capture the down-stream value addition in the supply chain beyond import stage.

29. Gradual withdrawal of Exemption on Import and Supplies for erstwhile FATA/PATA

Exemption of sales tax on import and supply by the industrial units located in the erstwhile FATA/PATA was granted till 30.06.2023 which was further extended till 30.06.2024 and then extended till 30.06.2025. Industrial units located in settled areas have raised concerns about the misuse of this exemption as the most of the imported materials destined for FATA and PATA has ultimately landed in the settled areas making the industrial units in settled areas uncompetitive.

In order to remove the distortion, gradual imposition of sales tax on import and supplies by the industrial units located in erstwhile FATA/PATA has been enacted by adding S. No. 89 in the Eighth Schedule, thereby charging sales tax in phased manner at the following rates:

Tax period	Rate of ST
July, 2025 to June, 2026	10%
July, 2026 to June, 2027	12%
July, 2027 to June, 2028	14%
July, 2028 to June, 2029	16%
July, 2029 and onwards	18%

30. Withdrawal of exemption on Import of Solar Panels and allied parts

Solar panels, whether or not assembled in modules or made up into panels are exempt from sales tax under S. No. 164 ofTable-1 of Sixth Schedule. Exemption on import and supply of photovoltaic cells disproportionately benefited commercial importers, while the local industry has been rendered uncompetitive due to the absorption of input tax costs on purchases, as exemption on raw material and components for local assembling of solar panel was not available.

In order to create level playing field and generate revenue, exemption available to solar panels/PV modules has been withdrawn and they shall be charged to tax at reduced rate of 10%.

31. Simplifying exemption on import of drugs namely Cystagon, Cysta drops and Trientine capsules

In order to streamline the aforesaid exemption, the condition i.e. ‘for personal use only’ has been be omitted to facilitate the limited number of patients and the commercial market of these drugs is limited. Earlier the patients use to run from pillar to post to get necessary approvals from a number of departments to show that the import is for personal use. This change in the law will reduce hardships of these limited patients and their families.

32. Withdrawal of exemption on local supply of imported scrap

Earlier, local supply of iron and steel scrap was exempt from sales tax, excluding those supplied by manufacturer cum-exporter of recycled copper, authorized under Export Facilitation Scheme, 2021. This exclusion put non-EFS importer of iron scrap under disadvantage who used to pay tax at import stage but they could not claim their input tax as subsequent local supplies were exempt from tax. Now supplies of iron and steel scrap by non-EFS importers directly to steel melters have also been made taxable, subject conditions and restrictions specified by Board through STGO.

1-240-15-09-2025

(Federal Excise Duty)

1. Liability to pay duty

Sub-section (5) of section 3 provides for the categories of persons who are liable to pay FED in supply chain. Through Finance act, 2025, a new clause (e) has been inserted in sub-section (5) of section (3) and it provides for situations not covered under clause (a), (b), (c) and (d). In such a situation, any person involved in the supply chain-including middlemen-can be held liable to pay Federal Excise Duty, if specified by the law.

2. Power to seize and confiscate counterfeit cigarettes, beverages or goods

Amendments have been introduced in section 25 and section 27 of the FEA to streamline the seizure and confiscation of counterfeit goods in line with digital interventions introduced from time to time and to create deterrence. Now dutiable goods manufactured or produced without affixing tax stamps or affixing counterfeit tax stamps, banderols, stickers, labels or barcodes have been made liable to seizure along with the conveyance used for movement of such goods. Furthermore, such seized goods are also made liable to outright confiscation.

3. Assistance in seizure and confiscation of dutiable goods

Through Finance Act, 2025, Board has been empowered to authorize officers of Revenue Department or Excise and Taxation Department not below the rank of BPS-16 to perform functions or exercise powers under section 26 (power to seize dutiable goods) and sub-section (1) of section 27 (power to confiscate dutiable goods) of the Act. Purpose of this amendment is to fill the enforcement gaps due to shortage of manpower and enlist the assistance of provincial authorities for enforcement purposes particularly in the far areas.

4. Improving the appellate process

For the purpose of streamlining the process of filing appeals, pecuniary jurisdiction in filing of appeals provided under section 33A has been omitted.

Prior to Finance Act, 2025, Commissioner (Appeals) entertained those appeals against the orders passed under this Act wherein the value of assessment of tax or the refund did not exceed Rs. 5 million. Now, section 33A and limit of pecuniary jurisdiction in section 33 has been omitted. Furthermore, an option to directly file an appeal before the Appellate Tribunal Inland Revenue without availing the right of appeal under this section by the registered person has also been provided.

Sub-section (1) of section 34 has been substituted which provides procedure for filing of appeals before the Appellate Tribunal by the aggrieved person other than SOE. Furthermore, a registered person is also entitled to prefer an appeal before the Appellate Tribunal against any order passed by an officer of Inland Revenue by avoiding the filing of appeal before the Commissioner (Appeals) in case the option sub-section (5) of section 33 is exercised.

5. Limiting the reference to High Court to the questions of law

Prior to Finance Act, 2025, reference can be filed against impugned order stating any question of law or a mixed question of law and fact arising out of such order. In continuation of amendments in section 33, and 34, sub-section (1) of section 34A has also been substituted for streamlining of the legal requirements of filing of appeal before the High Court against the order passed by the Appellate Tribunal. Now reference can only be filed where a question of law arises out of the impugned order. Besides, time limit for filing of reference has been extended to sixty days.

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5. Levy of FED on Day Old Chick (DOC)

FED at Rs. 10 per DOC has been levied with the purpose of counting the production in the poultry supply chain. Levying FED on DOC will help to track the actual volume of poultry production and discourage underreporting in the sector, which has remained largely undocumented.

7. Withdrawal of FED on allotment r transfer of immovable property

Federal excise duty on allotment or transfer of residential and commercial plots, imposed through the Finance Act, 2024, has been withdrawn.

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

C.No. 9(11)ST-LP&E/Misc/2016/96702-R **Islamabad, dated 04th August, 2025.**

Subject: Extension in Date of Submission of Sales Tax & Federal Excise Return for the Tax Period of June, 2025.

I am directed to refer to the subject and to say that in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to direct that the date of submission of Sales Tax and Federal Excise Returns for the tax period of June, 2025 which was due on 18.07.2025 and extended upto 04.08.2025 is hereby further extended till 08th August, 2025 subject to the condition that due sales tax liability has been deposted within due date.

C.No. 9(11)ST-LP&E/Misc/2016/105454-R **Islamabad, dated 22nd August, 2025.**

Subject: Extension in Date of Submission of Sales Tax & Federal Excise Return for the Tax Period of July, 2025.

I am directed to refer to the subject and say that in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to direct that the date of submission of Sales Tax and Federal Excise Return for the tax period of July, 2025 which was due on 18.08.2025 is hereby extended till 2e August, 2025 subject to the condition that due sales tax liability has been deposited within due date.

F.No. 1(162)ST-L&P/2025/134504-R **Islamabad, dated 22nd October, 2025.**

Subject: Standard Operating Procedure for Change of NTN/ STRN on Industrial Connection of Electricity/ GAS by DISCOs/GASCOs.

In order to strengthen the procedure for change of NTN/STRN on industrial connection of electricity and gas by the utility providing companies (DISCOs/GASCOs), the Board is pleased to decide that no change of NTN/STRN in industrial connection of any registered person to be made by DISCO/GASCO subject to fulfillment of the following procedure:

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(i) The registered person shall apply to the Commissioner-IR having jurisdiction for change of NTN/STRN on electricity/Gas bills;

(ii) The Commissioner-IR having jurisdiction may verify the particulars including physical verification of business premises and in case the Commissioner-IR is satisfied that the intended particulars is correct, he may ask the DISCO/GASCO concerned through order for change of NTN/STRN in respective utility bill.

(ii) The DISCOs/GASCOs shall change NTN/STRN of the registered person upon recommendations of Commissioner-IR concerned.

No. 1(42)SA-M(IR-Ops)/2026/25980-R Islamabad, dated 03rd March, 2026.

Subject: Standard Operating Procedure (SOP) for Exercising the Power Conferred by Section 37A of The Sales Tax Act, 1990.

Whereas Section 37A of the Sales Tax Act, 1990 (the Act) empowers the authorized officer to inquire and investigate the commission of tax fraud or an offence under the Act and shall have the powers of a civil court under Code of Civil Procedure, 1908 (Act No. V of 1908) in matters defined under Clause (a) & (b) of Sub-Section (2) of Section 37A of the Act besides, powers to arrest in the manner defined under Sub-Section (8) & (9) of the Section 37A of the Act.

2. And whereas it is considered necessary to prescribe a structured procedure for the effective and judicious exercise of the powers conferred under Section 37A of the Act, so that the proceedings undertaken thereunder shall have legally sustainable before appellate fora.

3. Therefore, the following Standard Operating Procedure (SOP) is hereby issued for strict compliance by all field fomlations within their respeclivcjurisdictions:

a) During the proceedings under Section 11E of the Act or otherwise, on the basis of material evidence pointing to the commission of tax fraud by a person, the case shall be referred immediately to the Directorate of Intelligence & Investigation (Inland Revenue) of the related jurisdiction to the extent of tax fraud.

b) Upon receipt of the case referred by the field formation, concerned Director of Intelligence & Investigation (Inland Revenue) shall scrutinize the referred case within thirty (30) days to ascertain whether action under Section 37A(1) of the Act is warranted or otherwise? In case,

(i) If such action is deemed warranted, the concerned Commissioner shall formally be intimated; and

(ii) If such action is not warranted, the case be sent back to the concerned jurisdiction for finalization of proceedings under Section 11E of the Act.

c) After the inquiry under sub-section (3) of section 37A of the Act and submission of the report to the Director concerned under section 37(5) of the Act, if the office of the Directoratc General of Intelligence & Investigation (Inland Revenue) considers it appropriate to initiate investigation under section 37A(6) of the Act, the procedure prescribed under Sales Tax General Order No.2 of 2025 shall be followed in letter and spirit.

4. This issues with the approval of Member (IR-Opcrollions).

1-246-15-09-2026

C.No. 1(1)ST-L&P/2024/IRIS-Proc Islamabad, dated 20th July, 2026.

Subject: Procedure for Claiming Credit against Sales Tax Withheld by FTN Holders

The Federal Board of Revenue is pleased to introduce a new automated feature in the IRIS portal to facilitate taxpayers dealing with Filer Tax Number (FTN) holders. This initiative is aimed at streamlining the adjustment of Sales Tax withheld under the Eleventh Schedule of the Sales Tax Act, 1990.

2. Background: It has been observed that registered persons supplying goods to Government Departments and Public Sector Organizations (FTN Holders) often face difficulties in claiming credit for tax withheld at source. This led to reconciliation gaps and unnecessary accumulation of refunds.

3. New Procedure: To resolve these issues, the following digital process is hereby notified:

- Taxpayers can now file a formal "**Application for Credit against Sales Tax Withheld**" via the IRIS dashboard.
- The application must be supported by the **Computerized Payment Receipt (CPR)** or Withholding Tax Certificate issued by the FTN holder.
- Upon electronic verification of the tax deposit, the system will automatically credit the amount to the taxpayer's **Electronic Ledger**.
- The credit so approved shall be available for adjustment in the monthly Sales Tax Return (Annex-A).

4. Compliance: All Field Formations (LTOs/MTOs/RTOs) are directed to ensure that applications filed under this module are processed within the statutory timelines to ensure business liquidity.

C.No. 1(200)ST-L&P/2026/82342-R Islamabad, dated 29th July, 2026.

Subject: Extension in time for Voluntary Corporatization of Iron and Steel Manufacturers

I am directed to refer to the subject and say that the date of voluntary incorporation of business entities i.e. 31.07.2026 as envisaged in the STGO 10/2026 dated 14.07.2026 is hereby extended till 10th August, 2026.

2. The remaining terms and conditions of the STGO ibid shall remain the same.

C.No. 1(500)SA-M(IR-Ops)/2026-27/ Islamabad, dated 01st September, 2026.

Corrigendum

Sales Tax Circular No. 01 of 2026-27 - IR-Operations

(Sales Tax)

Subject: Mandatory use of compliance Risk Management (CRM) system for Initiation of Audit and Assessment Proceedings under the Sales Tax Act, 1990 -with Effect from 1st September, 2026

1-246-15-09-2026

In continuation of the Board's Sales Tax Circular No. 01 of 2026-27 issued vide this office letter of even number dated 31st August, 2026, the contents of paragraph 2 thereof may be read as under, in supersession of the existing paragtaph 2:

Existing Para	Pera to be Read as
With effect from 1st September, 2026, no new audit or assessment proceedings, including but not limited to proceedings under sections 25, 25A, 11, 11A, 11B, 11C, 11D, and 36 of the Sales Tax Act, 1990, shall be initiated by any officer of Inland Revenue unless the case has been selected through the Compliance Risk Management (CRM) System.	With effect from lst September, 2026, no new audit or assessment proceedings, including but not limited to proceedings under sections 25, and 11E ofthe Sales Tax Act, 1990, shall be initiated by any officer of Inland Revenue unless the case has been selected through the Compliance Risk Management (CRM) System.

2. All other contents of the aforesaid Circular shall remain unchanged.

3. This issues with the approval of competent authority.

C.No. 3/2-STB/2026(1)/101537-R Islamabad, dated 11th September, 2026.

Circular No. 01 of 2026

(Sales Tax and Federal Excise)

Subject: Finance Act, 2026 - Explanation regarding Important Amendments made in Sales Tax Act, 1990 and Federal Excise Act, 2005

Important amendments made in the Sales Tax Act, 1990 (hereinafter referred to as "STA") and Federal Excise Act, 2005 (hereinafter referred to as PEA") through the Finance Act, 2026 are explained in the following paragraphs.

(Sales Tax)

Insertion of Definitions of 'Advance Receipt Invoice', 'Algorithmic Settlement Mechanism' 'Electronic Invoicing System', 'National Faceless Centre' and 'Production Monitoring System'

The existing provisions of STA do not provide definition of *'advance receipt invoice', 'algorithmic settlement mechanism', 'electronic invoicing system', 'national faceless centre' and 'production monitoring system'*. The definitions of said terminologies have been inserted in STA for smooth and proper implementation of digitalization of taxable activity and monitoring of production and sale of goods in real time to the Board in the manner as may be prescribed.

Amendment in Definition of Tier-I Retailer - Clause (43A) of Section 2

Definition of "Tier-1 Retailer" covered a wholesaler-cum-retailer, engaged in bulk import and supply of consumer goods on wholesale basis to the retailers as well as on retail basis to the general body of the consumers under sub-clause (d). Now a threshold of turnover of more than two hundred million rupees has been provided.

Secondly, the definition covered a retailer who had acquired point of sale for accepting payment through debit or credit cards from banking companies or any other digital payment and categorized such retailer as tier-1 retailers under sub-clause (f). The said sub-clause has been omitted in order to facilitate small retailers having lower annual turnover and a limited business activity.

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Thirdly, the definition covered a retailer whose deductible withholding tax under sections 236G or 236H of the Income Tax Ordinance, 2001 during the immediately preceding twelve consecutive months exceeded the threshold specified by the Board under sub-clause (g). The said sub-clause (g) has been omitted and instead a new sub-clause (gb) has been added which provides that a retailer having declared turnover of more than two hundred million or the retailer whose worked back value of turnover from the tax deduction under section 236G and 236H of the Income Tax Ordinance, 2001 during the immediately preceding twelve consecutive months exceeds the said threshold shall be categorized as Tier-1 retailer.

Addition of proviso in clause (43A) of section 2

A new proviso under the above-mentioned sub-clause has been added to empower the Board to exclude any person or class of persons from the purview of Tier-1 retailers through a notification.

Grant of Power to Board to Out-Source the Function of Valuation of Goods

The first proviso to clause (46) of section 2 empowers the Board to fix the value of imported goods or supplies including those specified in the Third Schedule. Now, the scope of said proviso has been enhanced by enabling the Board to utilize the data of Pakistan Bureau of Statistics and to out-source the functions of valuation to the third party.

Addition of new proviso in sub-seetion (2) of section 6 to collect tax on steel sector on the basis of monthly electricity units consumed

Through addition of this proviso the Board has been empowered to collect tax on steel sector on the basis of electricity units consumed during a tax period and the tax so collected shall be adjustable against output tax and shall also be claimed in the return of the month in which such payment is made. Furthermore, the Board has also been empowered to lower the per unit rate of sales tax on electricity for compliant and digitally integrated steel melters, re-rollers and composite units. The said provision shall also apply to steel melting units powered by captive power plants such as those run on bagasse or any other alternate source of power generation.

Changes in section 8B to reward compliant taxpayers and to discourage non-compliance

Through insertion in section 8B, the Board has been empowered to reduce or enhance the ratio of input tax adjustment of sales tax on the basis of compliance or non-compliance with the Board's digital or electronic systems including production monitoring, digital invoicing, e-bility, POS, any other electronic system for digital integration of data.

Mechanism for Issuance Of Debit and Credit Notes

A proviso has been added in section 9 through which the Board has been empowered to provide a mechanism including electronic adjustment for issuance of debit and credit notes by the registered persons.

Faceless Regime for Audit, Assessment, Appeals and Jurisdiction [Sections 2(17A), 11H, 30AA, 32C and 45C]

Through the Finance Act, 2026, a comprehensive faceless regime has been introduced in the STA. The definition of “assessment” in clause (17A) of section 2 has been expanded to include “faceless assessment”, and a new section 32C has been inserted to define “National faceless center”.

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Newly inserted section 32C empowers the Board to establish a National faceless center (the centre) for conducting proceedings under the STA 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 Authorities as may be prescribed by the Board. The centre shall comprise as many wings and units as may be prescribed by the Board. The functions of audit, assessment and quality control in a specific case for a specific tax period are required to be performed by separate officers. All communications, whether among the units or with the registered person or its authorized representative, shall be through electronic means.

A newly inserted section 11H provides that any audit under sections 25 and 72B, 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, and the identity of the officer, including facial and voice identity, is to be kept confidential.

A new section 45C provides that any appeal filed under section 45B may be processed through the National faceless center, and the provisions of section 45B shall apply accordingly.

A new section 30AA has also been inserted which 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 registered person; 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 the STA or the confidentiality a the authority's identity.

Amendment in Sub-Section (2) of Section 21 -- Non-compliance with electronic invoicing system and production monitoring system

The existing sub-section (2) of section 21 empowers the Commissioner to suspend the registration of registered persons found to be involved in issuance of fake / flying invoices or found involved in fraudulent activities. The scope of said sub-section has been enhanced to include non-compliance / failure to integrate the electronic invoicing system with the Board's computerized system or failure to install a production monitoring system.

Amendment in Sub-Section (1) of Section 23 - Mandatory issuance of invoice for exempt supplies

Under the existing sub-section (1) of section 23, a registered person was required to issue a sales tax invoice against taxable supplies only. The said sub-section has been amended to the effect that a registered person is now required to issue invoice against taxable as well as exempt supplies including invoice for an advance receipt, bearing a verifiable and unique FBR's invoice number. This amendment in continuation of FBR's digitalization process, is aimed at increasing transparency in declaration of activity of registered person in respect of taxable supplies as well as exempt supplies.

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Insertion of New Sub-Section (8A) in Section 25 -- Re-Audit by an Accountant

New sub-section (8A) of section 25 has been inserted wherein Commissioner has been empowered to direct a registered person to get his accounts re-audited by an

accountant and to get the inventory re-valued by a Cost Accountant keeping in view the nature and complexity of the accounts, volume of the accounts, doubts about the correctness of the accounts, multiplicity of transactions in the accounts, etc. under the above said new sub-section. This power shall be exercised after granting a reasonable opportunity of being heard to the registered persons.

Insertion of New Sub-Section (8B) in Section 25 -- Issuance of Audit Report

The existing section 25 of STA does not require issuance of audit report on completion of audit proceedings by an officer of Inland Revenue. Now, sub-section (8B) has been inserted which requires the officer of Inland Revenue to issue an audit report containing audit observations and findings, after obtaining the registered person's explanation on all the issues raised in the audit.

Insertion of Section 30DDDB--Establishment of Directorate General (Field Compliance) Inland Revenue

Through this new section, the Directorate General (Field Compliance) Inland Revenue shall be established consisting of a Director General and other officers as may be appointed by the Board for the purpose of enforcement of sales tax law. Board has been empowered to specify the functions and jurisdictions of the Directorate General and its officers; and confer the powers of authorities specified in section 30 upon the Directorate General and its officers.

Rationalization of Amounts of Penalties in Section 33

Section 33 provides for offences, penalties and punishments. Amounts of penalties had not been reviewed / rationalized since a long time which have now been enhanced / rationalized keeping in view the inflationary impact. The said rationalization is aimed at discouraging non-compliance of tax laws and encouraging compliance.

Substitution of Clause (25) and Insertion of Clauses (29), (30) and (31) in Section 33

The existing clause (25) imposes a penalty of rupees one million in case of failure to integrate his business with the Board or recording of sale and production with the Board's computerized system in addition to sealing of his business premises. Through this substitution, a registered person shall be liable to pay a penalty of rupees one million and if he continues to commit the offence after one month of the imposition of first penalty, the registered person shall be liable to second penalty upto five million rupees. The premises shall also be liable to be sealed with or without imposition of penalty in the manner as may be prescribed by the Board. These measures have been introduced to improve digitalization of the economy and deter the non-compliance.

Publicly Accessible Simulated Invoice Issuers Register-Clause 29

To curb the menace of fake and flying invoices, a new penalty clause (29) has been inserted which provides that where it is established after notice and adjudication that a registered person issued a tax invoice for a simulated or fictitious transaction, or for which no actual supply of goods or services has taken place, in addition to imposition of penalty equal to the value of simulated or fictitious invoice(s) including sales tax, the name and registration number of person issuing such fictitious invoice or invoices shall be placed on publicly accessible "Simulated Invoice Issuers Register" by the Board.

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The registered persons claiming input tax on invoices issued by the person listed on the Simulated Invoice Issuers Register shall face automatic reversal of the input tax credit claimed against invoices issued by the said listed person, from the date of listing and the said input tax credit shall be reversed automatically and treated as inadmissible input tax.

Removal of listing on the register has been made contingent upon full payment of the penalty and default surcharge, and upon satisfactory demonstration of compliance.

To promote correct and true declarations throughout the supply chain, a new clause (30) has also been inserted which provides that where it is confirmed after issuance of notice and provision of opportunity of being heard that input tax credit claimed by a registered person in respect of any tax period cannot be matched to corresponding output tax declared by the supplier for the same or proximate tax period as identified by Board's computerized system, such person is liable to pay penalty of twenty per cent of the unmatched input tax amount, in addition to reversal of the inadmissible credit and payment of default surcharge under section 34.

Newly inserted clause (31) in section 33 penalizes a registered person who fails to reverse the input tax on invoices issued by the person listed on Simulated Invoice Issuers Register as inadmissible input tax within sixty (60) days of listing of invoice issuer. For such person, in addition to reversal of input tax as inadmissible and payment of default surcharge, a penalty of twenty per cent (20%) of the unreversed input tax credit has been imposed.

Substitution of Sub-Sections (2), (3) and (6) of Section 40C -- seizure and confiscation against digitally non-compliant registered person

Through substitution of aforesaid sub-sections (2) and (3), the scope of monitoring through a production monitoring system, video analytics or any other prescribed monitoring mechanism has been enhanced. The manufacturers have been legally barred from removing and selling goods unless such goods are affixed with tax stamps, band role stickers or labels are monitored through a Production Monitoring System, video analytics or any other prescribed monitoring mechanism, etc. This condition shall be applicable to persons other than manufacturers also. This shall be applicable from the date and in such form, style and manner as may be prescribed by the Board in this behalf. This amendment is aimed at deterring undocumented and unrecorded transactions.

Addition of sub-section (6) enables the department to seize and confiscate the taxable goods, in respect of which monitoring, tracking or identification has been prescribed under the STA or rules made thereunder, along with the conveyance used for the movement, carriage on transportation of such goods which are manufactured, produced, removed, transported, supplied or otherwise dealt with or without affixing the prescribed tax stamps, banderoles, stickers, labels, barcodes or without compliance with the prescribed monitoring system.

Insertion of New Section 40F -- Sale of Confiscated Goods by Auction

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The existing provisions of the STA do not provide the mechanism for auction of confiscated goods. Section 40F is an enabling provision providing for auction and electronic auction of confiscated goods in the manner prescribed.

Insertion of Section 47AA --Algorithmic Settlement Mechanism

A new concept of digitally operated settlement of proceedings has been introduced. Clause (1AAA) has been inserted in section 2 to define "algorithmic settlement mechanism" with reference to the new section 47AA.

The newly inserted section 47AA empowers the Board to establish a digitally operated algorithmic settlement mechanism for settlement of tax proceedings at any stage before any order under sections 11D or 11E of the STA, through revision of return under sub-section (3) of section 26. The mechanism will calculate and present a settleinent offer to the registered person computed on the basis of the stage of proceedings, the registered person's compliance history, the nature and character of the discrepancy and such other basis as the Board may consider relevant. The registered person may, within ten days, accept the offer on IRIS, and deposit the settlement amount. On such acceptance, the issues confronted to the registered person, if any, through a notice or an audit report under the STA shall stand abated, without precluding any proceedings on any other issue or affect proceedings for any other tax period.

Insertion of Section 47AAA -- Independent Case Scrutiny Committee

A new section 47AAA has been inserted whereby a reference under section 47 before the High Court, or an appeal or review before the Federal Constitutional Court or the Supreme Court of Pakistan, may only be tiled 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 approval stands excluded for the purpose of computing limitation for filing the reference, appeal or review.

Expansion of the Third Schedule Items

Third Schedule items are chargeable to sales tax at the retail price, which is to be legibly, prominently and indelibly printed or embossed by the manufacturer or importer. Printed price provides certainty in determining that sales tax is being paid on price ultimately charged to the consumers. Earlier, 55 S. Nos were covered under the Third Schedule including items of day-to-day consumption, household appliances, auto parts, tyres, storage batteries, etc.

Furthermore, a Note at the end of the Table has also been added to ensure continuity of charging of sales tax at rates higher than eighteen percent (18%) after their inclusion under the Third Schedule.

Amendments in Sixth Schedule

1. A new S. No. 27A of Table-1 of the Sixth Schedule to the STA has been inserted to provide exemption from sales tax on import and supply of wheat and rice bran.
2. At present, newsprint and books are exempt from sales tax under S. No. 32 of Table-1 of the Sixth Schedule to the STA. The scope of exemption has been expanded to include magazines also.
3. S. No. 157 of Table-1 of the Sixth Schedule to the STA provided exemption on import of CKD kits for specified electric vehicles till 30.06.2026. The said time line of exemption has been enhanced for further one year i.e. till 30.06.2027.

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4. Through addition of S. No. 181A, exemption on import or lease of aircraft and parts thereof has been extended to airline companies registered in Pakistan.

5. Contraceptives were exempt under Serial No. 60 of the Sixth Schedule, until withdrawn in 2022. Keeping in view the importance of the products in population control and to make them affordable, exemption from sales tax has been granted to contraceptives.

6. At present, female sanitary pads/ tampons are taxable under sales tax at standard rate. Exemption of sales tax under S. No 183 of Table-1 been granted to tampon.

7. Imports of ships, flying Pakistan flag, were exempt from sales tax until withdrawn in 2021. The exemption on import of ships and import of plant, machinery and other capital assets for ship-building has been restored.

8. Exemption from sales tax on import of bullet proof vehicles has been granted for Shanghai Cooperation Organization (SCO) summit and also for counter-terrorism operations. The measure is aimed at national security, protection and safe mobility of state guests. Likewise, in order to counter terrorism, for high-risk and conflict-prone areas, tax free import of these strategic vehicles has been granted.

9. Upgradation of refineries is essential to align domestic refining capacity with modern environmental standards, including cleaner fuel specifications, improved emission controls, and reduced carbon and Sulphur intensity. Secondly, major petroleum products of a refinery are not chargeable to sales tax. In refinery upgradation, scheduled turnaround, maintenance and overhaul of a refinery requires import of high value machinery, equipment, other parts, etc. which are chargeable to sales tax. Exemption of sales tax on specified items has been granted with prior approval of the Division concerned.

Extension in date of Sunset for Electric Vehicles under S. No. 71 and Grant of 1% reduced rate on Electric Trucks by substituting S. No. 80 of Eighth Schedule

Currently, specified EVs are chargeable to 1% reduced rate in sales tax. For policy continuity the reduced sales tax regime for specified electric vehicles is extended till 30th June 2027. Moreover, reduced rate to electric trucks in CBU condition, along with electric buses, has also been provided. The measure is aimed at supporting clean mobility.

Addition of sub-clause (vi) in Procedures and Conditions of Ninth Schedule to allow payment of sales tax on imported mobile phones on installments

A new sub-clause has been introduced under the heading, liability, procedure and conditions which will enable an individual and blocking system of PTA to pay sales tax on import of mobile phones in installments subject to the condition that all the installment shall be paid before the end of the financial year in which the import is made.

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Association of Persons and Individuals to act as withholding agents at par with companies under S. No. 4 of the Eleventh Schedule and addition of new S. No. 14 under Eleventh Schedule to include Toll Manufacturers in the category of withholding agents

Earlier, the companies as defined in the Income Tax Ordinance, 2001 were liable to withhold 5%, as sales tax, of the gross value of supplies made by person other than active taxpayer. Now, the scope of withholding tax has been increased by including AoPs and individuals in S. No. 4 in the Table of Eleventh Schedule as withholding agents.

Furthermore, a new S. No. 14 has also been added in the Eleventh Schedule in terms of which a toll manufacturer shall be liable to withhold and deposit four times of the tax charged on conversion charges, in case of persons other than registered persons. This measure may ensure tax collection from unregistered and un-organized segment of manufacturing establishment.

Addition of Proviso under the Procedure and Conditions after the Table to the Twelfth Schedule

Procedure and conditions laid down under the Twelfth Schedule, grant waiver of value addition tax at import if the raw materials/input goods are imported by the manufacturers for in-house consumption. This addition of proviso shall restrict the manufacturers to sale same-state imported raw materials to others. The importing manufacturers shall be liable to pay the value addition tax along with default surcharge, besides other penal action, if he supplies the imported raw materials in the same state.

Furthermore, the rate of minimum value addition tax at import stage in case of import of coal has been reduced to 1% subject to the conditions that such imported coal is exclusively and directly supplied to the Independent Power Producers (IPPs).

(Federal Excise Duty)

Insertion of Definition of 'Algorithmic Settlement Mechanism' 'Electronic Invoicing System', 'National Faceless Centre' and 'Production Monitoring System'

The existing provisions of Federal Excise Act, 2005 do not provide definition of- *'algorithmic settlement mechanism', 'electronic invoicing system', 'national faceless centre' and 'production monitoring system'*. The definitions of said terminologies have been inserted in the Federal Excise Act 2005 (FEA) for smooth and proper implementation of digitalization of dutiable activity and monitoring of production and sale of goods in real time to the Board in the manner as may be prescribed.

Insertion of new sub-section (3B) of section 3

A sub-section (3B) of section 3 of the FEA has been inserted through which special excise duty shall be imposed on such goods as listed in newly inserted Table-1A of the First Schedule to the FEA at the rates specified therein. Currently, imported cars, SUVs and other motor vehicles have been included in the said Table. A proviso to the said sub-section empowers the Board to prescribe time, mechanism, procedure, mode and manner of collection of such duty. The imposition of special excise duty shall be in addition to the duty imposed under sub-section (1) of section 3 of the FEA.

Addition of New Section 7A, for adoption of Faceless Audit and Assessment

A new section 7A of the FEA has been inserted wherein the audit and assessment proceedings under the FEA shall be conducted in the faceless manner by the faceless centre as provided in the STA and as explained above.

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Substitution of Sub-Section (1) of Section 18

Under the existing sub-section (1) of section 18, a registered person was required to issue an invoice against dutiable and zero percent supplies only. As per the substituted sub-section, a registered person shall be required to issue invoice against exempt supplies, including invoice for an advance receipt, bearing a verifiable and unique FBR's invoice number. This amendment in continuation of FBR's digitalization process, may result in more transparency in declaration of activity of registered person in respect of dutiable supplies as well as exempt supplies.

Substitution of Sub-Section (4) of Section 19

The existing sub-section (4) of section 19 provided for imposition of penalty and imprisonment if a registered person, without prior approval of the Commissioner destroys, damages and erases to evade federal excise duty. Through the amendment, the offences related to the production monitoring system, video analytic system or violation of any other provision of FEA have been added to the said offences. However, penalty for said offences has not been amended which shall be rupees seventy-five thousand or ten times of duty involved whichever is higher. Besides, punishment of five years imprisonment.

Substitution of Sub-Section (1) of Section 26

By substitution of sub-section (1) of section 26 of the FEA, scope of seizure of excisable goods has been extended to monitoring of excisable goods through a production monitoring system. Through this amendment, removal of goods without electronic monitoring shall be liable to seizure along with conveyance which has been used for the movement or transportation of such goods.

Substitution of Sub-Section (1) of Section 27

Before this substitution, sub-section (1) of section 27 of the FEA provided that cigarettes, or beverages which are seized for the reasons of counterfeiting, without affixing or affixing counterfeited tax stamps, banderoles, stickers, labels or barcodes, as required under section 45A of this Act shall be liable to outright confiscation and shall be destroyed. The substitution has expanded the scope to include goods, along with cigarettes and beverages, which are required to be monitored through a production monitoring system under this Act and the rules made thereunder but are manufactured, produced, transported, removed or otherwise dealt with without such monitoring in the prescribed manner. Such goods shall be liable to outright confiscation and shall also be destroyed in the manner provided in the FEA.

Insertion of Section 34AA — Independent Case Scrutiny Committee

A new section 34AA has been inserted whereby a reference under section 34A 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 the matters of FED 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.

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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.

Substitution of Section 45A of the Federal Excise Act, 2005

The newly substituted section 45A of FEA empowers the Board to prescribe conditions, restrictions and procedures for any goods or class of goods in respect of which monitoring or tracking of production, sales, clearance, stock or any other related activity may be implemented through electronic or other means.

Substitution of sub-sections (1), (2) and (3) and addition of sub-section (3A) of section 46

Through Finance Act, 2026, the aforesaid provisions relating to audit of a registered person have been amended through which the officer of Inland Revenue not below the rank of Assistant Commissioner after giving advance notice in writing may conduct the audit of a registered person and shall submit a detailed audit report containing the observations and findings of audit proceedings. Furthermore, the Commissioner may also conduct audit proceedings in electronic manners through video link or any other facility as may be prescribed by the Board.

After completion of audit and issuance of audit report, the registered person shall be granted an opportunity of being heard in respect of recovery of duties along with default surcharge and imposition of penalty. Furthermore, in sub-section (3), provisos have also been substituted as per which if a registered person deposits the amount of duty not paid, short paid or amount of duty evaded along with default surcharge before issuance of show cause notice, he shall be liable to deposit twenty-five percent of amount of penalty prescribed under this Act and the proceedings shall abate. Whereas the amount of said penalty shall be fifty percent in case the payment of the duty along with default surcharge is paid after issuance of show cause notice but before issuance of assessment order.

New sub-section (3A) of section 46 of the FEA has been inserted wherein Commissioner shall be empowered to direct a registered person to get his accounts re-audited by an accountant and to get the inventory re-valued by a Cost Accountant subject to conditions specified under the above said new sub-section.

Rationalizing FED on import of acetate tow

Acetate tow is an industrial raw material primarily used in cigarette, but also has industrial applications in absorbent, filtration, and specialty fibre products, etc. Through Finance Act 2024 the fixed FED per KG was introduced. It has resulted in substantial drop in import although industries using acetate have not shown substantial reduction in production of final products. FED paid at import stage is adjusted against FED chargeable on final products. The rate of FED on acetate tow has been reduced from RS. 44,000 per kg to Rs. 10,000 per kg.

Creating parity in taxation of tobacco substitutes

E-liquids are chargeable to FED at ten thousand rupees per Kg or sixty five percent of retail price whichever is higher. On the other hand, tobacco mixtures in an electrically heated tobacco product, having almost similar utility, are chargeable to federal excise at sixteen thousand five hundred rupees per kg. To charge similar products at similar rate, the rate on e-liquids has been increased to sixteen thousand five hundred per kg.

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Extension of Exemption from FED on Import and Local Supply of Electric Vehicles

S. No. 55 and 55B of Table-1 of the First Schedule to the Federal Excise Act, 2005 provide for imposition of FED on imported and locally manufactured vehicles. However, electric vehicles were excluded till 30.06.2026. The said time line of exemption/ exclusion has been extended for one year i.e. up to 30.06.2027.

FED on imported luxury EVs and other Luxury Vehicles

Currently, luxury vehicles are chargeable to FED upto 40% rate. But electric vehicles including electric cars and SUVs and other electric vehicles have been excluded from the chargeability of FED. Now, FED on luxury electric vehicles has been imposed at 30% on EVs with value exceeding US$ 75,000 and up to US$ 110,000; and 40% on EVs with value exceeding US$ 110,000.

Removing federal excise duty on WHO standard compliant sports/ electrolytes replenishing beverages

At present 20% FED has been levied on sugary fruit juices, syrups and squashes, waters. It even applies to hydration drinks/ electrolyte beverages specifically formulated to support hydration, electrolytes replenishment which do not contain sugar or artificial sweetener or both more than WHO standards i.e. 5g/ 100 ml. Such drinks (hydration drinks/ electrolyte beverages specifically formulated to support hydration, electrolytes replenishment) have been excluded from the levy of 20% charge of FED.

Removing anomaly between lubricating oil, base lubricating oil

Currently, 5% ad valorem FED has been levied on lubricating oil, but the base lubricating oils are not covered. Base lubricating oils have been charged to 5% ad valorem FED to create parity.

Curbing adulteration in petroleum products through FED intervention

Petroleum products are chargeable to PDL, whereas, petroleum top naphtha, white spirit/ mineral turpentine oil (MTT), and solvent oil are not chargeable to PDL. Certain unscrupulous elements started taking advantage of this difference by mixing these into PDL chargeable products and sell at higher price. To curb this practice, now FED on these three products has been levied @ Rs. 80 per Liter on the aforementioned products in sales tax mode.

However, for the industries using the said products as industrial input material, a contingent mechanism has been provided for exclusion/exemption of persons or class of persons from the charge of this duty where final product is either exempt from sales tax or where both the supplier and the manufacturer are integrated with the Board's computerized system for issuance of digital invoices, subject to the conditions laid down.

Insertion of New Table 1A of the First Schedule to the Federal Excise Act, 2005

In the First Schedule to the Federal Excise Act, 2005, a new Table-1A has been inserted for imposition of special excise duty at the rate specified therein.

However, under newly inserted sub-section (3B) of Section 3, the Board has been empowered to prescribe the time, mechanism, procedure, mode and manner of collection of such duty.

1-246-15-09-2026

Rationalizing federal excise duty on foreign travel

Currently, club, business and first-class air tickets are chargeable to fixed federal excise duty per ticket at very high rates, which, under certain situations, may even exceed the price of ticket. Excise duties have been rationalized to Rs. 50,000 for north America, Rs. 25,000 for Middle East, Rs. 40,000 for Europe and Rs. 40,000 for Far East and Australia.

Addition of Petroleum Products Liable to FED in the Second Schedule in VAT Mode

FED on certain petroleum products has been imposed by adding S. No. 65 of Table-1 of the First Schedule to the Federal Excise Act, 2005. The same goods have also been added in the Second Schedule for imposition of FED in sales tax mode which will enable the registered person to adjust the said duty against output sales tax.

Exemption to strategic imports for SCO summit and counter-terrorism

Exemption from duties and taxes on import of bullet proof vehicles has been granted for Shanghai Conferenee Organization (SCO) summit and also for counter-terrorism operations. The measure is aimed at national security, protection and safe mobility of state guests. Likewise, in order to counter terrorism, for high-risk and conflict-prone areas, tax free import of these strategic vehicles has been provided.

1-246-15-09-2026

Section 1: Short title, extent and commencement

Commencement date of Sales Tax Act, 1990

S.R.O. 1100(I)/90, dated October 28, 1990.– In exercise of the powers conferred by sub-section (3) of section 1 of the Sales Tax (Amendment) Act, 1990, the Federal Government is pleased to appoint the first day of November, 1990, to be the date on which the said Act shall come into force.

No. 9(7)/91-NA-I, Islamabad, dated December 27, 1999.

AN

ORDER

to enforce the Sales Tax Act, 1990 in the Northern Areas

WHEREAS it is expedient to adapt and enforce the Sales Tax Act, 1990 in the Northern Areas;

NOW, THEREFORE, the Government of Pakistan is pleased to make the following Order:–

1. Short title, extent and commencement.– (1) This Order may be called the Sales Tax Act,* (Enforcement) Order, 1999.

(2) It extends to the whole of the Northern Areas.

(3) It shall come into force at once.

2. Enforcement of the Sales Tax Act, 1990.– The Sales Tax Act, 1990, as in force immediately before the commencement of this Order, and all amendments which may be made after such commencement, and all rules, notifications and orders which may have been, or may be made or issued thereunder shall, as far as practicable, be in force in the Northern Areas.

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*comma appears to be superfluous.

1-192-15-07-19

Minimum value for bagasse, in-house

S.R.O. 178(I)/2002, dated March 29, 2002.– In exercise of the powers conferred by the first proviso to clause (46) of section 2 of the Sales Tax Act, 1990, and in pursuance of judgement of the Customs, Excise and Sales Tax Appellate Tribunal, dated the 3rd December, 2001, in Appeal No. 1352/LB/2001, the Central Board of Revenue is pleased to fix the value of bagasse, used as in-house fuel by the appellants, at two hundred rupees per tonne.

2. This notification shall apply to cases disposed of by the said Appellate Tribunal in terms of the aforesaid judgement.

Certain Transactions Not Constitute As Supply

S.R.O. 445(I)/2004, dated June 12, 2004.– In exercise of the powers conferred by the proviso to clause (33) of section 2 of the Sales Tax Act, 1990, the Federal Government is pleased to specify that the following types of transactions shall not constitute supply, namely: –

(a) forward transactions of commodities at the National Commodity Exchange Limited; and

(b) goods delivered under a *Murabaha* [1][,*Musawamah, Bai Muajjal, Bai Salam, Istisna, Tijarah and Istijrar*] financing arrangement [2][ ] by a bank or a financial institution approved by the State Bank of Pakistan or the Securities and Exchange Commission of Pakistan, as the case may be.

Due Date of Filing of Sales Tax Return-Cum-Payment Challan

S.R.O. 622(I)/2004, dated July 17, 2004.–In exercise of the powers conferred by clause (9) of section 2 of the Sales Tax Act, 1990, the Federal Government is pleased to notify the 25th day of July, 2004, to be the due date for the purpose of payment of central excise duty (in VAT mode) and filing of sales tax return-cum-payment challan relating to the tax period of June, 2004, by the shipping agents, in terms of section 6 read with section 26 of the said Act.

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[1]Words etc inserted by SRO 588(I)/2017 dated July 1, 2017.

[2]Words "to or" deleted by SRO 588(I)/2017 dated July 1, 2017.

1-215-31-01-2022

Minimum Values for Steel Scrap and Billets Imports

S.R.O. 679(I)/2006, dated June 30, 2006.–In exercise of the powers conferred by clause (46) of section 2 of the Sales Tax Act, 1990, and in supersession of its Notification No. S.R.O. 72(I)/2006, dated the 28th January, 2006, the Federal Government is pleased to fix the values specified in column (4) of the Table below in respect of the goods mentioned in column (2) of the said Table, for the purposes of assessment of sales tax chargeable at the import stage, namely:–

TABLE

S.No.	Description of goods	HS Code	Assessable Value per Metric Ton in US $
(1)	(2)	(3)	(4)
1.	Iron and Steel Pressed Bundled Scrap (White)	7204.3000	197
2.	Iron and Steel Pressed Bundled Scrap (Mix)	7204.4100	197
3.	Iron and Steel Shredded Scrap	7204.4100	226
4.	Iron and Steel Re-meltable Scrap (other)	7204.4990	226
5.	Billets	72.07	367

02. This notification shall take effect from the 1st July, 2006.

[1]S.No. 2 and entries thereto deleted by SRO 233(I)/2020 dated March 18, 2020. Before omission it read as follows:-

"2.	Imported white crystalline sugar	US$ 725 per MT"

Fixation of value of locally produced goods

S.R.O. 345(I)/2010, May 24, 2010.–In exercise of the powers conferred by the first proviso to clause (46) of section 2 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to fix the [1][minimum] value of locally produced goods specified in the Table below, supplied by registered persons opting to pay sales tax on *ad valorem* basis, at the rate specified in sub-section (1) of section 3 of the Act.

TABLE

Sr. No.	Goods	Value
1.	Billets	Rs. [2][65,000] per metric ton
2.	Ingots	Rs. [3][60,000] per metric ton

2. In case the value of supply of the goods specified in this notification is higher than the values fixed therein, the value of goods shall be the value at which the supply is made.

[C. No. 3(5)ST-L&P/2007]

[1]Word inserted by SRO 597(I)/2012 dated June 01, 2012, effective from June 02, 2012.
[2]Substituted for figure "55,000" by SRO 597(I)/2012 dated June 01, 2012, effective from June 02, 2012.
[3]Substituted for figure "50,000" by SRO 597(I)/2012 dated June 01, 2012, effective from June 02, 2012.

Period for payment of sales tax on petroleum products

S.R.O. 487(I)/2015, June 30, 2015.–In exercise of the powers conferred by clause (9) of section 2 of the Sales Tax Act, 1990 and in supersession of its Notification No. S.R.O. 88(I)/2002, dated the 11th February, 2002, the Federal Government is pleased to specify the eighteenth day of the month following the

1-215-31-01-2022

tax period for the purpose of payment of sales tax on petroleum products and the following twenty-first day of that month for the filing of monthly return, by the petroleum exploration and production companies in terms of section 26 of the said Act.

2. This notification shall take effect on and from the 1st July, 2015.

[C. No. 3(1)ST&FE/LP&E/15]

Provincial sales tax for the purpose of input tax

S.R.O. 814(I)/2016, September 02, 2016.–In exercise of the powers conferred by clause (22A) of section 2 of the Sales Tax Act, 1990, the Federal Government is pleased to declare that the tax levied under the following laws shall be provincial sales tax for the purpose of input tax under the said Act, namely:-

(a) The Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001);

(b) The Khyber Pakhtunkhwa Finance Act, 2013 (Act No. XXI of 2013);

(c) The Balochistan Sales Tax on Services Act, 2015 (Act No. VI of 2015);

(d) The Sindh Sales Tax on Services Act, 2011 (Sindh Act No.XII of 2011); and

(e) The Punjab Sales Tax on Services Act, 2012 (Punjab Act No. XLII of 2012).

2. This Notification shall take effect on and from the 1st July, 2016.

[C. No. 1(23)STB/2010(Pt)]

Value of supply to the CNG consumers

S.R.O. 581(I)/2024, April 18, 2024.– In exercise of the powers conferred by sub-section (8) of section 3 of the Sales Tax Act, 1990, the Federal Board of Revenue, in supersession of its Notification No. S.R.O. 587(I)/2022, dated the 10th day of May, 2022, is pleased to notify that the value of supply to the CNG consumers for the purpose of charging of sales tax from CNG stations by the gas transmission and distribution companies shall be a under, namely:-

Table

Sr. No.	Description	Rate Per Kg
(1)	(2)	(3)
(i)	For Region-I	Rs.200
(ii)	For Region-II	Rs.200

Explanation.-

Region-I: shall comprise Khyber Pakhtunkhwa, Baluchistan and Potohar Region (Rawalpindi, Islamabad and Gujar Khan); and

Region-II: shall comprise Sindh and Punjab excluding Potohar Region.

1-242-10-01-2026

Fixation of value of steel in respect of locally produced goods

S.R.O. 2402(I)/2025, December 10, 2025.– In exercise of the powers conferred by first proviso to clause (46) of section 2 of the Sales Tax Act, 1990, and in supersession of its Notification No. S.R.O. 1636(1)/2024, dated the 17th day of October, 2024, the Federal Board of Revenue is pleased to hereby re-fix as specified in column (3) of the Table below the minimum value of supply of locally produced steel goods specified in column (2) thereof, for the purpose of payment of sales tax on *ad valorem* basis, at the rate as applicable to and specified in sub-section (1) of section 3 of the said Act, namely:—

TABLE

Sr. No.	Description	Minimum values inclusive of Sales Tax
(1)	(2)	(3)
1.	Steel bars and other long profiles	Average national retail price of steel bars calculated as average of retail prices of steel bars in Lahore, Karachi, Peshawar, Quetta, Rawalpindi and Islamabad as published by Pakistan Bureau of Statistics (PBS) on its website every month minus one thousand and five hundred rupees per metric ton.
2.	Steel Billets	85% of value at Sr. No.1
3.	Steel Ingots/bala	80% of value at Sr. No. 1
4.	Ship plates	75% of value at Sr. No. 1

Fixation of ex-mill value of white crystalline sugar

S.R.O. 577(I)/2025, April 08, 2025.– In exercise of the powers conferred by the first proviso to clause (46) of section 2 of the Sales Tax Act, 1990 (VII of 1990), and in supersession of its Notification No. S.R.O. 1027(I)/2021, dated the l6th August, 2021, the Federal Board of Revenue is pleased to fix the minimum ex-mill value of white crystalline sugar as specified in column (3) of the Table below with effect from the 1st April of 2025, namely:-

S. No.	Description	Minimum value inclusive of Sales Tax
(1)	**(2)**	**(3)**
1.	Domestically produced white crystalline sugar	Average national retail price of refined sugar last published at Pakistan Bureau of Statistics (PBS) website (weekly sensitive price indicator - SPI) before 1st and l6th of every month minus sixteen rupees for respective fortnight starting on 1st and 16th of every month

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2025-10-24-1

Fixation of minimum retail price of Tea

S.R.O. 1735(I)/2024, November 01, 2024.– In exercise of the powers conferred by the first proviso to clause (46) of section 2 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to fix the minimum retail price of imported and local supply of tea falling under respective headings of 09.02 of the First schedule to the Customs Act, 1969 (IV of 1969) specified in column (3) thereof, for the purpose of payment of sales tax, at the rate as applicable to and specified in clause (a) of sub-section (2) of section 3 of the said Act, namely:-

Table

S. No.	Description	Minimum Retail Price (Excluding Sales Tax) per Kg.
(1)	(2)	(3)
1.	Tea	Rs. 1,200/-

(2) In case the value at which import or supply of above product, is higher than the value fixed herein, the sales tax shall be charged on such higher value.

Fixation of minimum retail price of Cement

S.R.O. 1126(I)/2025, June 27, 2025.– In exercise of the powers conferred by the first proviso to clause (46) of section 2 of the Sales Tax Act, 1990 and in supersession of its Notification S.R.O. No. 746(1)12025, dated the 29th April, 2025, the Federal Board of Revenue is pleased to fix the minimum retail price of cement for a month to be the average of —

(a) prices of cement in Karachi, Lahore, Faisalabad, Peshawar; and

(b) average of prices of Rawalpindi and Islamabad,

as last published by the Pakistan Bureau of Statistics (PBS) on its website during the preceding month on cement for the said districts as reduced by twenty-five rupees, for the purpose of payment of sales tax, at the rate specified in clause (a) of sub-section (2) of section 3 of the said Act.

1-242-10-01-2026

Section 3: Scope of tax

Liability of tax on exporters for goods purchased

S.R.O. 401(I)/2001, dated June 18, 2001.– In exercise of the powers conferred by sub-section (3A) of section 3 of the Sales Tax Act, 1990, the Federal Government is pleased to specify the goods supplied to or received by a person as an exporter under the provisions of the Duty and Tax Remission for Export Rules, 2001, read with Serial No. 7 of the Fifth Schedule to the said Act as goods in respect of which the liability to pay sales tax shall be of the person receiving the supply, and in case such person is unable to account for the goods in the prescribed manner, he shall be liable to pay sales tax thereon along with additional tax and penalty leviable under sections 33 and 34 of the said Act besides any other legal action which may be taken against him.

16% tax on import and local supply of goods

S.R.O. 946(I)/2013, Islamabad, the 25th October, 2013.– In exercise of the powers conferred by clause (b) of sub-section (2) of section 3 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that sales tax shall be charged and collected on import and local supply of goods at the rate of sixteen per cent, for the period from 21st June, 2013 to 29th June, 2013, which otherwise were chargeable to sales tax at the rate of seventeen per cent:

Provided that the aforesaid reduction of rate of sales tax from seventeen per cent to sixteen per cent for the said period shall not be applicable in cases where the incidence of tax has been passed on in terms of section 3B of the said Act.

Value for levy on high speed diesel oil

S.R.O. 911(I)/2007, Islamabad, the 10th September, 2007.– In exercise of the powers conferred by clause (b) of sub-section (2) of section 3 of the Sales Tax Act, 1990, read with clause (a) of sub-section (2) of section 13 thereof, the Federal Government is pleased to direct that for the purpose of levy of sales tax on import and supply of high speed diesel oil (HS Code 27.10), the Price Differential Claim (PDC) duly notified by the Federal Government, shall be excluded from the import value or value of supply thereof, as the case may be.

[C. No. 1/22-STB/2002]

Further tax @ 1% sales tax shall not be charged, levied or paid on the taxable supplies

S.R.O. 648(I)/2013, Islamabad, the 09th July, 2013.– In exercise of the powers conferred by the proviso to sub-section (1A) of section 3 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that further tax at the rate of [1][three] per cent shall not be charged, levied or paid on the taxable supplies mentioned in column (2) of the Table below, namely:-

Table

S.No.	Description of goods
(1)	(2)
1.	Electricity energy supplied to domestic and agricultural consumers
2.	Natural gas supplied to domestic consumers [2][and CNG stations]
3.	Motor spirit, diesel oil, jet fuel, kerosene oil and fuel oil
4.	Goods sold by retailers to the end consumers
5.	Supply of goods directly to the end consumers including food and beverages, fertilizers and vehicles
6.	Items falling in the Third Schedule to the Sales Tax Act, 1990.
[3][7.	Second hand worn clothing and other worn articles falling under PCT heading 6309.0000.]
[4][8.	Fertilizers.
9.	Supplies by steel melters, re-rollers and ship breakers operating under Chapter XI of Sales Tax Special Procedure Rules, 2007.
10.	Supplies covered under the Fifth Schedule to the Sales Tax Act, 1990.]
[5][11.	Supplies of foam or spring mattresses and other foam products for household use.]
[6][12.	Supplies made to Government, semi-government and statutory regulatory bodies.
13.	Supply of white crystalline sugar (PCT heading 1701.9910 and 1701.9920).
[7][14.	Supplies by steel sector
15.	Supplies by edible oil sector.]

2. This notification shall be deemed to have taken effect from the 13th day of June, 2013.

[C.No.1/56-STB/2013]

[1]Substituted for "two" by SRO 780(I)/2018 dated June 21, 2018. Earlier it was substituted for "one" by SRO 487(I)/2016 dated June 30, 2016.
[2]Words inserted by SRO 788(I)/2013 dated September 11, 2013, effective from June 13, 2013.
[3]S. No. 7 and entries relating thereto inserted by SRO 487(I)/2016 dated June 30, 2016.
[4]S. Nos. 8 to 10 and entries relating thereto inserted by SRO 585(I)/2017 dated July 01, 2017.
[5]S. No. 11 and entries relating thereto inserted by SRO 780(I)/2018 dated June 21, 2018.
[6]S. Nos. 12 & 13 and entries relating thereto inserted by SRO 692(I)/2013 dated June 29, 2013.
[7]S. Nos. 14 & 15 and entries relating thereto inserted by SRO 1223(I)/2021 dated September 17, 2021.

1-211-20-09-2021

Value of supply to the CNG consumers as the "Total Value Added Cost" of CNG as notified, from time to time, by the OGRA.

S.R.O. 236(I)/2014, Islamabad, the 31st March, 2014.– In exercise of the powers conferred by sub-section (8) of section 3, read with first proviso to clause (46) of section 2, of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to notify the value of supply to the CNG consumers as the "Total Value Added Cost" of CNG as notified, from time to time, by the Oil and Gas Regulatory Authority.

[C.No.1(1)M(IR-Policy)/2014]

Repeal the Federal Excise Duty and Sales Tax on Production Capacity (Aerated Waters) Rules, 2013

S.R.O. 569(I)/2014, Islamabad, the 26th June, 2014.–In exercise of the powers conferred by clause (a) of section 3 and section 40 of the Federal Excise Act, 2005 and proviso to sub-section (1A), sub-section (1B) and (6) of section 3 and section 50 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to repeal the Federal Excise Duty and Sales Tax on Production Capacity (Aerated Waters) Rules, 2013.

2. This notification shall take effect on and from the 1st day of July, 2014.

[C.No.1/81-STB/2014]

Sales Tax on import and supply of petroleum goods

S.R.O. 57(I)/2016, Islamabad, the 29th January, 2016.–In exercise of the powers conferred by clause (b) of sub-section (2) and sub-section (6) of section 3 of the Sales Tax Act, 1990, the Federal Government is pleased to-

(a) rescind its Notification No. S.R.O. 383(I)/2015, dated the 30th April, 2015; and

(b) direct that sales tax shall be levied and collected on import and supply of the goods specified in column (2) of the Table below at the rates specified respectively in column (4) thereof, in lieu of the sales tax payable under sub-section (1) of the said section 3, namely:-

[1]Table

S. No.	Description	PCT heading	Rate
(1)	(2)	(3)	(4)
1.	MS (Petrol)	2710.1210	0.00% *ad Valorem*
2.	High speed diesel oil	2710.1931	0.00% *ad Valorem*
3.	Kerosene	2710.1911	0.00% *ad Valorem*
4.	Light diesel oil	2710.1921	0.00% *ad Valorem.]*

2. This notification shall take effect on and from the 1st February, 2016.

1-217-20-04-2022

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[1]Table substituted by SRO 321(I)/2022 dated February 01, 2022, effective 29.01.22. Earlier it was substituted by SRO 183(I)/2022 dated February 10, 2022, effective 16.01.22, was substituted by SRO 88(I)/2022 dated January 18, 2022, was substituted by SRO 01(I)/2022 dated January 03, 2022, was substituted by SRO 1604(I)/2021 dated December 16, 2021, effective 01-12-2021, was substituted by SRO 1579(I)/2021 dated December 07, 2021, effective 16.11.2021, was substituted by SRO 1450(I)/2021 dated November 11, 2021, effective 05.11.21, was substituted by SRO 1327(I)/2021 dated October 07, 2021, effective 01.10.21, was substituted by SRO 1225(I)/2021 dated September 18, 2021, effective 16.09.21, was substituted by SRO 1073(I)/2021 dated August 26, 2021, was substituted by SRO 937(I)/2021 dated July 26, 2021, was substituted by SRO 860(I)/2021 dated July 06, 2021, was substituted by SRO 807(I)/2021 dated June 26, 2021, was substituted by SRO 750(I)/2021 dated June 14, 2021, effective 01.06.21, was substituted by SRO 726(I)/2021 dated June 08, 2021, effective 18.05.21, was by SRO 551(I)/2021 dated May 09, 2021, effective 01.05.2021, was substituted by SRO 700(I)/2019 dated June 29, 2019, was substituted by SRO 603(I)/2019 dated May 31, 2019, was substituted by SRO 507(I)/2019 dated May 04, 2019, was substituted by SRO 499(I)/2019 dated April 30, 2019, was substituted by SRO 1574(I)/2018 dated December 31, 2018, effective 01-01-19, was substituted by SRO 1461(I)/2018 dated November 30, 2018, was substituted by SRO 1308(I)/2018 dated October 31, 2018, was substituted by SRO 1167(I)/2018 dated September 30, 2018, was substituted by SRO 993(I)/2018 dated July 31, 2018, was substituted by SRO 850(I)/2018 dated July 07, 2018, was substituted by SRO 830(I)/2018 dated June 30, 2018,was substituted by SRO 729(I)/2018 dated June 11, 2018, was substituted by SRO 633(I)/2018 dated May 31, 2018, was substituted by SRO 560(I)/2018 dated April 30, 2018, was substituted by SRO 414(I)/2018 dated March 31, 2018, was substituted by SRO 265(I)/2018 dated February 28, 2018, was substituted by SRO 98(I)/2018 dated January 31, 2018, was substituted by SRO 1331(I)/2017 dated December 31, 2017, was substituted by SRO 984(I)/2017 dated September 30, 2017, was substituted by SRO 867(I)/2017 dated August 31, 2017, was substituted by SRO 757(I)/2017 dated August 05, 2017, was substituted by SRO 713(I)/2017 dated July 31, 2017, was substituted by SRO 581(I)/2017 dated June 30, 2017, effective July 1, 2017, was substituted by SRO 408(I)/2017 dated May 31, 2017, effective June 1, 2017, was substituted by SRO 292(I)/2017 dated April 30, 2017, effective May 1, 2017, was substituted by SRO 223(I)/2017 dated March 31, 2017, effective April 1, 2017, was substituted by SRO 125(I)/2017 dated February 28, 2017, was substituted by SRO 91(I)/2017 dated February 15, 2017, was substituted by SRO 21(I)/2017 dated January 15, 2017, effective 16-1-17, was substituted by SRO 1180(I)/2016 dated December 31, 2016, effective 1-1-17, was substituted by SRO 1127(I)/2016 dated November 30, 2016, was substituted by SRO 1011(I)/2016 dated October 31, 2016, was substituted by SRO 925(I)/2016 dated September 30, 2016, was substituted by SRO 806(I)/2016 dated August 31, substituted by SRO 500(I)/2016 dated July 30, 2016, substituted by SRO 490(I)/2016 dated June 30, 2016, substituted by SRO 471(I)/2016 dated May 31, 2016, by SRO 369(I)/2016 dated April 29, 2016, by SRO 268(I)/2016 dated March 31, 2016 and by SRO 700(I)/2019. Before substitution by SRO 321(I)/2022, it read as follows:-

"Table

S. No.	Description	PCT heading	Rate
(1)	(2)	(3)	(4)
1.	MS (Petrol)	2710.1210	0.79% *ad Valorem*
2.	High speed diesel oil	2710.1931	3.17% *ad Valorem*
3.	Kerosene	2710.1911	5.30% *ad Valorem*
4.	Light diesel oil	2710.1921	0.00% *ad Valorem."*

Before substitution by SRO 183(I)/2022, it read as follows:-

"Table

S. No.	Description	PCT heading	Rate
(1)	(2)	(3)	(4)
1.	MS (Petrol)	2710.1210	4.77% *ad Valorem*
2.	High speed diesel oil	2710.1931	9.08% *ad Valorem*
3.	Kerosene	2710.1911	8.30% *ad Valorem*
4.	Light diesel oil	2710.1921	2.70% *ad Valorem."*

1-217-20-04-2022

Sales Tax on supply of electrical energy

S.R.O. 600(I)/2015, Islamabad, the 25th June, 2015.–In exercise of the powers conferred by clause (b) of sub-section (2) of section 3 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the sales tax shall be charged on the supply of electrical energy (PCT heading 2716.0000) at the rates indicated in the Table below, as supplied by the power generation companies generating electric power exclusively through high speed diesel (HSD), namely:-

Table

S.No.	Period of Supply	Rate
(1)	(2)	(3)
1.	January, 2015	22% ad valorem
2.	February, 2015	27% ad valorem
3.	March, 2015	37% ad valorem
4.	April, 2015	32% ad valorem
5.	May, 2015	34% ad valorem
6.	June, 2015	28% ad valorem

[F. No. 1/42-STB/2012]

Sales Tax on supply of electrical energy

S.R.O. 719(I)/2015, Islamabad, the 31st July, 2015.–In exercise of the powers conferred by clause (b) of sub-section (2) of section 3 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the sales tax shall be charged on the supply of electrical energy generated exclusively through high speed diesel (PCT heading 2716.0000) at the same rate of sales tax as is charged on high speed diesel (HSD).

[F. No. 1/42-STB/2012]

1-216-20-02-2022

Liability to pay Sales Tax in case of supply of Ginned Cotton

S.R.O. 1087(I)/2019, Islamabad, the 19th September, 2019.– In exercise of the powers conferred by sub-section (3A) of section 3 and sections 50 and 71 of the Sales Tax Act, 1990, the Federal Board of Revenue, with the approval of the Federal Minister-in-charge, is pleased to specify the ginned cotton in case of supply whereof the liability to pay sales tax as due under the said Act shall be of the person receiving the supply and such liability shall be discharged in the following manner, namely:-

(a) the recipient of the supply of ginned cotton shall be duly registered under the Sales Tax Act, 1990, and the ginner shall not make any supply of ginned cotton to any person who is not so registered;

(b) the ginner shall issue a tax invoice on the supply of taxable goods under section 23 of the Sales Tax Act, 1990 indicating the value of taxable supply and the amount of tax due on such supply, alongwith other particulars as prescribed therein. The ginner shall also file the monthly return in accordance with the rules prescribed under the said Act;

(c) the tax invoice shall be issued of the date on which the ginned cotton was despatched;

(d) the recipient of ginned cotton shall deposit the tax due thereon under a payment challan indicating the name and registration number of supplier, alongwith the return for tax period in which invoice is issued for the relevant supply;

(e) if the recipient fails to deposit sales tax payable on ginned cotton purchased by him by the due date for the relevant tax period, besides any other action which may be taken against him under the said Act, he shall not be entitled to claim adjustment or refund of input tax in respect of such purchase unless he pays the amount of additional tax or penalties chargeable on such late deposit under sections 33 and 34 of the said Act;

(f) in case the ginner fails to declare the supply of ginned cotton in his return and same is detected during the course of an audit or otherwise, the amount due on such supply shall be recoverable from the ginner in accordance with the provisions of the said Act and the rules made thereunder;

(g) the cases involving non-payment or short-payment of sales tax by a ginner or a recipient on supplies of ginned cotton made under the provisions of this Notification shall be adjudicated by the officer having jurisdiction in the area where the contravention is made; and

(h) in case a ginner deposits the tax due on the supply of ginned cotton, the same shall absolve the recipient from liability to pay tax on such supply under this notification.

Effect of provisions of S. No. 8 of the Eleventh Schedule

S.R.O. 984(I)/2021, Islamabad, the 04th August, 2021.– In exercise of the powers conferred by sub-section (7) of section 3 of the Sales Tax Act, 1990, read with proviso to the entry in column (4) against S. No. 8 in the Eleventh Schedule to the said Act, the Federal Board of Revenue is pleased to direct that the provisions of S. No. 8 of the Eleventh Schedule to the Sales Tax Act, 1990 shall be effective from the 1 day of September, 2021.

Applicability of provisions of S. No. 50 of the Third Schedule

S.R.O. 989(1)/2021 dated Islamabad, the 05th August, 2021.- In exercise of the powers conferred by the proviso to clause (a) of sub-section (2) of section 3 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the provisions of S. No. 50 of Third Schedule to the Sales Tax Act, 1990 shall not be applicable for the period commencing on the 1st day of July, 2021 and ending on the 30th day of November, 2021.

[C. No. 1(13)-STM/204(Pt-III)]

Extra tax on electricity and gas bills

S.R.O. 1222(1)/2021 dated Islamabad, the 17th September, 2021.- In exercise of the power conferred by sub-section (5) of section 3 of the Sale Tax Act, 1990, and in supersession of its Notification No. S.R.O. 509(I)/2013, dated the 12th June, 2013, the Federal Government is pleased to levy tax, on the total billed amount excluding the amount of federal taxes, in addition to the tax payable under sub-section (1) of section 3 of the said Act, on supplies of electric power and natural gas to persons having industrial or commercial connections, but who have either not obtained sales tax registration number or are not on the Active Taxpayers List maintained by the Federal Board of Revenue, at extra rate as under, subject to the mode, manner, conditions and limitations prescribed in the rules, namely:-

S. No.	Type of consumer connection	Amount of monthly bill	Rate
(1)	(2)	(3)	(4)
1.	Industrial	-	17%
2.	Commercial	Upto Rs. 10,000	5%
		10,001 to 20,000	7%
		20,001 to 30,000	10%
		30,001 to 40,000	12%
		40,001 to 50,000	15%
		50,001 and above	17%

[C. No. 1/35-STB-II/2021]

1-225-10-05-2023

Enhance in Standard Rate of Sales Tax from 17% to 18%

S.R.O. 179(1)/2023 dated Islamabad, the 14th February, 2023.- In exercise of the powers conferred by clause (b) of sub-section (2) of section 3 of the Sales Tax Act, 1990, the Federal Government is pleased to enhance the rate of sales tax in respect of taxable goods falling within the purview of sub-section (1) of section 3 from seventeen percent under sub-section (1) of section 3 of the Sales Tax Act, 1990 to eighteen percent.

[C. No. 5/3-STB/2023]

Increased Rate of Sales Tax @ 25% on several Classes of Goods

S.R.O. 297(1)/2023 dated Islamabad, the 08th March, 2023.- In exercise of the powers conferred under clause (b) of sub-section (2) of section 3 of the Sales Tax Act, 1990, read with first proviso to clause (a) of said sub-section (2), the Federal Government is pleased to direct that the sales tax shall be charged, levied and paid at the rate of twenty five percent of the value of the goods imported and their subsequent supply or the retail price, as the case may be, as mentioned in column (2) of Table-I and the sales tax shall be charged, levied and paid at the rate of twenty five percent of the value of the supply of goods as mentioned in column (2) of Table-II below.

Table-1

(Import and supply thereof)

S. No.	Description of goods	PCT Code
(1)	(2)	(3)
1	Aerated water and juices	2201.1010, 2201.1020, 2201.9000, 2202.1090, 2202.9100, 2202.9900.
2	Confectionary	1704.1000, 1704.90W, 1704.9090, 1905.2000, 1905.3100, 1905.3200, 1905.9000, 2106.9060.
3	Vehicles in CBU condition	8703.2113, 8703.2119, 8703.2193, 8703.2195, 8703.2199, 8703.2220, 8703.2240, 8703.2260, 8703.2290, 8703.2313, 8703.2319, 8703.2323, 8703.2329, 8703.2490, 8703.3112, 8703.3129, 8703,3139, 8703.3219, 8703.3223, 8703.3225, 8703.3229, 8703.3390, 8703.4019, 8703.4029, 8703.4032, 8703.4039, 8703.4049, 8703.4059, 8703.4069, 8703.5019, 8703.5029, 8703.5039, 8703.5049, 8703.5059, 8703.5069, 8703.6019, 8703.6029, 8703.6032, 8703.6039, 8703.6049, 8703.6059, 8703.6069, 8703.7019, 8703.7029, 8703.7039, 8703.7049, 8703.7059, 8703.7069, 8703.9000.

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4	Sanitary and bathroom wares	3922.1000, 3922.9000, 3924.9000, 6910.1010, 6910.1020, 6910.1030, 6910.1040, 6910.1050, 6910.1060, 6910.1070, 6910.1080, 6910.1090, 6910.9000, 6911.9000, 7324.1010, 7324.1020, 7324.2100, 7234.2900, 7324.9000.
5	Carpets (excluding those from Afghanistan)	5701.1010, 5701.1020, 5701.1090, 5701.9000, 5702.1000, 5702.2000, 5702.3100, 5702.3290, 5702.3900, 5702.4110, 5702.4190, 5702.4290, 5702.9920, 5702.9990, 5703.1000, 5703.2990, 5703.3990, 5703.9000.
6	Chandeliers and lighting devices or equipment	9405.1110, 9405.1190, 9405.1910, 9405.1990, 9405.2100, 9405.2900, 9405.3100, 9405.3900, 9405.4990 9405.5010, 9405.5090, 9405.6100, 9405.6900
7	Chocolates	1806.2090, 1806.3100, 1806.3200, 1806.9000.
8	Cigarettes, cigars and e-cigarettes	2402.1000, 2402.2000, 2402.9000, 2403.1100, 2403.1900, 2403.9100, 2403.9910, 2403.9990, 8543.4000, 9614.0000.
9	Corn flakes and other ready -to-use cereals	1904.1010, 1904.1090, 1904.2000, 1904.9000.
10	Cosmetics and shaving items	3303.0010, 3303.0020, 3303.0090, 3304.1000, 3304.2000, 3304.3010, 3304.3090, 3304.9110, 3304.9190, 3304.9910, 3304.9920, 3304.9990, 3305.2000, 3305.3000, 3305.9010, 3305.9020, 3305.9090, 3307.1000, 3307.2000, 3307.3000, 3307.4900, 9615.1100, 9615.1900, 9615.9010, 9615.9020, 9615.9090, 9616.1000, 9616.2000.
11	Tissue papers	4818.1000, 4818.2000, 4818.9000.
12	Crockery, kitchenware and tableware and household articles	3924.1000, 3924.9000, 4818.3000, 6911.1010, 6911.1020, 6911.1030, 6911.1040, 6911.1090, 6912.0010, 6912.0090, 7013.1000, 7013.2200, 7013.2800, 7013.3300, 7013.3700, 7013.4100, 7013.4200, 7013.4900, 7013.9100, 7323.9100, 7323.9200, 7323.9300, 7323.9400, 7323.9900, 7615.1000, 7615.2000, 8215.1000, 8215.2000, 8215.9910, 8215.9920, 8215.9990,
13	Decorations or ornamental articles	3926.4010, 4420.1100, 4420.1900, 4420.9010, 4420.9020, 4420.9090, 6702.1000, 6702.9000, 6913.1000, 6913.9000, 6914.9000, 7013.9900, 9601.1000, 9601.9010, 9601.9090
14	Dog and cat food only	2309.1000, 2309.9000.

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15	Doors and window frames	3925.2000,, 4418.1100, 4418.1900, 4418.2100, 4418.2900, 4418.9990, 7308.3000, 7610.1000, 7610.9000.
16	Fish	All tariff lines of Chapter 03 and the following: 1604.1100, 1604.1200, 1604.1300, 1604.1400, 1604.1500, 1604.1600, 1604.1700, 1604.1800, 1604.1900, 1604.2010, 1604.2020, 1604.2090, 1604.3100, 1604.3200, 1605.1000, 1605.2100, 1605.2900, 1605.3000, 1605.4000, 1605.5100, 1605.5200, 1605.5300, 1605.5400, 1605.5500, 1605.5600, 1605.5700, 1605.5800, 1605.5900, 1605.6100, 1605.6200, 1605.6300, 1605.6900,
17	Footwear	6402.1200, 6402.1900, 6402.2000, 6402.9100, 6402.9900, 6403.1200, 6403.1900, 6403.2000, 6403.5100, 6403.5900, 6403.9900, 6404.1100, 6404.1900, 6404.2000, 6405.1000, 6405.2000, 6405.9010, 6405.9090.
18	Fruits and dry fruits (excluding those imported through land route or barter mechanism)	All tariff lines of Chapter 08 of Pakistan Customs Tariff except 0801.1910, 0801.1200
19	Furniture	9401.3100, 9401.3900, 9401.4100, 9401.4900, 9401.5200, 9401.5300, 9401.5900, 9401.6100, 9401.6900, 9401.7100, 9401.7900, 9401.8000, 9403.1000, 9403.2000, 9403.3000, 9403.4000, 9403.5010, 9403.5020, 9403.5030, 9403.6000, 9403.7000, 9403.8200, 9403.8300, 9403.8900,
20	Home appliances CBU	8414.5120, 8414.5130, 8414.5140, 84145190, 8415.1019, 8415.1029, 8415.1039, 8415.1099, 8415.8190, 8415.8290, 8415.8390, 8418.1090, 84182190, 8418.2990, 8418.3090, 8418.4090, 8418.6939, 8418.6990, 8422.1100, 8450.1190, 8450.1290, 8450.1919, 8450.1999, 8450.2090, 8508.1190, 8508.1990, 8509.4010, 8509.4020, 8509.4030, 8509.8000, 8516.1090, 8516.2100, 8516.2900, 8516.3100, 8516.3200, 8516.5090, 8516.6010, 8516.6020, 8516.6030, 8516.6090, 8516.7100, 8516.7200, 8516.7990, 8516.8010, 8516.8090, 8518.1090, 8518.2100, 8518.2200, 8518.2990, 8518.3000, 8521.1010, 8521.1020, 8521.1090, 8521.9010, 8521.9090, 8528.7211, 8528.7219, 8528.7290,
21	Ice Cream	2105.0000

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22	Jams, jellies, preserved fruits and fruit and vegetable juices	2001.1000, 2001.9010, 2001.9090, 2002.1000, 2002.9090, 2003.1000, 2003.9000, 2004.1000, 2004.9000, 2005.1000, 2005.2000, 2005.4000, 2005.5100, 2005.5900, 2005.6000, 2005.7000, 2005.8000, 2005.9100, 2005.9900, 2006.0000, 2007.1000, 2007.9100, 2007.9900, 2008.1100, 2008.1900, 2008.2000, 2008.3000, 2008.4000, 2008.5000, 2008.6000, 2008.7000, 2008.8000, 2008.9100, 2008.9300, 2008.9700, 2008.9900, 2009.1100, 2009.1200, 2009.1900, 2009.2100, 2009.2900, 2009.3100, 2009.3900, 2009.4100, 2009.4900, 2009.5000, 2009.6100, 2009.6900, 2009.7100, 2009.7900, 2009.8100, 2009.8900, 2009.9000.
23	Leather jackets and apparels	4203.1010, 4203.1020, 4203.1030, 4203.1090, 4203.2910, 4203.2920, 4203.2930, 4203.2990, 4203.3000, 4203.4000.
24	Mattress and sleeping bags	9404.1000, 9404.2100, 9404.2900, 9404.3000, 9404.9000,
25	Fresh , chilled, frozen, preserved or processed meat	All tariff lines of Chapter 02, and the following tariff lines under Chapter 16 of Pakistan Custom Tariff: 1602.3100, 1602.3200, 1602.3900, 1602.5000, 1602.9000, 1603.0000.
26	Musical instruments	9201.2000, 9201.9000, 9202.1000, 9202.9000, 9205.1000, 9205.9000, 9206.0000, 9207.1000, 9207.9000, 9208.1000, 9208.9000,
27	Pasta.	1902.1100, 1902.1910, 1902.1920, 1902.1990, 1902.2000, 1902.3000, 1902.4000
28	Arms and ammunition excluding defense stores	Respective Heading of Chapter 93 of PCT
29	Shampoos	3305.1000
30	Sunglasses	9004.1000, 9004.9000
31	Tomato ketchup and sauces	2103.1000, 2103.2000, 2103.3000
32	Travelling bags and suitcases	4202.1120, 4202.1190, 4202.1210,4202.1220, 4202.1290, 4202.1900, 4202.2100, 4202.2200, 4202.2900, 4202.3100, 4202.3200, 4202.3900, 4202.9100, 4202.9200, 4202.9900

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33	A ship designed or adapted for use for recreation or pleasure or private use	Respective headings
34	An aircraft designed or adapted for use for recreation or pleasure or private use	Respective headings
35	Articles of jewelry (both precious metals and imitation)	71.13, 71.17
36	Wristwatches	91.01, 91.02

[1]**[Table-II**

(Supply of locally manufactured goods)

S. No.	Description of goods	PCT Code
(1)	(2)	(3)
1.	Locally manufactured or assembled vehicles having engine capacity of 1400cc and above.	87.03
2.	Locally manufactured or assembled vehicles if invoice price (excluding sales tax) exceeds Rs.4 million.	87.03
3.	Locally manufactured or assembled double cabin (4x4) pick-up vehicles.	87.04]

[2][Provided that the provisions of Table-II shall not apply to locally manufactured hybrid electric vehicles with engine capacity upto 2000cc.]

02. **Explanation.-** For removal of doubt, it is clarified that the provisions of this notification shall not be applicable in respect of goods specified in the Eighth Schedule to the Sales Tax Act, 1990.

[C. No. 5/4-STB/2023)]

(Afaque Ahmed Qureshi)
Additional Secretary

[1]Table II substituted by SRO 370(I)/2024 dated March 08, 2024. Before substitution it read as follows:-

"Table-II
(Supply of locally manufactured goods)

S. No.	Description of goods	PCT Code
(1)	(2)	(3)
1	Locally manufactured or assembled SUVs and CUVs	87.03
2	Locally manufactured or assembled vehicles having engine capacity of 1400cc and above	87.03
3	Locally manufactured or assembled double cabin (4x4) pick-up vehicles	87.04"

[1]Proviso inserted by SRO 1525(I)/2026 dated September 13, 2026.

1-246-15-09-2026

Increased Rate of Sales Tax @ 14% on imported and local supply of Tractors

S.R.O. 1643(I)/2024 dated Islamabad, the 23th October, 2024.- In exercise of the powers conferred by clause (b) of sub-section (2) of section 3 of the Sales Tax Act, 1990, the Federal Government is pleased to enhance the rate of sales tax in respect of imported and local supply of tractors under PCT headings 8701.9220 and 8701.9320 and under S. No. 86 of Table-1 of the Eighth Schedule to the Sales Tax Act, 1990 from ten per cent to fourteen per cent, respectively.

[F. No. 2/106-STB/2005]

(Dr. Hamid Ateeq Sarwar)
Additional Secretary

Imposition of Fixed Sales Tax on Steel Melters and Re-Rollers on The basis of per unit of electricity consumed

S.R.O. 1245(I)/2024 dated Islamabad, the 31st July, 2026.- In exercise of the powers conferred by the provisos to sub-section (2) of section 6 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to prescribe the following procedure for the purposes of categorization of nature of their business activity, rates and manners for collection and payment of sales tax on the basis of per unit of electricity consumed by the steel melters, re-rollers and composite units of steel melting and re-rolling operating on electric power or any other source of energy including those operated by sugar mills or other persons using self-generated electricity from bagasse or other means and regardless of type of electricity connection including captive power producers, namely:-

(a) steel melters and composite using remeltable iron and steel scrap falling under PCT heading 7204.3000, 7204.4100 and 7204.4990 and waste and scrap of compressors falling under PCT heading 7204.4940 shall pay sales tax per unit of electricity consumed for the production of steel billets, ingots and mild steel in addition to sales tax chargeable under sub-section (1) of section 3 of the Act as per following, namely:-

  (i) the manufacturers consuming local scrap shall pay sales tax at the rate of rupees thirty per electricity unit consumed;

  (ii) the manufacturers consuming imported scrap over seventy percent in aggerate in the last twelve months shall pay sales tax at the rate of rupees five per electricity unit consumed;

  (iii) the manufacturers consuming scrap as supplied by EFS licensee over seventy percent in aggregate in the last twelve months (from 01.06.2026) shall pay sales tax at the rate of rupees five per electricity unit consumed; and

  (iv) steel manufacturers operating under captive power or self-generation of electricity etc shall pay rupees thirty-five per electricity unit consumed:

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Provided that per unit rate of sales tax on electricity consumed shall be rupees five for those steel melters and composite units only who are integrated with the Board's Computerized System for real time reporting of sales and their consumption or usage of imported remeltable iron and steel scrap for manufacture of steel billet or ingots exceeds seventy percent of total raw material consumed during immediate preceding twelve months,

(b) steel melters and composite units shall be entitled to adjust the sales tax paid under this notification on the basis of electricity units consumed against the output sales tax;

(c) steel manufacturers consuming five hundred thousand per month or more units of electricity on single electricity meter shall be categorized as steel melters or composite units, as the case may be and they shall declare their production and supply accordingly.

The manufacturers consuming less than five hundred thousand units of electricity per month shall fall under the category of steel re-rollers;

(d) in case of default in payment of sales tax by the due date as mentioned on their electricity bill, besides the other legal action by the concerned field formation, the concerned electric supply companies (DISCOs) shall disconnect the electricity connection of the steel melters or composite units as the case may be;

(e) the DISCOs are required to apply per unit rate of sales tax as specified in clause (a) above from 01.07.2026 to all melters, re-rollers and composite manufacturers without any fail;

(f) the name and particulars of steel melters and composite units shall be reviewed after each three months for its updation;

(g) the steel manufactures falling under paragraphs (ii) and (iii) of clause (a) above shall be notified through sales tax general order by• Board containing following information, namely:-

S. No.	Name of Taxpayer	NTN/STRN.	Electricity Reference No	Name of DISCO
1	2	3	4	5

(h) This notification shall take effect from 1st day of July, 2026.

[1(1)IR-Ops/2025]

(Anser Majeed)
Second Secretary (ST&FE-Budget)

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Aer Rianta Duty Free Shops

S.R.O. 753(I)/92, dated August 11, 1992.– In exercise of the powers conferred by clause (c) of section 4 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that supplies of locally manufactured goods to M/s. Aer Rianta International Pakistan (Pvt.) Limited, Karachi, for sale at the Duty Free Shops at Jinnah Terminal Complex, Quaid-e-Azam International Airport, Karachi, shall be charged to tax at the rate of zero per cent.

Exports to Afghanistan and CARs

S.R.O. 190(I)/2002, dated April 2, 2002.– In exercise of the powers conferred by clause (iii) of the first proviso to section 4 of the Sales Tax Act, 1990, and in supersession of its Notification No. S.R.O. 751(I)/99, dated the 15th June, 1999, the Federal Government is pleased to direct that the provisions of the said section shall not apply in respect of supply of the following categories of goods, exported by air or *via* land route to Afghanistan and through Afghanistan to Central Asian Republics,–

(a) [1][items other than PVC and PMC materials (PCT Code 39.01 to 39.14) as are manufactured] in the Export Processing Zones or in manufacturing bonds;

(b) exported, other than against irrevocable letters of credit or advance payment, in convertible foreign currency;

(c) exported without fulfilling the conditions prescribed in paragraphs 8, 12B, entry 9 of the Schedule I and Schedule IV to the Export Policy and Procedure Order, 2000; and

(d) specified in the list below, namely:–

(i) cigars, cheroots, cigarillos and cigarettes of tobacco or of tobacco substitutes;

(ii) dyes and chemicals;

(iii) yarn all types;

[2][ ]

(v) polyester metalized film;

(vi) ball bearings; [3][ ]

(vii) vegetable ghee and cooking oil (if exported from Export Processing Zones or manufacturing bonds) [4][; and]

[1]Substituted for "manufactured" by SRO 691(I)/2019 dated June 29, 2019.

[2]Clause (d)(iv) deleted by SRO 691(I)/2019 dated June 29, 2019, effective 01-07-19. Before omisison it read as follows: "(iv) PVC and PMC materials;"

[3]Word "and" omitted by SRO 136(I)/2012 dated February 14, 2012.

[4]Substituted for full stop by SRO 136(I)/2012 dated February 14, 2012.

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[1][(viii) all petroleum products whether imported or produced locally (unless there is a Government to Government contract done through oil marketing companies only).]

Export of sugar by TCP

S.R.O. 320(I)/2003, Islamabad, the 3rd April, 2003.– In exercise of the powers conferred by clause (c) of section 4 of the Sales Tax Act, 1990, the Federal Government is pleased to specify that one hundred thousand Metric Tons of sugar purchased and exported by Trading Corporation of Pakistan (TCP), shall be charged to tax at the rate of zero *per cent* subject to the following conditions, namely:–

(a) the Trading Corporation of Pakistan (TCP) shall maintain the record of purchases and supplies including tax invoices, commercial invoices, inventory record, shipping bills, Form-E issued by State Bank of Pakistan duly signed by the authorized bank and customs authorities and export proceeds realization certificate issued by the local bank;

(b) the Trading Corporation of Pakistan (TCP) shall pay sales tax if some part or portion of the sugar is sold or supplied by it locally or some part or portion of sugar is damaged, destroyed, stolen etc; and

(c) the Trading Corporation of Pakistan (TCP) shall observe all the provisions of the Sales Tax Act, 1990.

2. The concession of tax authorized by this notification shall be admissible in respect of above stated quantity of sugar exported on or before 31st December, 2003.

Export of cigarettes to Afghanistan by PTC

S.R.O. 361(I)/2003, Islamabad, the 17th April, 2003.– In exercise of the powers conferred by clause (c) of section 4 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that cigarettes exported by M/s. Pakistan Tobacco Company, by air or via land route, to Afghanistan shall be allowed the facility of zerorating subject to the following conditions, namely:–

(a) only such brands be allowed facility of zerorating, which are not marketed in the domestic market. In case of flowback of the exported goods the exporter will repay the total amount of input tax refunded or adjusted in the preceeding tax period or such tax period in which the goods were last exported;

(b) exports shall be in convertible foreign exchange only. The packages or retail packing shall prominently and undelibly be marked with the expression "For export only – Not for sale [2][outside Afghanistan]"; and

(c) export is through authorized Customs Station *i.e.* Torkhan and Chamman only as per prescribed procedure.

2. The concession of zerorating authorized by this notification shall be admissible in respect of export consignments for which Bills of Export are filed on or before the 30th June, 2004.

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[1]Sub-clause (viii) inserted by SRO 136(I)/2012 dated February 14, 2012.

[2]Substituted for "clause (c) of section 4 read with clause (b) of sub-section (2) and sub-section (6) of section 3," by SRO 486(I)/2015 dated June 30, 2015, effective July 1, 2015.

Immunity from default surcharge of certain zero-rated supplies

S.R.O. 179(I)/2007, dated March 07, 2013.–In exercise of powers conferred under clause (b) of sub-section (2) and sub-section (6) of section 3, section 27 and section 34A of the Sales Tax Act, 1990, the Federal Government is pleased to direct that all registered persons, who claimed zero-rating on supplies made by them in terms of Notifications No. S.R.O. 283(I)/2011, dated 1st April, 2011, Notification No. S.R.O. 1058(I)/2011, dated 31st November, 2011 and Notification No. S.R.O. 1125(I)/2011, dated the 31st December, 2011, during the period from 1st April, 2011 to 28th February, 2013 may, with respect to all or part of such supplies on which the tax has been paid and irrespective of the past or present registration status of the buyers, pay sales tax at the rate of 2 percent of the value of such supplies through a special sales tax return to be prescribed by the Board, along with details of all sales tax invoices against which such payment is being made, without any default surcharge or penalty, provided that such payment is made on or before the [1][15th April, 2013].

2. This notification shall not entitle any person to claim refund or adjustment against any sales tax paid on such supplies at a higher rate.

[C.No. 1(140)C(RGSTT)/2011 (Pt-II)]

Zero rating of various imports

S.R.O. 423(I)/2009, dated May 28, 2009.– In exercise of the powers conferred by clause (c) of section 4 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that all the products, services and equipments for the execution of work on the project the improvement of Kararo-Wadh section of National Highway N-25, supplied to M/s TAISEI Corporation, Islamabad, shall be charged at the rate of zero *per cent* subject to the following conditions and restrictions, namely:-

(i) the products, services and equipment shall exclusively be used for the project "The improvement of Kararo-Wadh section of National Highway N- 25" and the same shall not be sold or otherwise disposed of without Board's prior approval and without payment of duty and taxes;

(ii) at the time of purchase of products, services and equipment, it shall be certified by M/s TAISEI Corporation, Islamabad, to the extent that the goods pertain to M/s TAISEI Corporation, Islamabad; and

(iii) in case of non-compliance of any one of the above conditions, full duty and taxes leviable at the time of supply shall be charged in addition to any other action so warranted under the Sales Tax Act, 1990.

[C.No.1(196)STT/99]

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[1]Substituted for "31st March, 2013" deleted by SRO 274(I)/2013 dated April 01, 2013.

Import and supply of polyethylene and polypropylene for manf.

S.R.O. 811(I)/2009, dated September 19, 2009.– In exercise of the powers conferred by [1][ ] [2][section 19 of the Customs Act, 1969 (IV of 1969)] and in supersession of its Notification No. S.R.O. 769(I)/2009, dated the 4th September, 2009, the Federal Government is pleased to [3][ ] [2][exempt from customs duty] the import and supply of polyethylene and polypropylene falling under PCT heading No. 3901.1000, 3901.2000 and 3902.1000 for manufacture of mono filament yarn and net cloth subject to the condition that the manufacturer is duly registered and has in-house manufacturing facility [4][and who makes [5]*[ ]* supplies of net cloth to green house farming] subject to the following conditions, restrictions, limitations and procedure, namely:–

(i) A sales tax registered importer-cum-manufacturer having suitable in-house facilities shall submit a complete requirement in the prescribed format appended as Form-I of his annual consumption of permissible items (inputs) he is entitled to import for the manufacture of mono filament yarn and net cloth, to the Collector of Sales Tax and Federal Excise having jurisdiction or to any other organization or person as authorized by the Federal Board of Revenue;

(ii) the importer-cum-manufacturer shall file a request containing a declaration of input/ output ratios to the Collector of Sales Tax and Federal Excise or the authorized person. The Collector or the authorized person may accept the declaration of input output ratio as declared by the applicant and determine the annual requirement of inputs. In case the Collector or authorized person is not satisfied with declared input output ratios of the items to be manufactured because of their being prima facie not in accordance with the prevalent average of the relevant industry or for any other reason, he may, after allowing a reasonable provisional quantity, make a reference to the Engineering Development Board or IOCO or to any other recognized authority for final determination thereof. The collector or authorized person shall then determine the final annual quantitative entitlement of inputs and the applicant shall proceed to consume imported inputs in accordance with the input output ratios and quantities so determined;

(iii) the clearance of inputs shall be allowed through one port or dry port only and maintenance of centralized record of quota debiting at the port for which the Provisional or Final Certificate is issued shall be maintained;

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[1]Words "clause (a) of sub-section (2) of section 13 of the Sales Tax Act, 1990, and" deleted by SRO 152(I)/2013 dated February 28, 2013. Earlier it was substituted for "clause (c) of section 4" by SRO 591(I)/2012 dated June 01, 2012, effective from June 02, 2012.

[2]Inserted by SRO 645(I)/2011 dated June 24, 2011.

[3]Words "exempt from sales tax" deleted by SRO 152(I)/2013 dated February 28, 2013. Earlier it was substituted for "zero-rate" by SRO 591(I)/2012 dated June 01, 2012, effective from June 02, 2012.

[4]Substituted for "and supplies net cloth to green house farming at zero-rate" by SRO 591(I)/2012 dated [5]Word "exempt" deleted by SRO 152(I)/2013 dated February 28, 2013.

(iv) the authorized officer of Sales Tax Collectorate shall furnish all relevant information online to Customs Computerized System [1][(WeBOC)] as per Form-II appended to this notification against a specific user ID and password obtained under section 155D of the Customs Act, 1969. In already computerized Collectorate/Customs stations where the [1][(WeBOC)] is not yet operational, the Project Director or any other authorized person shall feed the requisite information in the [1][(WeBOC)] on daily basis and on weekly basis of the data obtained from the stations which have not yet been computerized;

(v) the importer-cum-manufacturer shall file Goods Declaration in the prescribed format and manner with complete details of authorization of imported inputs for clearance. The Collector of Customs on satisfaction of correct declaration shall allow clearance of imported inputs after obtaining post dated cheque for the differential amount of [2][statutory and concessionary customs duty [3]*[ ]*].

(vi) the importer-cum-manufacturer shall maintain records of the inputs and the goods manufactured from imported inputs in such form as may be prescribed by the Federal Board of Revenue or required under any other law for the time being in force;

(vii) the importer-cum-manufacturer shall communicate to the concerned Collector of Sales Tax and Collector of Customs in writing about the consumption of imported items within sixty days of consumption of goods. The post dated cheque shall be released or cancelled on receipt of written confirmation regarding consumption of goods by the importer-cum-manufacturer. In case of non-consumption within one year from the date of import, the importer shall pay the [4][amount of customs duty [3]*[ ]*] involved or obtain extension from the Collector of Sales Tax and Federal Excise under intimation to Collector of Customs giving plausible reasons for a reasonable period not exceeding ninety days;

(viii) the Collector of customs may, on its own or through the Collector of Sales Tax and Federal Excise or through any other department working under Revenue Division, whenever deemed necessary get the records of the importer-cum-manufacturer audited and may also get the stocks verified. In case it is found that the inputs have not been properly accounted for or consumed for the manufacture and supply of goods as prescribed, the Collector may initiate proceedings for the recovery of leviable [5][custom duty [3]*[]*] besides penal action under the relevant provisions of [6]*[ ]* [5][the Customs Act, 1969 (IV of 1969)];

FORM-1

[*See* clause (i)]

(To be filled in by the importer-cum-manufacturer or any person or persons duly authorized by him from his organization)

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[1]Substituted for "PACCS" by SRO 152(I)/2013 dated February 28, 2013.
[2]Substituted for "statutory tax and concessionary taxes" by SRO 645(I)/2011 dated June 24, 2011.
[3]Words "and sales tax" deleted by SRO 152(I)/2013 dated February 28, 2013.
[4]Substituted for "sales tax" by SRO 645(I)/2011 dated June 24, 2011.
[5]Words inserted by SRO 645(I)/2011 dated June 24, 2011.
[6]Words "the Sales Tax Act, 1990 and" deleted by SRO 152(I)/2013 dated February 28, 2013.

Name and address of the Importer	NTN/FTN	
Port of clearance		Clearing Agents Name/No

S. No.	HS Code	Description	Specification of imported inputs	Applicable [1][statutory] rate of duty	Quantity	Unit value	Unit of measure	Total value in Pak rupees
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

CERTIFICATE

It is certified that the description and quantity mentioned above are commensurate with the inputs requirement. It is further certified that the above items shall not be used for any other purpose.

Signature _____
Name _____
NIC No. _____

FORM-II

[*See* clause (iv)]

(To be filled in by the Collector of Sales Tax Collectorate)

Header information									
NTN/FTN of importer				Name of importer			Approval No.		
(1)				(2)			(3)		
Details of input goods (to be filled by the authorized officer of the Regulatory Authority)							Goods imported (Collectorate of import)		
HS Code	Description	Specs	Applicable [2][statutory rate of duty]	Quantity	UOM	Quantity imported	Collectorate	CRN/ Mach. No	Date of CRN/ Mach. No
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

It is certified that the description and quantity mentioned above are commensurate with the input requirement.

Signature _____

Name _____

Stamp _____

Note.- In case of clearance through Pakistan Customs Computerized System [3][(WeBOC)], the above information shall be furnished on line against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.

[C. No. 4/4-STB/2007 (Pt)]

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[1]Word inserted by SRO 645(I)/2011 dated June 24, 2011.
[2]Substituted for "custom duty rate" by SRO 645(I)/2011 dated June 24, 2011.
[3]Substituted for "PACCS" by SRO 152(I)/2013 dated February 28, 2013.

Import of Potatoes

S.R.O. 718(I)/2014, dated August 07, 2014.– In exercise of the powers conferred by clause (c) of section 4 of the Sales Tax Act, 1990, the Federal Government is pleased to allow import of a total of 300,000 metric tons of potatoes at the rate of zero percent of sales tax, excluding the quantity of potatoes from the said total already imported under S.No.12 of Notification No. S.R.O. 549(I)/2008, dated the 11th June, 2008, rescinded by Notification No. S.R.O.573(I)/2014 dated the 26th June, 2014.

2. This Notification shall cease to have effect after 15th day of November, 2014.

[C. No. 1(17)ST&FE/Exmp/2014]

Import of 111 Buses by M/s. Foton Bus Company (Pvt) Limited.

S.R.O. 496(I)/2016, dated July 14, 2016.– In exercise of the powers conferred by clause (c) of section 4 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the sales tax shall be charged at the rate of zero percent on the import of 111 buses, imported during the financial year 2011-2012, by M/s Foton Bus Company (Pvt) Limited.

[C. No. 2(48)/Ex/2011]

Import of 150 tones of Dates

S.R.O. 273(I)/2017, dated April 20, 2017.– In exercise of the powers conferred by clause (c) of section 4 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the sales tax shall be charged at the rate of zero percent on the import of one hundred and fifty tonnes of dates gifted by Kingdom of Saudi Arabia to the Government of Pakistan.

[C. No. 4/10-STB/2017]

Import of Potatoes

S.R.O. 776(I)/2018, dated June 21, 2018.– In exercise of the powers conferred by clause (c) of section 4 of the Sales Tax Act, 1990, the Board with the approval of the Federal Minister-in-charge is pleased to direct that the sales tax shall be charged at the rate of zero percent on import of 200,000 metric tonnes of potatoes imported during the period commencing on the 5th May, 2014 and ending on the 31st July, 2014 (both days inclusive).

2. This Notification shall come into force with effect from the 1st day of July, 2018.

[C. No. 5/93-STB/2018]

1-192-15-07-19

Section 7 & 7A: Tax on Value Addition Basis

Registered Petroleum Exploration

S.R.O. 352(I)/2020, May 5, 2020.– In exercise of the powers conferred by sub-section (4) of section 7 of the Sales Tax Act, 1990, the Federal Government is pleased to allow a registered petroleum exploration and production company to deduct such amount of input tax from the output tax subject to the conditions, limitations or restrictions that in case a bore-hole or well or gas field is run by a joint venture, the person acting as operator of the field may transfer the share of common input tax from the output tax to other registered persons in the joint venture by issuing a credit transfer note, depending upon respective share of the transferees in the joint venture, showing the amount of sales tax involved with zero sales value and the same shall be admissible for the purpose of input tax adjustment by the registered person to whom such credit transfer note is issued. The common input tax of the operator shall be reduced by the amount involved in such notes as issued by him.

Import and supply of computers etc., value addition

S.R.O. 1020(I)/2006, October 2, 2006.– In exercise of the powers conferred by section 7A of the Sales Tax Act, 1990, the Federal Government is pleased to fix the minimum value addition mentioned in column (3) of the Table below for the categories of persons mentioned in column (2) thereof for the purpose of payment of sales tax on supply of computer hardware and parts (classifiable under PCT headings 84.71 and 84.73).

TABLE

S. No.	Category of persons	Value addition
(1)	(2)	(3)
[1][		]
2.	Assemblers	5%
3.	Wholesalers and distributors	5%
4.	Retailers	5%

[C. No. 1/2-STB/2006]

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[1]Sr. No. 1 and entries relating thereto omitted by SRO 590(I)/2012 dated June 01, 2012, effective from June 02, 2012.

1-198-30-05-2020

Section 8: Tax credit not allowed

Export of cigarettes by land to Afghanistan, Iran and China

S.R.O. 1232(I)/90, dated December 1, 1990.– In exercise of the powers conferred by clause (b) of sub-section (1) of section 8 of the Sales Tax (Amendment) Act, 1990, the Federal Government is pleased to direct that a registered person exporting cigarettes from Pakistan by land route or to Afghanistan, Iran or China shall not be allowed to reclaim input tax paid on cigarettes so exported.

Sale to unregistered persons – polypropylene granules, sugar, etc. produced from concessional imports

S.R.O. 488(I)/2004, dated June 12, 2004.– In exercise of the powers conferred by clause (b) of sub-section (1) and sub-section (6) of section 8 of the Sales Tax Act, 1990, and in supersession of its Notification No. S.R. O. 507(I)/2003, dated 7th June, 2003, the Federal Government is pleased to direct that the following goods or class of goods shall not be supplied to any person who is not registered under the said Act, and if any such supply is made, the registered person shall not be entitled to reclaim or deduct input tax in respect thereof, namely:–

(a) polypropylene granules (tape yarn grade falling under PCT heading 3902.1000);

[1&2][ ]

[3][(bb) Molasses falling under PCT heading 1703.1000;]

[4][(bc) unmanufactured tobacco;]

[1]Clause "(aa) edible oils (respective headings)" omitted by SRO 25(I)/2005 dated January 9, 2006. The clause was earlier inserted by SRO 593(I)/2005 dated July 8, 2004.

[1]Clause (b) omitted by SRO 62(I)/2010 dated February 04, 2010. The amendment shall be deemed to have always been so made. Earlier it was substituted for "(b) filter rods for cigarettes (PCT heading 5502.0090);" by SRO 536(I)/2004, dated June 25, 2004.

[2]Clause (ba) deleted by SRO 825(I)/2018 dated June 29, 2018, effective 1-7-18 with condition that no refund or adjustment of S.T. under this clause shall be admissible. Earlier it was inserted by SRO 315(I)/2005, dated April 15, 2005.

[3]Clause (bb) inserted by SRO 32(I)/2019 dated January 09, 2019.

[4]Clause (bc) inserted by SRO 1267(I)/2018 dated October 16, 2018.

Cl (b)-Before omission it read as follows:-

"(b) artificial filament tow and filter rods for cigarettes (PCT heading 5502.0090 and 5601.2200 respectively); and"

Cl (ba)-Before omission by SRO 825(I)/2018 read as follows:-

"(ba) sugar (supply to wholesalers and dealers);"

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(c) taxable goods mentioned in the table below (excluding those sold in retail to ultimate consumers or persons whose income is not liable to income tax under the Income Tax Ordinance, 2001 (XLIX of 2001) but deduct income tax at source under the said Ordinance or Government organizations not liable to registration under the Sales Tax Act, 1990), manufactured or produced by consuming raw materials, parts, sub-components and components imported and cleared against bills of entry or goods declaration filed on the 5th September, 2003 or thereafter, under various concessionary notifications issued under section 19 of the Customs Act, 1969 (IV of 1969), or under section 13 of the Sales Tax Act, 1990.

TABLE

S. NO.	NAME OF ITEMS
1.	Air-conditioning, chilling plants and humidification plant.
2.	Cranes.
3.	Propane storage tank, heat exchanger and gas separator.

Exclusions, adjustment of input tax

S.R.O. 1190(I)/2019, Islamabad, the 02nd October, 2019.– In exercise of the powers conferred by the second proviso to sub-section (1) and sub-section (4) of section 8B of the Sales Tax Act, 1990, and in supersession of its Notification No. S.R.O. 647(1)/2007, dated the 27th June, 2007, the Federal Board of Revenue is pleased to direct, that,-

(a) The persons specified in column (2) of the Table-1 below shall be excluded from the purview of the said sub-section (1), namely:-

Table-1

S. No.	Sectors
(1)	(2)
1.	Persons registered in electrical energy sector
2.	Oil marketing companies and petroleum refineries
3.	Fertilizers manufacturers
4.	Persons making zero-rated supplies, including exports, provided that value of such supplies exceeds 50% of value of all taxable supplies in a tax period
5.	Distributors
6.	Gas distribution companies
7.	Telecommunication services
8.	Pakistan Steel, Bin Qasim, Karachi
9.	Registered persons other than manufacturers, making supplies of items covered under the Third Schedule to the Sales Tax Act, 1990, on which sales tax has been paid by the manufacturer or importer on retail price, provided that value of such supplies exceeds 80% of value of all taxable supplies in a tax period
10.	Commercial importers where value of imports subject to 3% value addition as prescribed in Twelfth Schedule to the Act exceeds 50% of value of all taxable purchases, including imports, in a tax period.

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[1][11.	CNG dealers provided the value of natural gas on which sales tax is charged on the basis of value notified by the Federal Board of Revenue exceeds 50% of value of all taxable purchases in a tax period.
12.	Petroleum dealers of licensed oil marketing companies.]
[2][13.	Sales tax registered manufacturing companies of cold rolled, GI or coated coils / sheets which are listed on Pakistan Stock Exchange.]
[3][14.	Pakistan LNG Limited (PLL).]
[4][15.	Steel melters, re-rollers and composite units paying sales tax under the provisos to sub-section (2) of section 6 and notification issued thereunder, till 30th September, 2026.]

(b) the persons specified in column (2) of the Table-2 below may adjust input tax to the extent of ninety-five percent of the output tax for that tax period and the excess amount shall be carried forward to the next tax period, namely:-

Table-2

S. No.	Sectors
(1)	(2)
[5][1.	All Tier-1 retailers who have integrated all their POSs with the Board in terms of Chapter XIV-AA of Sales Tax Rules, 2006.]
[6][2.	Wholesalers of yam.]
[7][3.	Automobile manufacturing companies which are listed on Pakistan Stock Exchange till [8][June, 2021].]

(c) the first proviso of sub-section (1) and sub-sections (2) and (3) of section 8B of the Sales Tax Act, 1990, shall apply, mutatis mutandis, to the input tax to be adjusted or carried forward as provided in clause (b).

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[1]Sr. Nos. 11, 12 inserted by SRO 1290(I)/2019 dated October 30, 2019.
[2]Sr. No. 13 inserted by SRO 98(I)/2021 dated January 26, 2021, effective from 01.01.2021.
[3]Sr. No. 14 inserted by SRO 242(I)/2024 dated February 23, 2024.
[4]Sr. No. 15 inserted by SRO 1343(I)/2026 dated August 12, 2026.
[5]Sr. No. 1 substituted by SRO 344(I)/2020 dated April 29, 2020. Before substitution it read as follows:-
"1. Retailers also importing goods in bulk and operating chains of stores."
[6]Sr. No. 2 inserted by SRO 1290(I)/2019 dated October 30, 2019.
[7]Sr. No. 3 inserted by SRO 36(I)/2020 dated January 21, 2020.
[8]Substituted for "December, 2020" by SRO 98(I)/2021 dated January 26, 2021, effective from 01.01.2021.

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Various goods for no input tax credit

S.R.O. 490(I)/2004, dated June 12, 2004.– In exercise of the powers conferred by clause (b) of sub-section (1) of section 8 of the Sales Tax Act, 1990, and in supersession of its Notification No. S.R.O. 578(I)/98, dated the 12th June, 1998, the Federal Government is pleased to specify that the following goods, acquired otherwise than as stock in trade, by a registered person, to be the goods in respect of which input tax shall not be claimed, namely:–

(a) vehicles falling in chapter 87 of the First Schedule to the Customs Act, 1969 (IV of 1969);

(b) food, beverages, garments, fabrics, *etcetera* and consumption on entertainment;[1][ ]

(c) gifts and give-aways [2][;*[ ]*]

[3][(d) supply of electricity and gas to residential colonies of registered persons [4][; and]

[5][(e) building material including cement, bricks, paints, varnishes, distempers etc.;

(f) office equipment and machines (excluding electronic fiscal cash registers), furniture, structure, fixture and furnishings excluding those directly used in taxable activity;

(g) electrical and gas appliances, pipes, fittings excluding those directly used in taxable activity;

(h) wires, cables, ordinary electrical fittings and sanitary fittings, excluding those directly used in taxable activity; [6]*[*and*]*

(i) crockery, cutlery, utensils etc., excluding those directly used in taxable activity [7]*[.]*]

[8][ ]

Explanation:– For the purpose of this Notification, the term "stock in trade" shall mean goods purchased by a registered person in the course of business for sale as such or after further processing or manufacture.

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[1]Word "and" omitted by SRO 464(I)/2007 dated June 09, 2007.

[2]Word "and" omitted by SRO 450(I)/2013 dated May 27, 2013. Earlier it was inserted by SRO 464(I)/2007, dated June 09, 2007.

[3]Clause (d) inserted by SRO 464(I)/2007 dated June 09, 2007.

[4]Substituted for full stop by SRO 450(I)/2013 dated May 27, 2013.

[5]Clauses (e) to (f) inserted by SRO 450(I)/2013 dated May 27, 2013.

[6]Word inserted by SRO 570(I)/2014 dated June 26, 2014, effective from July 1, 2014. Earlier word "and" omitted by SRO 141(I)/2014 dated February 28, 2014.

[7]Full stop substituted for "; and" by SRO 570(I)/2014 dated June 26, 2014, effective from July 1, 2014. Earlier it was substituted for full stop by SRO 141(I)/2014 dated February 28, 2014.

[8]Clause (j) deleted by SRO 570(I)/2014 dated June 26, 2014, effective from July 1, 2014. Earlier it was inserted by SRO 141(I)/2014 dated February 28, 2014. Before omission clause (j) read as follows:-

"(j) goods on which adjustment or deduction of duty and sales tax is claimed under sub-rule (1) of rule 6 of the Federal Excise Duty and Sales Tax on production Capacity (Aerated Water) Rules, 2013 in excess of seventy two percent of the gross amount payable in the month as determined under rule 4 read with rule 5 of the said Rules. The excess unadjusted amount may be carried forward to the subsequent month, subject to the condition that no refund on account of unadjusted duty and taxed shall be admissible."

1-246-15-09-2026

Goods not eligible for input tax

S.R.O. 992(I)/2005, Islamabad, the 21st September, 2005.–In exercise of the powers conferred by clause (b) of sub-section (1) of section 8 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that no registered person engaged in the export of goods specified below shall, either through zero-rating or otherwise, be entitled to deduct or reclaim input tax paid in respect of stocks of such goods acquired up to 5th June, 2005, if not used for the purpose of exports made up to the [1][31st December], 2005, namely:–

(a) textile and textile articles;
(b) leather and articles thereof;
(c) carpets;
(d) surgical goods;
(e) sports goods; and
(f) inputs of the goods specified in clauses (a) to (e).

2. This notification shall take effect from the 6th day of June, 2005.

Explanation.–For the purpose of any reference or interpretation under this notification, the description and classification of goods specified in Notification No. S.R.O. 621(I)/2005, dated the 17th June, 2005, shall be applicable.

Inadmissibility of input tax against coal supplies

S.R.O. 549(I)/2006, dated June 05, 2006.- In exercise of the powers conferred by clause (b) of sub-section (1) of section 8 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that no input tax adjustment shall be admissible to the registered persons making taxable supply of locally produced coal (PCT heading 27.01) [2][:]

[2][Provided that this restriction shall not apply to registered persons making taxable supply of locally produced coal where value of supply exceeds five thousand Rupees per metric tonne.]

Supply of Filter rods for Cigarettes

S.R.O. 61(I)/2010, dated February 04, 2010.- In exercise of the powers conferred by sub-section (6) of section 8 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the filter rods for cigarettes (PCT heading 5502.0090) shall not be supplied or sold to any person who is not registered under the said Act.

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[1]Substituted for "30th September" by SRO 487(I)/2006 dated May 26, 2006.
[2]Full stop substituted and proviso inserted by SRO 592(I)/2017 dated July 01, 2017.

1-204-10-02-2021

CBR's Press Release re: SRO 992(I)/2005 & 487(I)/2006.–Following is the text of CBR's Press Release dated May 30, 2006:-

"In pursuance of the directives of Prime Minister of Pakistan, the Federal Government has extended the cut-off-date for export of textile items, leather goods, carpets, surgical goods and sports goods till 31st December, 2005 for the purpose of claiming refund of sales tax paid in respect of stocks of such goods acquired upto 5th June, 2005. Previously, the exporters of the said goods were allowed to claim refunds on exports made by 30th September, 2005.

The Central Board of Revenue has also issued a detailed procedure for processing the above refund claims. The claims shall be audited by reputed Chartered Accountants firms who will determine the admissibility or otherwise of the refund claims. CBR has established two Centralized Refund Processing Cells located at Karachi and Lahore to process the claims. The Cells shall report the progress of disposal of claims directly to the CBR."

CBR's Press Release re: SRO 389(I)/2006.–Following is the text of CBR's Press Release dated April 27, 2006:–

"In pursuance of the decision taken by the ECC of the Cabinet in its meeting held on 14.04.2006, the Central Board of Revenue has issued Notifications SROs No. 389, 390 and 391(I)/2006 dated 27.04.2006 disallowing refund and adjustment of sales tax and rebate of excise duty on export of cement via land, air or sea route."

1-2014-10-02-2021

Section 10: Excess amount to be carried forward or refunded

Disentitlement for exporters of textiles, leather, carpets, surgical and sports goods on stocks

S.R.O. 538(I)/2005.- In exercise of the powers conferred by the first proviso to sub-section (1) of section 10 of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to direct that no exporter of textile and textile articles, leather and articles thereof, carpets, surgical goods and sports goods shall be entitled to claim any adjustment or refund of sales tax paid on his stocks, after the expiry of the tax period ending the 30th June, 2005.

[C. No. 1/33-STB/2005]

Procedure for refund for independent power producers (IPPs)

S.R.O. 1202(I)/2007, dated December 11, 2007.-In exercise of the powers conferred by the [1][first] proviso to sub-section (1) of section 10 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to prescribe the following procedure for refund of excess input tax against taxable supplies of electrical energy made by independent power producers (IPPs), namely:-

(a) The excess of admissible input tax over output tax during the tax periods from July 2007 to [2][March 2008] shall be paid as refund under this notification;

(b) the refund claims with supportive documents shall be filed by the registered person by the [3][30th April] 2008;

(c) the refund claims under this notification shall be submitted, processed and sanctioned in the same manner as provided for in Chapter V of the Sales Tax Rules, 2006;

(d) the refund claims shall be sanctioned within thirty days of filing of supportive documents for the claim;

(e) the amount claimed as refund under this notification shall not be reflected in the monthly sales tax return for January 2008 as input tax credit brought forward; and

(f) the refund claimants shall submit an undertaking to the effect that the amount claimed as refund has not been previously adjusted against output tax.

[C. No. 2(77)ST-L&P/95]

[1]Substituted for "second" by SRO 37(I)/2008, dated January 09, 2008.
[2]Substituted for "December 2007" by SRO 204(I)/2008, dated March 04, 2008.
[3]Substituted for "31st January" by SRO 204(I)/2008, dated March 04, 2008.

1-192-15-07-19

Refund for OEMs on supplies of vehicles

S.R.O. 1203(I)/2007, dated December 11, 2007.-In exercise of the powers conferred by the [1][first] proviso to sub-section (1) of section 10 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to prescribe the following procedure for refund of excess input tax against taxable supplies of vehicles falling in PCT heading 87.03 by original equipment manufacturers (OEMs), namely:-

(a) The excess of admissible input tax over output tax during the tax periods from July 2007 to December 2007 shall be paid as refund under this notification;

(b) the refund claims with supportive documents shall be filed by the registered person by the 31st January 2008;

(c) the refund claims under this notification shall be submitted, processed and sanctioned in the same manner as provided for in Chapter V of the Sales Tax Rules, 2006;

(d) the refund claims shall be sanctioned within thirty days of filing of supportive documents for the claim;

(e) the amount claimed as refund under this notification shall not be reflected in the monthly sales tax return for January 2008 as input tax credit brought forward; and

(f) the refund claimants shall submit an undertaking to the effect that the amount claimed as refund has not been previously adjusted against output tax.

[C. No. 2(77)ST-L&P/95]

[1]Substituted for "second" by SRO 38(I)/2007, dated January 09, 2008.

Section 13: Application of 8pc Sales Tax on local supplies of sugar

S.R.O. (I)/2009, dated August 23, 2009.– In exercise of the powers conferred by clause (a) of sub section (2) of Section 13 of Sales Tax Act, 1990, the Federal Government is pleased to direct that sales tax on local supplies of sugar shall be charged at the rate of eight per cent with immediate effect and until further orders.

[F. No. 1(3)STM/2004 (Pt-II)]

1-192-15-07-19

Section 15: Application for registration

Registration on commencement of S.T. Act, 1990

S.R.O. 1158(I)/90, dated November 10, 1990.– In exercise of the powers conferred by sub-section (2) of Section 15 of the Sales Tax (Amendment) Act, 1990, the Federal Government is pleased to specify the 30th November, 1990, to be the date by which a person required to be registered on the commencement of this Act shall apply for registration.

Supply by importers, wholesalers and distributors

S.R.O. 554(I)/96, dated July 1, 1996.– In exercise of powers conferred under proviso to sub-section (1) of section 22 of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to prescribe the following records to be maintained and kept by the registered importers, distributors and wholesalers making supply of taxed goods without charging output tax on such supplies, namely:–

(a) record of goods sold indicating the description, quantity and value of goods, name, address and registration number, if any of the person to whom goods were sold;

(b) record of goods purchased indicating the description, quantity and value of goods, name, address and registration number of the suppliers and the amount of tax paid on purchases;

(c) bill of entry and tax invoice relating to the goods purchased; replacement invoice for the goods sold indicating the amount of tax paid thereon at the previous stage; and

(d) inventory records.

———————

Section 23: Tax invoices

Replacement invoice particulars

S.R.O. 553(I)/96, dated July 1, 1996.– In exercise of powers conferred by section 23 of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to specify that the replacement invoice issued by the registered importers, distributors and wholesalers making taxed supplies without charging output tax shall be serially numbered and include the following particulars, namely:–

(a) name, address and registration number of the supplier;
(b) name, address and registration number of the buyer;
(c) date of issue of the invoice;
(d) description and quantity of goods;
(e) value; and
(f) amount of input tax (*i.e.* tax paid at the previous stage).

Standardized format for Invoices

S.R.O. 1006(I)/2021, dated August 09, 2021.– In exercise of the powers conferred by the first proviso to sub-section (1) of section 23 of the Sales Tax Act 1990, the Federal Board of Revenue is pleased to specify as under a standardized format for invoices issued under sub-rules (5) and (6) of rule 150ZEB of the Sales Tax Rules 2006, namely:-

The following information *interalia* is required to be clearly printed on every invoice issued through all Point of Sale (PoS) systems integrated with FBR, namely:-

(A) Business information:-
  (i) business name or brand name;
  (ii) complete address of the business location;
  (iii) FBR's Sales Tax Registration Number (STRN) and National Tax Number (NTN);
  (iv) name of the Tax Office / Formation, the business is registered at; and
  (v) unique PoS registration number;

(B) Invoice details:-
  (i) unique sequential invoice number;
  (ii) date and time of sale;
  (iii) mode of payment (cash, credit or debit card, cheque or gift vouchers); and
  (iv) optional for business to business (B2B): Name of the buyer / customer / service recipient. (Name is recorded when the customer is liable for the tax or credit or invoice value is above Rs.100,000/-);

1-210-20-08-2021

(C) Transaction details:-

(i) item-wise description of goods or service and (unit) price exclusive of tax;

(ii) tax rate for each item (item wise breakdown of tax rate. Apply 0% if an item is exempt);

(iii) item-wise quantity of goods;

(iv) tax amount;

(v) total sale value;

(vi) tax charged on the invoice;

(vii) discounts, if any;

(viii) PoS service fee of Re.1/- per invoice;

(ix) total payable amount; and

(x) total received amount; and

(D) FBR details:-

(i) FBR fiscal invoice number (XXXXXX-DDMMYYHHMMSS-0001);

(ii) logo of FBR's PoS invoicing system;

(iii) verifiable QR code. dimensions: 7X7MM; and

(iv) statement in legible font and size: "Verify this invoice through FBR Tax Asaan Mobile App or SMS at 9966 and win exciting prizes in draw".

2. A sample invoice is appended herewith for ease of sreplication.

Your Logo Here

Business Name

Address:

STRN/NTN:

Tax Formation:

PoS No.:

Invoice #:

13/07/2021 09:09:43 PM

Cashier A B C

Mode of Payment:

Name/CNIC/NTN of the buyer (Optional for B2B)

#	Description	Price	GST Rate	Qty	GST	Total
1	Item Name	Rs.123	7.5	1	9.23	132.23
2	Item Name	Rs.123	7.5	1	9.23	132.23
3	Item Name	Rs.123	7.5	1	9.23	132.23
4	Item Name	Rs.123	7.5	1	9.23	132.23

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5	Item Name	Rs.123	7.5	1	9.23	132.23

Total Amount: Rs. 000.00

Sales Tax: Rs.00.00

Discount (if any): Rs. 00.00

PoS Service Fee: Rs. 1.000

Payable: Rs. 00.00

Received: Rs. 00.00

FBR Invoice #

327788665512301/07/2021

Verify this invoice through FBR TaxAsaan MobileApp or SMS at 9966 and win exciting prizes in draw

PoSSoftware by:

[F.No.05/POS/IR/2021]

(Ali Mohammad)
Secretary (ST & FE-Policy)

Section 26: Monthly Returns

Petroleum companies monthly payment date

S.R.O. 88(I)/2002, dated February 11, 2002.– In exercise of the powers conferred by clause (9) of section 2 of the Sales Tax Act, 1990, the Federal Government is pleased to specify,* the twenty-fifth day of the month following the tax period for the purpose of payment of sales tax on petroleum product**, by the petroleum exploration and production companies in terms of section 26 of the said Act.

1-197-31-01-2020

Directorate General of Intelligence and Investigation-Inland Revenue

S.R.O. 776(I)/2011, Islamabad, the 19th August, 2011.- In exercise of the powers conferred by sections 30 and 30E of the Sales Tax Act, 1990 and in supersession of its Notification No. S.R.O. 56(I)/2010, dated the 02nd February, 2010, the Federal Board of Revenue is pleased to appoint the following officers of the Directorate General of Intelligence and Investigation, Inland Revenue, specified in column (2) of the Table below, to exercise powers of the officers specified in column (3) of the said Table and discharge such duties in relation to any case or class of cases, falling under the provisions of the said Act, as specified in column (4) of that Table, namely:-

TABLE

S. No.	Designation of officer	Designation of officer of Inland Revenue	Provisions of the Sales Tax Act, 1990
(1)	(2)	(3)	(4)
1.	Director General Intelligence and Investigation Inland Revenue or Director Intelligence and Investigation Inland Revenue	Chief Commissioner Inland Revenue or Commissioner Inland Revenue	sections 25, 25A, 25AA, 31, 32, 37, 37A, 37B, 38, 38A, 38B, 40, 45B, 46 and 47
2.	Additional Director Intelligence and Investigation Inland Revenue	Additional Commissioner Inland Revenue	sections 25, 25A, 31, 37, 37A, 37B, 38, 38B, 40, 45B, 46 and 47
3.	Deputy Director Intelligence and Investigation Inland Revenue or Assistant Director Intelligence and Investigation Inland Revenue	Deputy Commissioner Inland Revenue or Assistant Commissioner Inland Revenue	sections 25, 25A, 31, 37, 37A, 37B, 38, 38B and 40
4.	Superintendent Intelligence and Investigation Inland Revenue or Intelligence and Investigation Inland Revenue Auditor Officer	Superintendent Inland Revenue or Inland Revenue Audit Officer	sections 25, 25A, and 37
5.	Deputy Superintendent Intelligence and Investigation Inland Revenue or Intelligence and Investigation Auditor Inland Revenue	Deputy Superintendent Inland Revenue Auditor Inland Revenue	sections 25, 25A, and 37

[C. No.3(3)/ST-L&P/07]

1-113-30-08-11

Powers entrusted to bankers

S.R.O. 1196(I)/95, dated December 24, 1995.– In exercise of the powers conferred by clause (8) of section 2 of the Central Excises Act, 1944 (I of 1944), section 6 of the Customs Act, 1969 (IV of 1969), and section 30 of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to entrust, subject to such limitations and restrictions specified in the rules made in this behalf, to the officers of State Bank of Pakistan and Scheduled Banks specified in the column (1) of the Table below such functions of Central Excise Officer, Officer of Customs and Officer of Sales Tax, under the provisions of the said Acts and Rules as are specified in column (2) of that Table:–

TABLE

Officers.	Provisions of the Act/Rules
1	2
Attorney-holders and managers of the State Bank of Pakistan and Scheduled Banks.	(i) Rule 12A(5) of the Central Excise Rules, 1944; (ii) Section 21(c) of the Customs Act, 1969; and (iii) Section 61 of the Sales Tax Act, 1990.

[1]Table substituted by SRO 1354(I)/98, dated 8th December, 1998. Earlier it was substituted by Notification No. SRO 11(I)/96, dated January 4, 1996.

Jurisdiction of Collectors of Sales Tax

S.R.O. 1160(I)/96, dated October 6, 1996.– In exercise of the powers conferred by sections 30 and 31 of the Sales Tax Act, 1990, and in supersession of its notifications numbering S.R.O. 772(I)/95, dated the 1st August 1995, and S.R.O. 557(I)/96, dated the 1st July, 1996, the Central Board of Revenue is pleased to appoint–

(i) the officers specified in column (2) of the table below to be the Collector of Sales Tax for the area specified in column (3) thereof; and

(ii) Additional Collectors, [1][Cost Accountants,] Deputy Collectors, Assistant Collectors, Superintendents, Senior Auditors, Deputy Superintendents and Auditors of Sales Tax in the respective Collectorates to be the officers of sales tax for those areas.

TABLE

S.No.	Officer	Areas
(1)	(2)	(3)
[2] [		]
[3] [		]
[4] [		]
[5] [		]

[1]Words and comma inserted by SRO 547(I)/2003, dated June 17, 2003.
[2]S.No. 1 and related entries deleted by SRO 997(I)/2007, dated October 01, 2007.
[3]S.No. 2 and related entries deleted by SRO 994(I)/2007, dated October 01, 2007.
[4] S.No. 3 and related entries deleted by SRO 1196(I)/2007, dated December 08, 2007.
[5]S.No. 4 and 5 and related entries deleted by SRO 28(I)/2007, dated January 10, 2007. The amendment shall be deemed to have been made on January 01, 2007.

1-113-30-08-11

[1] [ ]

[2] [ ]

[3] [ ]

[4] [ ]

Powers to Collectors of Customs

S.R.O. 41(I)/2000, dated February 1, 2000.– In exercise of the powers conferred by section 3 of the Customs Act, 1969 (IV of 1969), and sections 30 and 31 of the Sales Tax Act, 1990, and in supersession of its Notification No. S.R.O. 431(I)/98, dated the 30th April, 1998, the Central Board of Revenue is pleased to appoint–

(1) the officers specified in column (2) of the Schedule below to be the Collectors of Customs for the areas specified in the corresponding column (3) thereof; and

(2) the Additional Collectors, the Deputy Collectors, Assistant Collectors, Principal Appraisers, Appraisers, Superintendents, Senior Auditors, Deputy Superintendents, Auditors, Inspectors of Preventive Service and Preventive Officers, Examiners, Inspectors and officers of Ministerial Department, in the respective Custom Houses and the Collectorates, to be officers of Customs and Sales Tax for those areas.

SCHEDULE

S.No.	Designations of officers	Areas of jurisdiction
1	2	3
[5][1.	Collector of Customs (Appraisement), Custom House, Karachi.	All matters including imports, transshipment, transit and warehousing relating to Custom House, Karachi, the Port of Karachi and Al-Hamd International Containers Terminal but excluding the work assigned to Model Customs Collectorate, Karachi, Collectorate of Customs (Preventive), Collectorate of Customs (Exports), Port Muhammad Bin Qasim, Karachi.
2.	Collector of Customs (Preventive), Custom House, Karachi.	All matters relating to the following in the Civil Division of Karachi, the Port of Karachi including Fish Harbour and AICT, Postal Appraisement at GPO, Karachi, Ibrahim Hydery, the Pakistan Customs Waters, Quaid-e-Azam International Airport, Karachi, Faisal Airbase and Masroor Airbase, Karachi, Lasbella District and Thatta District but excluding the Karachi International Containers Terminal, namely:–

[1]S.No. 6 and related entries deleted by SRO 221(I)/2008, dated March 04, 2008.
[2]S.No. 7 and related entries deleted by SRO 1068(I)/2007, dated October 31, 2007.
[3]Serial Nos. (8) & (9) and entries relating thereto omitted by Notification SRO 833(I)/2003, dated August 27, 2003.
[4]S.No. 10 and related entries deleted by SRO 219(I)/2008, dated March 04, 2008.
[5]Sr. No. 1, 2 and 3 and entries relating thereto, substituted by Notification No. SRO 542(I)/2004, dated June 29, 2004.

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		(i) Preventive Divisions at East and West Wharves; (ii) Unaccompanied Baggage Sections t East and West wharves and N.M.B. Wharf; (iii) Passenger traffic at East and West wharves; (iv) anti-smuggling Organization; (v) Drug Enforcement Cell; (vi) Postal Appraisement Department; (vii) Duty Free Shops; (viii) work at the Quaid-e-Azam International Airport Karachi, relating to imports, warehouses operated or owned by Airlines, accompanied or unaccompanied baggage, International passenger traffic and related preventive work; (ix) bulk oil imports; and (x) diplomatic bonded warehouses.
3.	Collector of Customs (Exports), Customs House, Karachi.	All matters relating to the following in the Civil Division of Karachi, Port of Karachi, Port Muhammad Bin Qasim and Quahid-e-Azim International Airport, Karachi but excluding Karachi International Containers Terminal, namely:- (i) E.G.M. Section, Custom House; (ii) Export Rebate Section; (iii) Manufacturing Warehouses (Open Bonds Scheme); (iv) Manufacturing Bond Group; (v) Industrial Survey Section; (vi) Export Processing Section, West Wharf excluding Karachi International Containers Terminal; (vii) Export Processing Section, East Wharf; (viii) Export Processing Section, M.I. Yard; (ix) Export Processing Zone, Landhi; (x) Export Processing Group at the Quadi-e-Azam International Airport Karach; (xi) Duty and Tax Remission for Export (DTRE) scheme; (xii) temporary importation; and (xiii) all other matters relating to export work.]

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1-11-20-09-03

[1][3A.	Model Collectorate of Customs, Karachi.	(i) All Customs work relating to import and export of cargo, baggage, transit, transshipment, warehousing, ship clearance, boarding and rummaging and monitoring of gates including anti-smuggling and drug enforcement functions through the Karachi International Containers Terminal; (ii) maintenance of centralized data regarding the particulars of survey certificates for whole of Karachi in the form and manner and to the extent as may be prescribed from time to time; (iii) maintenance of centralized data regarding particulars of licences of agents for the whole of Karachi in the form and manner and to the extent as may be prescribed from time to time; and (iv) maintenance of centralized data regarding particulars of licences granted to warehouses for whole of Karachi and for private warehouses for whole of Pakistan in the form and manner and to the extent as may be prescribed from time to time.]
4.	Collector of Customs, Port Muhammad Bin Qasim, Karachi.	(i) All matters relating to imports and examination of import goods in Port Qasim; and (ii) anti-smuggling or preventive jurisdiction in areas along the coast from Port Qasim to Thatta up to the eastern tip of Pakistan-India border.
5.	Collector of Customs, Sales Tax and Central Excise, Hyderabad.	The Province of Sind excluding the Civil Division of Karachi and anti-smuggling in district of Thatta, and the Ports of Keti Bunder, Shah Bunder and Sokhi Bunder but including the following, namely:- (i) the Nawabshah Airport; (ii) the Rohri Railway Station customs-station; (iii) the Hyderabad Railway Station customs-station; (iv) the Ghotki Railway Station customs-station; (v) the Khokrapar customs-station; (vi) the Mirpur Mathelo Railway Station customs-station; (vii) the Chhor custom-station; and (viii) the Gadro customs-station.
6.	Collector of Customs, Sales Tax and Central Excise, Quetta.	The Province of Baluchistan, and the Provincially Administered Tribal Areas of Baluchistan, and the Pakistan Customs Waters including the following, namely:-

[1]Sr. No. 3A and entries relating thereto inserted by Notification No. SRO 542(I)/2004, dated June 29, 2004.

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6.		(i) the customs-airports at Quetta, Jiwani, Gwadar and Pasni; (ii) the customs-ports of Gadani, Sonmiani, Ormara, Pasni, Gwadar and Jiwani; (iii) the customs-port at Quetta; (iv) the customs-port at Chaman; (v) the Taftan customs-station; (vi) the Suntar customs-station; (vii) the Shaighalu customs-station; (viii) the Mand customs-station; (ix) the Gabd customs-station; (x) the Kachao customs-station; (xi) the Qila Ladghast customs-station; (xii) the Dalbandin customs-station; (xiii) the Qila Saifullah customs-station; (xiv) the Gulistan customs-station; (xv) the Nokkundi customs-station; and (xvi) the Zhob customs-station.
7.	Collector of Customs, Peshawar.	The North-West Frontier Province including the Provincially Administered Tribal Areas thereof, the Federally Administered Tribal Areas and the following, namely:– (i) the customs-airport, Peshawar; (ii) the Peshawar Airbase at Peshawar; (iii) the customs-port at Railway Station, Peshawar. (iv) the Shabqadar customs-station; (v) the Transit Stand Peshawar Cantonment Railway customs-station; (vi) the Transit Stand Peshawar City Railway Station customs-station.* (vii) the Bakka Khel customs-station; (viii) the customs-port at Aza Khel; (ix) the Tank customs-station; (x) the Thall customs-station; (xi) the Torkham customs-station; (xii) the Container Freight Stations, Amangarh; (xiii) the Michni Bridge customs-station; (xiv) the Shah Alam Bridge customs-station (xv) the Nagoman Bridge customs-station; and (xvi) the Adezai Bridge customs-station.
8.	Collector of Customs, Rawalpindi.	Districts of Jhelum, Rawalpindi, Chakwal, Attock (Punjab), the Islamabad Capital Territory and the Northern Areas, including the following, namely:– *(i)* the customs-airport, Islamabad;

*should have been a semi colon instead of full stop.

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		(ii) the Gilgit customs-station; *(iii)* the Sust and Dih customs-station; *(iv)* the customs-port Chaklala, Rawalpindi; *(v)* General Post Office, Rawalpindi; *(vi)* General Post Office, Islamabad; *(vii)* Duty Free Shops, Islamabad; and *(viii)* diplomatic bonded warehouses.
9.	Collector of Customs, Lahore.	All matters relating to the following in the Commissioner's Division, Lahore, namely:– *(i)* Imports and exports at various customs-stations; *(ii)* licensing, inbonding and exbonding from Customs warehouses; *(iii)* clearance of passengers baggage at various customs-stations; *(iv)* supervision of customs warehouses; *(v)* supervision of duty free shops; *(vi)* anti-smuggling; *(vii)* all other customs related work; and *(viii)* all matters relating to export work.
10.	Collector of Customs, Sales Tax and Central Excise, Multan.	The Commissioner's Division of Dera Ghazi Khan, Bahawalpur and Multan, including the following, namely:– *(i)* the customs-airport, Multan; *(ii)* the customs-port at Multan Railway Station; and *(iii)* the customs-port located at bypass, Bahawalpur Road, Multan; and*
11.	Collector of Customs** Sambrial, Sialkot.	The Commissioner's Division of Gujranwala, including the following, namely:– (i) the customs-port at Sambrial, Sialkot; (ii) duty free shops, Sialkot; and (iii) General Post Office, Sialkot.
12.	Collector of Customs [1][ ], Faisalabad.	The Commissioner's Division of Sargodha and Faisalabad, including the following, namely:– *(i)* the customs-airport, Faisalabad; *(ii)* the customs port at Gatti Railway Station, Faisalabad;

[1]Words "and Central Excise" omitted by Notification No. SRO 477(I)/2004, dated June 12, 2004 w.e.f. July 1, 2004

*instead of "; and" there should have been a full stop.

**there should have been a comma.

(iii) the Sargodha Airbase, Sargodha;

(iv) the Rafiqui Airbase, Shor Kot;

(v) General Post Office Faisalabad; and

(vi) duty free shop, Faisalabad.

Transfer of cases to Large Taxpayers Unit

S.R.O. 557(I)/2006, dated June 05, 2006.– In exercise of the powers conferred by sub-rule(1) of rule 8 of the Sales Tax Rules, 2006, and in supersession of the Notification No. SRO 350(I)/2002, dated the 15th June, 2002, the Central Registration Office is pleased to notify that the registered persons, specified in column (2) of the Table below, shall fall within the jurisdiction of the Large Taxpayers Unit, Karachi, namely:–

Table

S.No.	Name of registered person	Registration No.
(1)	(2)	(3)
1	M/S. Abbas Engineering Ind. Ltd.	0204721300364
2	M/S. Abbott Laboratories (Pak)	0204330200291
3	M/S. Abid And Sons (Private)	1200210010337
4	M/S. Adam Lubricants Limited	0205271000182
5	M/S. Adamjee Diesel Engineering (Pakistan)	1190999921155
6	M/S. Adamjee Pharmaceutical (Pvt) Ltd	1202300000228
7	M/S. Aero Asia International (Pvt) Ltd.	1200980300146
8	M/S. Agfa Gevaert Pakistan (Pvt) Ltd.	1290999955473
9	M/S. AGP (Pvt) Ltd	1190999924046
10	M/S. Agro Processors & Atmospheric Gases (Pvt) Ltd.	0201151700273
11	M/S. Airport Hotel	1200980101982
12	M/S. Al Futtain Industries.	1200850041391
13	M/S. Al-Ameen Trading Corporation (Pvt) Ltd.	1100320405837
14	M/S. Ali Gohar & Co (Pvt) Ltd.	1200330000155
15	M/S. Allied Engineering & Services	1190999978337
16	M/S. Allwin Engineering Industries Limited.	0204870800282
17	M/S. Almurtaza Garment Machine Co.	1221999908646
18	M/S. Alumunium Processing	0206481600164
19	M/S. Amins	0206390004528
20	M/S. Amreli Steels (Pvt) Ltd.	0206721300182
21	M/S. Anford Pak (Pvt) Ltd.	0202330600191
22	M/S. Anglo Pak Pharmaceutical Laboratories	1100300400473
23	M/S. Anis Tyre Corporation	1220999979855
24	M/S. Ardin Pharmaceuticals	1200300001728
25	M/S. Asia Terminals	1200980503355
26	M/S. Atco Laboratories (Pvt) Limited	1190999926364
27	M/S. Atlas Battery.	0206282400282
28	M/S. Atlas Honda Limited	0206871100137
29	M/S. Atlas Rubber & Plastic Ind ustries (Pvt) Ltd.	0204390100128
30	M/S. Atlas Rubber & Plastic Industries (Pvt) Ltd.	0202760500264
31	M/S. Automate Industries (Pvt) Ltd.	0206852700255
32	M/S. Avari Hotels Ltd.	1200842800782
33	M/S. Avari Tower Hotel	1200980139373
34	M/S. Avari Travel Agencies (Pvt) Ltd.	1201999911973

35	M/S. Aventis Limited	0205320800564
36	M/S. B.P. Industries	0201170400464
37	M/S. Bantvawala (Private) Limited.	1190999927191
38	M/S. Barrett Hodgson Pakistan (Pvt) Ltd.	1100300400391
39	M/S. BASF Pakistan (Pvt) Ltd.	0204380600128
40	M/S. Bayer Cropscience (Private) Limited	1200380800128
41	M/S. Bayer Das (Private) Limited	1200380802446
42	M/S. Bayer Pakistan (Pvt) Ltd.	1290999961073
43	M/S. Beach Luxury	1200980138619
44	M/S. Beecham Pakistan Ltd.	0204330200373
45	M/S. Berger Paints Pakistan Ltd.	0202320800755
46	M/S. Bhnero Energy Ltd.	1200840006419
47	M/S. BOC Pakistan Limited.	0206280400228
48	M/S. Bosch Pharmaceuticals (Pvt) Ltd.	1201300000337
49	M/S. Bristol-Myers Squibb Pakistan (Pvt) Ltd.	1201300000564
50	M/S. Brookes Pharmaceutical Laboratories Pakistan Ltd	1202300000164
51	M/S. Burma Oil Mills	0206151900128
52	M/S. Buxly Paints Ltd	0202320802164
53	M/S. Caltex Oil Pakistan Company	0205271000837
54	M/S. Cathay Pacific Airways Ltd.	1201999922864
55	M/S. Catts Pharmaceuticals (Pvt) Ltd.	1200300001982
56	M/S. Century Publications (Pvt) Ltd.	1200481005528
57	M/S. Clariant Pakistan Ltd.	1200290078346
58	M/S. Coates Lorilleux Pakistan Limited	1200321500764
59	M/S. Coca Cola Beverages Pakistan (Pvt) Ltd.	1103220200282
60	M/S. Continental Biscuits Ltd.	0102190500273
61	M/S. Corn Pak Limited	1201853900119
62	M/S. Corn Pak Limited	0205700400128
63	M/S. Cyber Internet Services (Pvt) Ltd.	1200851700628
64	M/S. Dadex Eternit Ltd.	0202252300264
65	M/S. Dawlance Private Limited	0204841800291
66	M/S. Dawood Corporation (Pvt) Ltd.	1200291200664
67	M/S. Dentogen Laboratory Ltd.	0202330201619
68	M/S. Dewan Farooque Motors Ltd.	1200870838346
69	M/S. Dewan Steel Mills	0202721300537
70	M/S. DHL Pakistan (Private) Ltd.	1200980800437
71	M/S. Disctech Media (Pvt) Ltd.	1100852300573
72	M/S. Distribution Services (Pvt) Ltd.	1200240200228
73	M/S. Dr. Hamid General Homoeo (Pvt) Ltd.	1200300409073
74	M/S. Eirad Co. Limited	1200150000664
75	M/S. Eli Lilly – Gohar (Pvt) Ltd.	1190999931628
76	M/S. Elko Organization (Pvt) Ltd.	1200300000737
77	M/S. English Biscuits (Pvt) Ltd.	0205190500155
78	M/S. Engro Asahi Polymer & Chemical (Pvt) Ltd.	1200391100246
79	M/S. Engro Chemical Pakistan Ltd.	1200280005419
80	M/S. Epla Laboratories (Private) Limited	1100300000255
81	M/S. Epoch Pharmaceuticals	1121999916082
82	M/S. Eros Pharmaceuticals (Pvt) Ltd	. 1201300000491
83	M/S. Evershine Industry	0201731000564
84	M/S. Evershine Industry	1190999970728
85	M/S. Evian Fats & Oils (Pvt) Ltd	. 1203151900191
86	M/S. Exide (Pakistan) Ltd	. 0201850700164
87	M/S. Express Distributors	1200340200791

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88	M/S. Farooq Oil Industries	. 0216280400128
89	M/S. Fatehally Chemicals	. 0201280000137
90	M/S. Fauji Oil Terminal & Distribution Co. Ltd.	1221999957982
91	M/S. Fedglobe Distribution & Marketing	1200210015128
92	M/S. First Imrooz Modaraba.	1190999935355
93	M/S. Fuji Films Pakistan (Pvt) Ltd.	1290999968264
94	M/S. Gaba Pharmaceutical Laboratories.	1100300001819
95	M/S. Garib Sons (Pvt) Ltd.	0202441000446
96	M/S. General Impex	1100210005155
97	M/S. General Traders (Pvt) Ltd.	1200900900246
98	M/S. General Tyre And Rubber Co. Ltd.	0204401200282
99	M/S. Geofman Pharmaceuticals.	0205701700337
100	M/S. Gerry's International (Pvt) Ltd.	1200980801919
101	M/S. Getz Pharma Pakistan (Pvt) Ltd.	1201300000155
102	M/S. Ghandhara Nissan Ltd.	1203870200146
103	M/S. Gillette Pakistan Limited.	1200821200119
104	M/S. Glaxo Smith Kline Pakistan Limited	0211170200128
105	M/S. Global Pharmacem (Pvt) Ltd.	1200691100191
106	M/S. Granulars (Private) Limited.	1290999969173
107	M/S. Gray Mackenzie Restaurant International Ltd.	1200210000437
108	M/S. Greaves Pakistan (Pvt) Ltd.	1200841400255
109	M/S. Gulistan Power Gen Ltd.	1200271601064
110	M/S. Habgen Guargums Limited.	0204130200155
111	M/S. Habib Oil Mills (Pvt) Ltd.	0206280400555
112	M/S. Hakimsons Chemical Industries (Pvt) Ltd.	1101701000246
113	M/S. Hamdard Laboratories Waqf	0202210600137
114	M/S. Hanaska International.	1200850001782
115	M/S. Haroon Oil Limited.	0205271000673
116	M/S. Hashoo International	1201999935819
117	M/S. Hashoo International (Pvt) Ltd.	1200100682173
118	M/S. Hashwani Hotel Limited.	1223999939655
119	M/S. Helix Pharma (Pvt) Ltd.	1101701000246
120	M/S. Herbal Life (Pvt) Ltd.	1200300407746
121	M/S. Hilton Pharma (Pvt) Ltd.	1200300000328
122	M/S. Hino Pak Motor Ltd.	0202761000373
123	M/S. Honda Atlas Power Product (Pvt) Ltd.	1200850200446
124	M/S. I.C.I Pakistan Limited.	0206280000182
125	M/S. IBL Healthcare (Pvt) Ltd.	1200190100382
126	M/S. IBM Italia S.P.A. Pakistan.	1290999972791
127	M/S. Indus Battery Industries (Private) Limited	0201850600255
128	M/S. Indus Motor Company Limited.	0204870300155
129	M/S. Indus Pharma (Pvt) Ltd.	1201300000255
130	M/S. International Brands (Pvt) Ltd.	1290999987564
131	M/S. International Industries	0204730600182
132	M/S. International Power Global Developments Limited	1201999988955
133	M/S. Interocean Cargo Services (Pvt) Ltd.	1100890500146
134	M/S. Itochu Corporation.	1220999966155
135	M/S. Jaffer Brothers (Pvt) Ltd.	1220999902873
136	M/S. Jaffer Business System (Pvt) Ltd.	1201999960891
137	M/S. Jaffer Corporation (Pvt) Ltd.	1200320001155
138	M/S. Javedan Cement	0202252300182
139	M/S. Johnson & Johnson Pak (Pvt) Ltd.	0216330000191
140	M/S. K.E.S.C.	1200271600728

141	M/S. Karachi Chemical Industries (Pvt)	1100300401128
142	M/S. Karachi International Container Terminal	1190999992355
143	M/S. Karachi Lubricants (Pvt) Ltd.	0205271000919
144	M/S. Karachi Marriott Hotel	1200980143073
145	M/S. Karachi Nuclear Power Plant (Kannup)	1100271600246
146	M/S. Karachi Pharmaceutical Laboratories	1100300001164
147	M/S. Karachi Sheraton Hotel	0210980100246
148	M/S. Karachi Sheraton Hotel And Towers	1200999900264
149	M/S. Karam Ceramic Ltd.	0202690700155
150	M/S. Karim Container.	0201731001555
151	M/S. Karim Container.	0206731000364
152	M/S. Karim Container.	1200731050964
153	M/S. Kings Food (Pvt) Ltd.	0217170400146
154	M/S. Knoll Pharmaceuticals Ltd	0205170400264
155	M/S. Kohinoor Battery Manufacturing (Pvt) Ltd.	1200850600164
156	M/S. Kohinoor Soap & Detergent (Pvt) Ltd.	1200340100119
157	M/S. Kufpec (Pakistan) Limited	1200271101437
158	M/S. Lakson Tobacco Company Limited.	0203240200219
159	M/S. Lasmo Oil Pakistan Limited.	1200271101191
160	M/S. Life Line Pharmaceuticals (Pvt) Ltd.	1100300402546
161	M/S. Lisko Pakistan (Pvt) Ltd.	1200300003319
162	M/S. Loads Limited	0205870801264
163	M/S. Lub Tech (Pvt) Limited	1200271016473
164	M/S. Lubritech Industries (Pvt) Ltd.	1100271000873
165	M/S. Lucky Energy Limited.	1200271600646
166	M/S. Malta Enterprises	1121999946937
167	M/S. Master Enterprises (Pvt) Ltd.	0201940400264
168	M/S. MCR (Pvt.) Ltd. Franchise Of Pizza Hut	1221999972246
169	M/S. Medicure Laboratories	1100300001328
170	M/S. Mehran Bottlers (Pvt) Ltd.	0202220100337
171	M/S. Merck Marker (Pvt) Ltd.	1200300000819
172	M/S. Merck Sharp & Dohme Of Pakistan Ltd.	1100300400628
173	M/S. Merit Packaging Ltd.	0216844200173
174	M/S. Metal Containers (Pvt) Ltd.	0203731000219
175	M/S. Metal Convertors	0202731000555
176	M/S. Metatex (Pvt) Ltd.	0201390002673
177	M/S. Modern Terminal Operators	1200980501291
178	M/S. Moonlite Pakistan Limited	0201630100182
179	M/S. Muller & Phipps Pakistan.	1290999943346
180	M/S. Murshid Builders (Pvt) Ltd.	1201999994637
181	M/S. NabiQasim Industries (Pvt) Ltd.	1200300001491
182	M/S. National Container.	0202731000719
183	M/S. National Foods Limited.	0201200000119
184	M/S. National Insecticides Company (Pvt)	1120999997191
185	M/S. National Petrocarbon (Pvt) Ltd.	0205280300164
186	M/S. National Refinery Limited.	0205731000528
187	M/S. Nawan Laboratories (Pvt) Ltd.	1200300051819
188	M/S. NCR Corporation.	1200846900291
189	M/S. Novartis Pharma (Pakistan) Ltd.	1200300000164
190	M/S. Occidental Petroleum (Pakistan) Ltd.	1200271101019
191	M/S. Ocean Pharmaceutical (Pvt) Ltd.	1100300000746
192	M/S. OCS Pakistan (Pvt) Limited.	1200980800355
193	M/S. Oil Industries Pakistan Ltd.	0205271001173

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194	M/S. Opan Laboratories (Pvt) Limited.	1200300001564
195	M/S. Organon Pakistan (Pvt) Ltd.	1200300002228
196	M/S. Otsuka Pakistan Limited.	1200300004064
197	M/S. Oxford University Press	1200844252446
198	M/S. Pak Grease Mfg. Co. (Pvt) Ltd.	0212271000191
199	M/S. Pak Hy-Oils Limited.	1202271400219
200	M/S. Pak Petrochemical Industries (Pvt)	1203390300119
201	M/S. Pak Suzuki Motor Company.	0214870300137
202	M/S. Pak Water Bottler (Pvt) Ltd.	0217200100128
203	M/S. Pak. Security Printing.	0204321500337
204	M/S. Pakistan Agro Chemical (Pvt) Ltd.	0206390013937
205	M/S. Pakistan Air-Conditioning Refrigeration Co.	0201841500337
206	M/S. Pakistan Beverages Ltd.	0204220200146
207	M/S. Pakistan Cables Limited.	0202760500182
208	M/S. Pakistan Dairy Products (Pvt) Ltd.	0205210500119
209	M/S. Pakistan Drug House (Pvt) Ltd.	1200300400482
210	M/S. Pakistan Gum Industries (Pvt) Ltd.	0202130200255
211	M/S. Pakistan International Airline Corporation.	1220999990728
212	M/S. Pakistan Lubricants.	0205271000428
213	M/S. Pakistan Machine Tool Factory Ltd.	0204870800691
214	M/S. Pakistan Petroleum Limited.	1200271100773
215	M/S. Pakistan Pharmaceutical Products	1103300000146
216	M/S. Pakistan PTA Limited.	1200280600164
217	M/S. Pakistan Refinery Ltd.	1200270000391
218	M/S. Pakistan Services Ltd.	1222999979428
219	M/S. Pakistan Slag Cement Ind. (Pvt) Ltd.	0214252300146
220	M/S. Pakistan State Oil Co. Ltd. (W/H) (P.S.O)	0206320801546
221	M/S. Pakistan Steel Fabricating Company.	0204730800164
222	M/S. Pakistan Steel Mills Corporation.	0204721300691
223	M/S. Pakland Cement	0204252300246
224	M/S. Parke Davis & Company Ltd.	1100300000419
225	M/S. Pearl Continental Hotel Karachi.	1206999900537
226	M/S. Pearl Continental Hotel, Karachi	1200980143237
227	M/S. Peoples Steel Mills Corporation (Pvt) Ltd.	0202721300955
228	M/S. Pervaizumar Enterprise.	1200980516973
229	M/S. Petroleum Packages	1202731000119
230	M/S. Petromark (Pvt) Ltd.	0212271000419
231	M/S. Pfizer Laboratories Limited.	1100300400546
232	M/S. Pharma Wilton	1100300408582
233	M/S. Pharmatec Pakistan (Pvt) Ltd.	1101210000155
234	M/S. Pharmevo (Pvt) Limited.	1200840021755
235	M/S. Philips Electrical Industries Of Pakistan.	0201852800291
236	M/S. Phoenix Armour (Pvt) Ltd.	1200851200428
237	M/S. PIA Printing Press	0215844201091
238	M/S. PIAC General Manager (Revenue)	1200980300482
239	M/S. Platinum Pharmaceutical (Pvt) Ltd.	1203300000137
240	M/S. Precision Engineering Complex PIAC	1200880300573
241	M/S. Premier Distributors	1200090000728
242	M/S. Premier Industries	0203854500346
243	M/S. Procon Engineering (Pvt) Ltd.	0201870801873
244	M/S. Procter & Gamble Pakistan (Pvt) Ltd.	1100340200473
245	M/S. Qasim International Container	1200980587837
246	M/S. Qureshi Pharma (Pvt) Ltd.	1121999975555
247	M/S. Razzaque Basit Oil Industries (Pvt) Ltd.	0216280400382

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248	M/S. Reckitt Benckiser Pakistan Ltd.	0206340500155
249	M/S. Refrigerator Manufacturing Co. Pakistan Ltd.	0206841800191
250	M/S. Regent Laboratories	1200300002819
251	M/S. Regent Plaza (Pakistan Hotel Developers) Ltd.	1200980100328
252	M/S. Regent Plaza (Pakistan Hotel Developers) Ltd.	1200980136891
253	M/S. Risma Laboratories	1190999956219
254	M/S. Roche Pakistan Limited.	1200300000246
255	M/S. S.G. Power Ltd.	1100271600573
256	M/S. Saima Packages	0217844200573
257	M/S. Sami Pharmaceuticals (Pvt) Ltd.	1100300400219
258	M/S. Sapphire Energy Limited.	1200271600319
259	M/S. Sara Lee Kiwi Pakistan (Pvt) Limited	0206340500237
260	M/S. Seaboard Services.	1200980500955
261	M/S. Searle Pakistan (Private) Ltd.	0201210000282
262	M/S. Security Papers Limited.	0204481600264
263	M/S. Semos Pharmaceuticals (Pvt) Ltd.	1100300001246
264	M/S. Shabbir Tiles & Ceramics.	0204690700137
265	M/S. Shaheen Air International	1220999965991
266	M/S. Shahnawaz Limited.	1120999933573
267	M/S. Shahsons (Private) Limited.	1100481700128
268	M/S. Shams Petrochemical (Private) Limited.	1200290081219
269	M/S. Shell Gas Lpg (Pakistan) Ltd.	1200731100219
270	M/S. Shell Pakistan Limited	0205271000346
271	M/S. Shirazi Trading Company (Pvt) Ltd.	1200900900164
272	M/S. Shoa (Pvt) Ltd.	1221999979682
273	M/S. Shujabad Agro Industries (Pvt) Ltd.	1100230600873
274	M/S. Sicpa Inks Pakistan (Pvt) Ltd.	1204321500155
275	M/S. Siemens Pakistan Ltd.	0202850200364
276	M/S. Sind Engineering (Pvt) Ltd.	0211870700128
277	M/S. Singer Pak. Limited.	0205845000191
278	M/S. Siza Foods (Pvt) Ltd.	1200820500282
279	M/S. Specific Research Laboratories.	1100300000828
280	M/S. Spencer Pharma (Pvt) Limited	1100300000337
281	M/S. Sui-Southern Gas Company Ltd.	0204902800119
282	M/S. Suzuki Motor Cycles Pakistan Ltd.	0206871100219
283	M/S. Swiss Pharmaceuticals (Pvt) Ltd.	1121999913019
284	M/S. Syngenta Pakistan Limited.	1100380800119
285	M/S. Tabani In!3tries (Pvt) Ltd.	1200320002482
286	M/S. Tableware Technology (Pvt) Ltd.	1200390091019
287	M/S. Tabros Pharma	1100300000664
288	M/S. Tapal Tea (Pvt) Ltd.	1202090200137
289	M/S. Tayyebi Dawakhawana (Private) Limited	1100300401791
290	M/S. TCS (Private) Limited.	1200980800273
291	M/S. Telecard Limited.	1220999922755
292	M/S. Teleworld Marketing (Pvt) Ltd.	1200980200646
293	M/S. Thal Jute Mills Ltd (Thal Engineering Division)	1201841500164
294	M/S. TNT Express Worldwide Pakistan (Pvt) Ltd.	1200980135073
295	M/S. Tourism Promotion Services (Pakistan)	1200980132673
296	M/S. Transpak Corporation Limited.	0214960300128
297	M/S. Tri Pack Films Ltd.	0507370500182
298	M/S. UDL Distribution (Pvt) Ltd.	1200300049782
299	M/S. Umer Bilal Indus.(Pvt) Ltd.	0217280400119
300	M/S. Unilever Pakistan Limited	1200210548755
301	M/S. Union Chemical Ind. (Pvt)	0204381100155

302	M/S. Union Texas Pakistan Inc.	1200271100937
303	M/S. United Spectrum (Pvt) Ltd.	1222999903355
304	M/S. United Trading	0204330201282
305	M/S. Universal Chemical Ind. (Pvt) Ltd.	0202280000791
306	M/S. Valika Pharmaceuticals (Pvt) Ltd.	1200300052073
307	M/S. Venus Distributors (Pvt) Ltd.	1200840018137
308	M/S. Veterinary Pharmaceutical Services (Pvt	1200840023655
309	M/S. Vikor Enterprises (Pvt) Ltd.	1200390700382
310	M/S. W. Woodward Pakistan (Pvt) Ltd.	1100300001737
311	M/S. Wyeth Pakistan Ltd.	1190999930228
312	M/S. Zafa Pharmaceutical Laboratories (Pvt) Ltd.	0203210600382
313	M/S. Zain Packaging Industries (Pvt) Ltd.	0204844200291
314	M/S. Zamin Containers Industries.	0202731000637
315	M/S. Zephyr Pharmatech (Pvt) Limited.	1100300402291
[1][316	M/s TOTAL Atlas Lubricants Pakistan (Pvt) Ltd.	0309271000391
317	M/s Trakker (Pvt) Limited.	1223999903428]

[C. No. 3(1)ST-L&P/2006]

Jurisdiction of Collectors (Appeals)

SRO 07(I)/2005, dated January 1, 2005.– In exercise of the powers conferred by section 3 of the Customs Act, 1969 (IV of 1969), section 30 of the Sales Tax Act, 1990 and section 2(8) of the Central Excises Act, 1944 read with rule 4 of the Central Excise Rules, 1944, and in supersession of its Notification No.S.R.O.380(I)/2002 dated 15.06.2002 the Central Board of Revenue is pleased to appoint the officers specified in column (2) of the table below to be the Collectors (Appeals) for deciding appeals against the orders of the officers below the rank of Additional Collectors in respect of the organisations specified in column (3) thereof:–

TABLE

S. No.	Officers	Organisation
(1)	(2)	(3)
1.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Karachi-I	(i) Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Karachi-I. (ii) Collectorate of Customs Appraisement), Karachi. (iii) Collectorate of Customs, Port Muhammad Bin Qasim, Karachi. (iv) Office of [2][Director] of Customs Valuation, Karachi.
2.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Karachi-II	(i) Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Karachi-II. (ii) Collectorate of Customs (Exports), Karachi. (iii) Collectorate of Customs, (Preventive), Karachi.

1-51-02-10-06

[1]Serial nos. "316 and 317" inserted by SRO 1015(I)/2006, dated September 29, 2006

[2]Substituted for "Collector" by Corrigendum dated January 8, 2005.

3.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Karachi-III.		[1][i. Sales Tax House, Karachi. [1][ii. Large Tax Payers Unit, Karachi.]
4.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Quetta.	(i) (ii)	Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Quetta. Collectorate of Customs, Sales Tax and Central Excise , Quetta.
5.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Faisalabad.	(i) (ii) (iii) (iv)	Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Faisalabad. Collectorate of Customs, Faisalabad. Collectorate of Sales Tax and Central Excise, Faisalabad.
6.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Lahore-II.	(i) (ii) (iii) (iv) (v) [3][(vi)	Collectorate of Customs, Sales Tax and Central (Adjudication), Lahore. Collectorate of Sales Tax and Central Excise, Lahore. Collectorate of [2][Customs], Lahore. Collectorate of Sales Tax and Central Excise, Gujranwala. Collectorate of Customs, Sambrial / Sialkot. Large Tax Payers Unit, Lahore.]
[4][6A.	Collector of Customs, Sales Tax and Central Excise (Appeals) III), Lahore.		Such cases as may be assigned by the Central Board of Revenue.]
7.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Rawalpindi.	(i) (ii) (iii)	Collectorate of Sales Tax and Central Excise (Adjudication), Rawalpindi. Collectorate of Customs and Central Excise, Rawalpindi. Collectorate of Sales Tax, Rawalpindi.
8.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Peshawar.	(i) (ii) (iii)	Collectorate of Customs, Sales Tax & Central Excise (Adjudication) Peshawar. Collectorate of Customs Peshawar. Collectorate of Sales Tax and Central Excise, Peshawar.

[1]Item numbered as "i" and item "ii" inserted by SRO 236(I)/2005, dt. March 15, 2005.

[2]Substituted for "Sales Tax" by SRO 236(I)/2005, dt. March 15, 2005.

[3]Entry (iv) inserted by SRO 236(I)/2005, dt. March 15, 2005.

[4]S.No. 6A and entries related thereto inserted by SRO 236(I)/2005, dt. March 15, 2005.

9.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Hyderabad.	(i) (ii)	Collectorate of Customs Sales Tax & Central Excise (Adjudication) Hyderabad. Collectorate of Customs, Sales Tax and Central Excise, Hyderabad.
10.	Collector, Collectorate of Customs, Sales Tax & Central Excise (Adjudication), Multan.	(i) (ii)	Collectorate of Customs Central Excise (Adjudication) Multan. Collectorate of Customs, Sales Tax and Central Excise, Multan.

Transfer of cases to LTU Lahore

S.R.O. 558(I)/2006, June 05, 2006.– In exercise of the powers conferred by sub-rule(1) of rule 8 of the Sales Tax Rules, 2006, and in supersession of the Notification No. SRO 529(I)/2005, dated the 6 th June, 2005, the Central Registration Office is pleased to notify that the registered persons specified in the Table below, shall fall within the jurisdiction of the Large Taxpayers Unit, Lahore, namely:–

TABLE

S.No.	Name of Registered Person	Registration No.
(1)	(2)	(3)
1	M/s ABDULLAH SUGAR MILLS LIMITED	0301170300128
2	M/s ALI EMBROIDERY MILLS (PVT) LTD	0308581000328
3	M/s ALLIED MARKETING (PVT) LIMITED	0304240200119
4	M/s AL-NASR TEXTILES LIMITED	0304520504273
5	M/s ARUJ TEXTILE MILLS LIMITED	0305520202391
6	M/s ASIAN FOOD INDUSTRIES LTD	0304210000655
7	M/s ATS SYNTHENTIC (PRIVATE) LIMITED.	1404411100164
8	M/s AUTOMOTIVE COMPONENTS LTD	0307870801237
9	M/s AVARI LAHORE	0309980109019
10	M/s AVARI LAHORE	0305999900555
11	M/s BATA PAKISTAN LTD.	0303640000564
12	M/s BECTON DICKINSON PAKISTAN (PVT) LTD.	0301901800155
13	M/s BORJAN (PVT) LIMITED	0302640100982
14	M/s BROTHERS SUGAR MILLS LIMITED	0305170300264
15	M/s CENTURY PAPER & BOARD MILLS LTD	0305490000391
16	M/s CH. SUGAR MILLS LTD.	0405230200446
17	M/s CHAKWAL TEXTILE MILLS LIMITED	0705520200373
18	M/s COATES LORILLEUX PAKISTAN LTD.	0306321000191
19	M/s COCA COLA EXPORT CORPORATION	0306210800164
20	M/s COCA-COLA BEVERAGES PAKISTAN LIMITED	0301220201155
21	M/s COOL INDUSTRIES (PVT) LTD	0306841800346
22	M/s CRESCENT ART FABRICS (PVT) LTD	0308411100237
23	M/s D.G. KHAN CEMENT CO. LTD.	0402252300164
24	M/s DAWOOD HERCULES CHEMICAL LTD.	0308281400191
25	M/s DESCON ENGINEERING (PVT) LTD	0305730800146

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26	M/s DYNASEL (PVT) LIMITED	0306851700182
27	M/s EJAZ SPINNING MILLS LTD.	0308520205173
28	M/s EMCO INDUSTRIES LIMITED	0308690700182
29	M/s ESCORTS PAKISTAN LIMITED	0305902800191
30	M/s FAROOQ HABIB TEXTILE MILLS	0305520204264
31	M/s FAUJI SUGAR MILLS	0308230200182
32	M/s FAZAL DIN & SONS (PRIVATE) LIMITED	0390999985673
33	M/s FINE GAS COMPANY LIMITED	0307280400128
34	M/s FLYING BOARD & PAPER PRODUCTS LTD	0308480200682
35	M/s FLYING PAPER INDUSTRIES LTD.	0308480200191
36	M/s FMC UNITED (PRIVATE) LIMITED	0304380800191
37	M/s GENERTECH PAKISTAN LIMITED	0392999916937
38	M/s GHAZI POWER LIMITED	0304850001837
39	M/s GOLDEN TEXTILE MILLS LIMITED	0305520211128
40	M/s HALEEB FOODS LIMITED (CDL FOOD)	0306040100146
41	M/s HAMDARD LABORATORIES (WAQF) PAKISTAN	0307210600173
42	M/S Haseeb Waqas Engineering Ltd.	0304843800246
43	M/S Haseeb Waqas Sugar Mill Limited	0308230200264
44	M/S Haseen Habib Corporation (Pvt) Ltd	0307870500191
45	M/S Highnoon Labotatories Limited.	0305330600155
46	M/S Honda Atlas Cars (Pakistan) Limited.	0305870300137
47	M/S Hospitality Enterprises	0304980100473
48	M/S Hussain Sugar Mills Ltd	0404170300182
49	M/S Hybird Technics (Pvt) Ltd	0307870800819
50	M/S Imporient Chemicals (Pvt) Limited	0390999965873
51	M/S Innovative Private Limited	0391999972046
52	M/S Ittefaq Sugar Mills Ltd.	0410170100128
53	M/S Ittehad Chemicals Limited	0301281500155
54	M/S K & N's Foods (Pvt) Ltd	0304040728428
55	M/S Ka'as Ul Musaf'fa (Private) Ltd	0305700500282.
56	M/S Kashmir Sugar Mills Ltd	. 0804170100164
57	M/S Khalid Shafique Spinning Mills	0305520212782
58	M/S Khalid Siraj Textile Mills Ltd	0305520201891
59	M/S Kot Addu Power Co. Ltd., Kot Addu	. 0309850200382
60	M/S Lahore Medical Instrument (Pvt) Ltd	. 0302390003491
61	M/S Lahore Regency (Holiday Inn) Pvt Ltd	. 0392999997955
62	M/S Lahore Regency (Private) Limited	0309980111237
[1][	]	
64	M/S Lyallpur Chemicals & Fertilizer	0404280700291
65	M/S M.S Reshma Tex Limited	0392999905882
66	M/S Maaher Food Industry (Pvt) Ltd	0307200900491
67	M/S Malik Auto & Agricultural Industries (Pvt) Ltd.	0309870800719
68	M/S Malik Board & Paper Industries (Pvt) Ltd	0308480401246
69	M/S Mandiali Paper Mills (Pvt) Ltd.	0308480400746
70	M/S Maple Leaf Cement Co. Ltd.	0409252300191
71	M/S Master Paint Industries (Pvt) Ltd.	0303320800246
72	M/S Mian Tyre & Rubber Co (Pvt) Ltd	0308400000273
73	M/S Micro Electronics International(Pvt)Ltd.	0302852700446
74	M/S Millat Tractors Limited.	1310870700282
75	M/S Mitchells Fruit Farms (Pvt) Ltd	0305210600191
76	M/S Nestle Milkpak Ltd.	0308200900146
77	M/S Newage Cables (Pvt) Ltd	0308854400219

[1]S.No. 63 and entries relating thereto omitted by SRO 1014(I)/2006, dated September 29, 2006.

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78	M/S Nimir Chemicals Pakistan Limited	0308290000482
79	M/S Olympia Chemicals Ltd.	0309283600128
80	M/S Olympia Industries (Pvt) Ltd	0308570300164
81	M/S Olympia Synethic Ltd	0308520000482
82	M/S Packages Limited	0306490000382
83	M/S Pak Hero Industries (Pvt) Ltd.	0305871100219
84	M/S Pak Kuwait Textiles Limited	0305520212946
85	M/S Pakistan Cycle Industrial Coop. Society	0301720400137
86	M/S Pakistan Fruit Juice (Pvt) Ltd.	0306220200373
87	M/S Pakistan Fruit Juice Co.(Pvt) Ltd	0306200900164
88	M/S Pakistan Railways	0309980300164
89	M/S Panpacific Electronics (Pvt) Ltd	0399999984773
90	M/S Pattoki Sugar Mills Limited Pattoki	0305170300182
91	M/S Pearl Continental Hotel Lahore	0309980100591
92	M/S Pearl Continental Hotel Lahore	0309980108855
93	M/S PECS Industry (Pvt) Ltd	0307870800991
94	M/S Pioneer Cement Co. Ltd., Lahore	. 0409252300437
95	M/S Premier Paper Mills Ltd	0308480200355
96	M/S Prime Dairies Limited	0305210500282
97	M/S Punjab Sugar Mils Ltd	. 0407170300155
98	M/S Rafhan Bestfoods Limited	. 0305200700191
99	M/S Ramzan Bukhsh Textile Mills Ltd	0305520205773
100	M/S Ramzan Sugar Mills Ltd	. 0406170300328
101	M/S Ravi Autos (Pvt) Ltd	0308870800319
102	M/S Riaz Bottlers (Pvt) Ltd	0306281100146
103	M/S Rupafil Ltd	0308520000555
104	M/S Rupali Polyester Ltd	0308520000228
105	M/S S.M Riaz & Sons (Pvt) Ltd.	0309290000546
106	M/S Saigols Qingqi Motors Ltd.	0305871100137
107	M/S Samsol International (Pvt) Ltd	0306330201091
108	M/S Sanpak Engineering Industries (Pvt) Ltd	0305841500382
109	M/S Sapphire Power Generation Limited	0304850200337
110	M/S Sargodha Jute Mills Ltd	0308531000119
111	M/S Service Sales Corporation (Pvt) Ltd	0391999940291
112	M/S Sun Rise Bottling Co. (Pvt) Ltd.	0306220200455
113	M/S Shahbaz Brothers (Pvt) Ltd.	0304152200755
114	M/S Shahnawaz Textile Ltd	0305520212291
115	M/S Shahtaj Textile Limited	0305520801919
116	M/S Shakargunj Mills Ltd.	0406170300246
117	M/S Shezan International Ltd	0306200900246
118	M/S Sony Pakistan (Private) Ltd	0393999984246
119	M/S Sunfort Hotel	0395999977882
120	M/S Sui Northern Gas Pipe Lines Ltd.	0391999996719
121	M/S Syed Bhais (Pvt) Ltd.	0306902800182
122	M/S Syed Bhais Lighting Limited	0305940500128
123	M/S Synthetic Products Enterprises (Pvt) Ltd	0307870800328
[1][	.	]
125	M/S Tariq Glass Industries Ltd.	0308701000519
126	M/S Tetra Pak Pakistan Ltd.	0306481600155

[1]S.No. 124 And Entries Relating Thereto Omitted By SRO 229(I)/2007, Dated March 12, 2007.

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127	M/S The United Jute Mills Ltd	0308531000291
[1][		]
129	M/S Total Parco Pakistan Ltd	0304842100728.
130	M/S Treet Corporation Limited	0307390000219
131	M/S Tripple Em (Pvt) Limited	0307210000219
132	M/S Tufail Chemical Industries (Pvt) Ltd.	0301290000119
133	M/S Varioline Intercool Pakistan (Pvt)Limited.	0310841800128
134	M/S Wapda	0309271600173
135	M/S Warble (Pvt) Ltd.	0393999930373
136	M/S Wartsila Pakistan (Pvt) Ltd.	0391999917773
137	M/S Welcon Chemicals (Pvt) Ltd.	0393999931364
138	M/S White Pearl Jute Mills Ltd	0304531000319
139	M/S Yousaf Sugar Mills Ltd.	0409170300628
140	M/S Yummy Milk Products (Pvt) Ltd	0307210500182
141	M/S Zaman Paper & Board Mills (Pvt) Ltd.	0307481000282
142	M/S Zamir Sons Petroleum Industries (Pvt) Ltd.	0305340300173
[2][143	M/S Dandot Cement Company Limited	0705252300364
144	M/S Gam Coproration (Pvt) Ltd.	0304210000737
145	M/S Gojra Samundri Sugar Mills Limited	0309170100164
146	M/S Hamza Vegetable Oil Refinery & Ghee Mills (Pvt) Ltd	0308152200482
147	M/S Muridke Refine Oil Mills (Pvt) Ltd	0301152200291
148	M/S Pak Elektron Limited	0306841800182
149	M/S Poly Pack (Pvt) Ltd	0305392300919
150	M/S Punjab Con-Cast (Pvt) Ltd.	0308720700137
151	M/S Sadiq Vegetable Ghee Mills (Pvt) Limited	0306731003573
152	M/S Worldcall Multimedia Limited	0397999983882]
[3][153	M/S Flying Cement Company Limited	080525300191]

[1]S.No. 128 And Entries Relating Thereto Omitted By SRO 1014(I)/2006, Dated September 29, 2006.

[2]S.No. 143 to 152 and entries relating thereto inserted by SRO 1014(I)/2006, dated September 29, 2006.

[3]S.No. 153 and entries relating thereto inserted by SRO 229(I)/2007, dated March 12, 2007.

1-185-30-11-18

Jurisdiction for appeals

S.R.O. 61(I)/2007, dated 19th January, 2007.–In exercise of the powers conferred by Section 3 and 4 of the Customs Act, 1969 (IV of 1969), Section 30 and 31 of the Sales Tax Act, 1990 and Sections 2(12) and 33 of the Federal Excise Act, 2005 read with Rule 48 of the Federal Excise Rules, 2005 and in partial modification of SRO 737(I)/2005 dated 22-7-2005 and Board's Order C.No. S(Legal-IDT) dated 17-01-2007, the Board is pleased to order following jurisdictions for deciding the appeals against the orders passed by the officers upto the rank of Additional Collectors in respect of the Collectorates/Directorate of Customs, FE and S. Tax, as given against each:

S.No.	Offices	Jurisdiction of Offices
1.	Collector of Customs, Sales Tax & Federal Excise (Appeals), Karachi.	i. Collectorate of Customs (Appraisement), Karachi. ii. Model Customs Collectorate, Customs House, Karachi. iii. Directorate of Customs Valuation, Karachi. iv. Collectorate of Customs, Part Qasim, Karachi. v. Collectorate of Customs (Exports), Karachi. vi. Collectorate of Customs (Preventive), Karachi. vii. Sales Tax House, Karachi. viii. Large Taxpayer Unit, Karachi. ix. Any other cases assigned by the CBR.
2.	Collector of Customs, Sales Tax & Federal Excise (Appeals), Rawalpindi.	i. Collectorate of Customs, Peshawar. ii. Collectorate of Customs, Rawalpindi. iii. Collectorate of Sales Tax and Federal Excise, Peshawar. iv. Collectorate of Sales Tax and Federal Excise Rawalpindi. v. Regional Tax Office, Peshawar. vi. Regional Tax Office, Abbottabad. vii. Regional Tax Office, Rawalpindi. viii. Another case assigned by CBR.
3.	Collector of Customs, Sales Tax & Federal Excise (Appeals), Faisalabad.	i. Collectorate of Customs, Faisalabad. ii. Collectorate of Customs, Sambrial/Sialkot. iii. Collectorate of Sales Tax and Federal Excise, Gujranwala.

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iv. Collectorate of Sales Tax and Federal Excise, Faisalabad.
v. Regional Tax Office, Faisalabad.
vi. Another case assigned by CBR.

SRO 737(I)/2005 dated July 22, 2005, referred to above, reads as follows:-

S.R.O. 737(I)/2005, dated 22nd July, 2005.–In exercise of the powers conferred by Section 3 of the Customs Act, 1969 (IV of 1969), section 30 of the Sales Tax Act, 1990 and sections 2(12) of the Federal Excise Act, 2005 read with rule 48 of the Federal Excise Rules, 2005 and in supersession of its notification No. SRO-644(I)/2005 dated 29-06-2005, the Central Board of Revenue is pleased to appoint the officers specified in column (2) of the table below to be the Collectors (Appeals) for deciding appeals against the orders passed by the officers upto the rank of Additional Collectors in respect of the Collectorates/Offices specified in column (3) thereof:-

S.No.	Offices	Collectorates/ Offices
1.	Collector, Collectorate of Customs, Sales Tax & Federal Excise (Appeals), Karachi-I	(I) Collectorate of Customs (Appraisement), Karachi. (ii) Model Customs Collectorate, Customs House, Karachi. (iii) Office of the Director of Customs (Valuation), Karachi. (iv) Collectorate of Customs, Port Muhammad Bin Qasim, Karachi. (v)Collectorate of Customs (Exports), Karachi. (vi) Collectorate of Customs (Preventive), Karachi. (vii) Any cases specifically assigned by the CBR.
2.	Collector, Collectorate of Customs, Sales Tax and Federal Excise (Appeals), Karachi-II	(i) Sales Tax House, Karachi. (ii) Large Taxpayers Unit, Karachi. (iii) Any cases specifically assigned by the CBR.
3.	Collector, Collectorate of Customs, Sales Tax and Federal Excise (Appeals), Hyderabad.	(i) Collectorate of Customs, Sales Tax and Federal Excise, Hayderabad. (ii) Collectorate of Customs, Sales Tax and Federal Excise, Quetta. (iii) Any cases specifically assigned by the CBR.
4.	Collector, Collectorate of Customs, Sales Tax and Federal Excise (Appeals), Multan.	(i) Collectorate of Customs, Sales Tax and Federal Excise, Multan. (ii) Any cases specifically assigned by the CBR.

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5.	Collector, Collectorate of Customs, Sales Tax and Federal Excise, (Appeals), Faisalabad.	(i) Collectorate of Customs, Faisalabad. (ii) Collectorate of Sales Tax and Federal Excise, Faisalabad. (iii) Any cases specifically assigned by the CBR.
6.	Collector, Collectorate of Customs, Sales Tax and Federal Excise (Appeals), Lahore.	(i) Collectorate of Customs, Sales Tax and Federal Excise, Lahore. (ii)Collectorate of Customs, Lahore. (iii) Large Taxpayers Unit, Lahore. (iv) Any cases specifically assigned by the CBR.
7.	Collector, Collectorate of Customs, Sales Tax and Federal Excise (Appeals), Gujranwala.	(i) Collectorate of Sales Tax and Federal Excise, Gujranwala. (ii) Collectorate of Customs, Sambrial/ Sialkot. (iv) Any cases specifically assigned by the CBR.
8.	Collector, Collectorate of Customs, Sales Tax and Federal Excise (Appeals), Rawalpindi.	(i) Collectorate of Customs, Rawalpindi. (ii) Collectorate of Sales Tax and Federal Excise, Rawalpindi. (iii) Any cases specifically assigned by the CBR.
9.	Collector, Collectorate of Customs, Sales Tax and Federal Excise (Appeals), Peshawar.	(i) Collectorate of Customs, Peshawar. (ii) Collectorate of Sales Tax and Federal Excise, Peshawar. (iii) Any cases specifically assigned by the CBR.

2. This notification shall take effect from 01-8-2005.
[C.No.2(25)S/Adj/04.]

Transfer of Cases to Large Taxpayers Unit Islamabad

S.R.O. 101(I)/2008, dated 01st February, 2008.– In exercise of the powers conferred by sub-rule (1) of rule 8 of the Sales Tax Rules, 2006, the Central Registration Office is pleased to notify that the registered persons, specified in column (2) of the Table below, shall fall within the jurisdiction of the Large Taxpayers Unit, Islamabad, namely:-

(Table/List of registered persons not reproduced for the sake of brevity.)

(RAZA ASHFAQ SHEIKH)
Second Secretary (ST-Reforms)

1-185-30-11-18

Appointment of officers of Sales Tax and Federal Excise

S.R.O. 547(I)/2008, dated June 11, 2008:– In exercise of the powers conferred by sections 30 and 31 of the Sales Tax Act, 1990, and section 29 of the Federal Excise Act, 2005, the Federal Government is pleased to appoint the Director Generals, Collectors, Additional Collectors, Cost Accountants, Deputy Collector, Assistant Collectors, Superintendents, Senior Auditors, Deputy Superintendents, Auditors and Inspectors of Sales Tax and Federal Excise, to be the officers of Sales Tax and Federal Excise for the offices specified in column (2) of the table below in respect of the areas, or as the cases may be, cases specified in column (3) of the said table, to exercise such powers and discharge such duties as are conferred on such officers under aforesaid Acts and the rules made there-under, namely:-

TABLE

S. No.	Office	Area / Cases
(1)	(2)	(3)
1.	Regional Tax Office Rawalpindi	The areas included in the former Civil Division of Rawalpindi
2.	Regional Tax Office Peshawar	The areas comprising the province of the North West Frontier (excluding the former civil division of Hazara) as well as the provincially administered tribal areas thereof and the Federally administered Tribal area.
3.	Regional Tax Office Abbottabad	The areas comprising former Civil Division of Hazara i.e. Abbottabad, Haripur, Mansehra, Battagram and Kohistan Districts.
4.	Regional Tax Office, Islamabad	The areas included in the Islamabad Capital Territory and the Northern Areas.
5.	Regional Tax Office, Sialkot	The areas falling within the Civil Districts of Sialkot, Narowal and Gujrat of Province of Punjab.
6.	Regional Tax Office, Gujranwala	The areas falling within the Civil Districts of Gujranwala and Hafizabad of Province of Punjab.
7.	Regional Tax Office, Lahore	The areas falling within the Civil Division of Lahore of Province of Punjab.
8.	Regional Tax Office, Hyderabad	Civil Divisions of Hyderabad, Mirpurkhas and Districts of Nawab Shah [1][ ]
9.	Regional Tax Office, Sukkur	Civil Divisions of Larkana and Sukkur excluding Districts of Nawab Shah [1][ ]

[1]Words “and Noshero Feroze” omitted by SRO 749(I)/2008 dated July 10, 2008.

10.	Regional Tax Office, Faisalabad	The areas falling within the Civil Districts of Faisalabad, Toba Tek Singh, Jhang, Sargodha, Khushab, Mianwali, Bhakkar and Mandi Baha-ud-Din of the Province of Punjab.
11.	Regional Tax Office, Karachi	The areas falling within the former Civil Division of Karachi of Province of Sindh.
12.	Regional Tax Office, Quetta	The areas falling with the Province of Balochistan, including the Provincially Administered Tribal Areas thereof.
13.	Regional Tax Office, Multan	The areas (falling within the Civil Districts of Multan, Khanewal, Dera Ghazi Khan, Muzaffargarh, Layyah, Rajanpur, Bahawalpur, Rahim Yar Khan, Lodhran, Okara, Sahiwal, Pak Pattan, Vehari and Bahawalnagar of Province of Punjab.
14.	Large Taxpayers Unit, Karachi	The cases relating to the registered persons notified to be falling within its jurisdiction.
15.	Large Taxpayers Unit, Lahore	The cases relating to the registered persons notified to be falling within its jurisdiction.
16.	Large Taxpayers Unit, Islamabad	The cases relating to the registered persons notified to be falling within its jurisdiction.

Provided that the persons registered with the Large Taxpayers Units shall by virtue of their registrations fall outside the geographical jurisdiction of the respective Regional Tax Offices;

Provided further that the Cost Accountants, Senior Auditors and Auditors posted in the Federal Board of Revenue Islamabad shall be the officers of Sales Tax and Federal Excise for the whole of Pakistan and shall perform such functions as are assigned to them in this behalf.

[C.No. 4(8) STJ/2008]

(Shafqat Hayat Hottiana)

Second Secretary (ST-Reforms)

Appointment of officers – Directorate General of Post Clearance Audit

S.R.O. 42(I)/2010, dated January 23, 2010:– In exercise of the powers conferred by sections 30 and 30E of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to authorize the following officers of the Directorate General of Post Clearance Audit, specified in column (2) of the Table below to exercise powers of the officers specified in column (3) respectively and discharge such duties in relation to any case or class of cases falling under the provisions of the said Act specified in column (4) of the said Table, namely:-

1-185-30-11-18

Table

S. No.	Designation of Officer	Designation of officer of Inland Revenue Service	Provisions of the Sales Tax Act, 1990
(1)	(2)	(3)	(4)
1.	Director General/ Director	Chief Commissioner/ Commissioner Inland Revenue	sections 25, 25A, 25AA, 37, 37A, 37B, 38A, 38B, 40, 45B, 46 and 47
2.	Additional Director	Additional Commissioner Inland Revenue	sections 25, 25A, 37, 37A, 37B, 38B, 40, 45B, 46 and 47
3.	Deputy Director/ Assistant Director	Deputy Commissioner/ Assistant Commissioner Inland Revenue	sections 25, 25A, 37, 37A, 37B, 38B and 40
4.	Superintendent/ Principal Appraiser/ Senior Auditor	Superintendent / Principal Appraiser / Senior Auditor Inland Revenue	sections 25, 25A, and 37
5.	Deputy Superintendent/ Appraiser/ Valuation Officer/ Auditor	Deputy Superintendent / Appraiser / Valuation Officer / Auditor Inland Revenue	sections 25, 25A, and 37

[C. No.3(3)/ST-L&P/07]

(Muhammad Sadiq)
Secretary (ST&FE-L&P)

Appointment of officers – Directorate General Internal Audit

S.R.O. 282(I)/2010, dated April 29, 2010:– In exercise of the powers conferred by sections 30 and 30E of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to authorize the following officers of the Directorate General [1][of Internal Audit (Customs)], specified in column (2) of the Table below to exercise powers of the officers specified in column (3) respectively and discharge such duties in relation to any case or class of cases [2][relating to imports,] falling under the provisions of the said Act specified in column (4) of the said Table, namely:-

Table

S. No.	Designation of Officer	Designation of officer of Inland Revenue Service	Provisions of the Sales Tax Act, 1990
(1)	(2)	(3)	(4)
1.	Director General/ Director	Chief Commissioner/ Commissioner Inland Revenue	sections 25, 25A, 25AA, 37, 37A, 37B, 38, 38A, 38B, 40, 45B, 46 and 47
2.	Additional Director	Additional Commissioner Inland Revenue	sections 25, 25A, 37, 37A, 37B, 38, 38A, 38B, 40, 45B, 46 and 47
3.	Deputy Director/ Assistant Director	Deputy Commissioner/ Assistant Commissioner Inland Revenue	sections 25, 25A, 37, 37A, 37B, 38, 38B and 40

[1]Substituted for "Internal Audit" by SRO 1040(I)/2010 dated November 12, 2010.
[2]Words inserted by SRO 1040(I)/2010 dated November 12, 2010.

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4.	Superintendent/ Principal Appraiser/ Senior Auditor	Superintendent / Principal Appraiser / Senior Auditor Inland Revenue	sections 25, 25A, and 37
5.	Deputy Superintendent/ Appraiser/ Valuation Officer/ Auditor	Deputy Superintendent / Appraiser / Valuation Officer / Auditor Inland Revenue	sections 25, 25A, and 37

[C. No.3(3)/ST-L&P/07]

(Azood-ul-Mehdi)
Second Secretary (L&P)

Appointment of officers – Directorate General Internal Audit (Inland Revenue)

S.R.O. 1038(I)/2010, dated November 12, 2010:– In exercise of the powers conferred by sections 30 and 30E of the Sales Tax Act, 1990, the Federal Board of revenue is pleased to authorize the following officers of the Directorate General Internal Audit (Inland Revenue), specified in column (2) of the Table below to exercise powers of the officers specified in column (3) respectively and discharge such duties in relation to any case or class of cases falling under the provisions of the said Act specified in column (4) of the said Table, namely:-

Table

S. No.	Designation of Officer	Designation of officer of Inland Revenue Service	Provisions of the Sales Tax Act, 1990
(1)	(2)	(3)	(4)
1.	Director General/ Director	Chief Commissioner/ Commissioner Inland Revenue	sections 25, 25A, 25AA, 37, 37A, 37B, 38, 38A, 38B, 40, 45B, 46 and 47
2.	Additional Director	Additional Commissioner Inland Revenue	sections 25, 25A, 37, 37A, 37B, 38, 38B, 38A, 38B, 40, 45B, 46 and 47
3.	Deputy Director/ Assistant Director	Deputy Commissioner/ Assistant Commissioner Inland Revenue	sections 25, 25A, 37, 37A, 37B, 38, 38B and 40
4.	Superintendent/ Principal Appraiser/ Senior Auditor	Superintendent / Principal Appraiser / Senior Auditor Inland Revenue	sections 25, 25A, and 37
5.	Deputy Superintendent/ Appraiser/ Valuation Officer/ Auditor	Deputy Superintendent / Appraiser / Valuation Officer / Auditor Inland Revenue	sections 25, 25A, and 37

[C. No.3(3)/ST-L&P/07]

(Azood-ul-Mehdi)
Second Secretary (L&P)

1-185-30-11-18

Appointment of officers – Intelligence and Investigation (IR)

S.R.O. 1301(I)/2018, dated October 29, 2018.– In exercise of the powers conferred by sub-section (2) of section 30A and section 30E of the Sales Tax Act, 1990 and in supersession of Notification No. S.R.O.116(1)/2015, dated the 9th February, 2015, the Federal Board of Revenue is pleased to specify herein below the functions, powers and jurisdiction of the Directorate General, Intelligence and Investigation-IR and its officers, namely:-

1. Functions of Directorate General (I&I-IR).- The functions of Directorate-General of Intelligence and Investigation, Inland Revenue shall be-

(a) to carry out intelligence activities and intelligence gathering on all tax related issues including under-reporting, tax evasion, tax fraud and revenue leakages;

(b) to collect third party information relating to financial transactions like investment and expenses etc. and details of persons who are involved in such activities;

(c) to establish and develop linkages with all major national, provincial other data base to collect relevant information;

(d) to identify cases of sales tax evasion and carry out inquiry, investigative audit, whichever deems fit, to retrieve the loss of revenue;

(e) to identify and investigate in accordance with applicable law in cases of tax fraud having any financial implication, punishable as an offence under the Sales Tax Act, 1990 and the rules made thereunder;

(f) to carry out criminal investigation and prosecution in accordance with applicable law in cases involving offences punishable under the Sales Tax Act, 1990 and the rules made thereunder;

(g) to share and disseminate actionable information and corroborating evidence, where required, through written reports or alerts or otherwise to authorities or officers in the headquarters and field formations of the Federal Board of Revenue for further proceedings;

(h) to process complaints of tax evasion and tax frauds etc; and (i) to carry out any other work or function that may be assigned to it by the Federal Board of Revenue.

2. Jurisdiction and powers of officers of Directorate General (I&I-IR).- (1) Subject to the provisions of this Notification, the Director General, Directors, Additional Directors, Deputy Directors, Assistant Directors and other officers of Directorate General of Intelligence and Investigation, Inland Revenue specified in column (2) of the Table below are hereby invested with the powers of authorities as mentioned in column (3) of the said Table and to exercise such powers and to perform functions under the provisions of the Sales Tax Act, 1990 specified in column (4) thereof and having jurisdiction in respect of such persons or classes of persons or such areas or such cases specified in column (5) of that Table, namely:-

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Table

S. No.	Designation of Officer of Intelligence and Investigation (IR)	Designation / authority as specified under section 30	Powers conferred	Jurisdiction
(1)	(2)	(3)	(4)	(5)
1.	Director General Intelligence and Investigation (IR)	Chief Commissioner (Inland Revenue)	Sections 25A, 26(3), 32, 37, 37A, 37B, 38, 38A, 38B & 40	Persons or classes of persons carrying on business in areas or residing, within the territorial jurisdiction of Pakistan
2.	Director, Intelligence and Investigation (IR), Headquarter, Islamabad	Commissioner (Inland Revenue)	Sections 25A, 26(3), 37, 37A, 37B, 38, 38A, 38B & 40	Persons or classes of persons carrying on business in areas or residing, within the territorial jurisdiction of Pakistan as authorized by Director General Intelligence & Investigation (IR)
3.	Director, Intelligence and Investigation (IR), Islamabad	Commissioner (Inland Revenue)	Sections 25A, 26(3), 37, 37A, 37B, 38, 38A, 38B & 40	(a) All cases assigned to [1][Large Taxpayers' Office], Islamabad [2][and Corporate Tax Office, Islamabad,] & All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Offices Rawalpindi and Regional Tax Office Islamabad; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).
4.	Director, Intelligence and Investigation (IR), Karachi	Commissioner (Inland Revenue)	Sections 25A, 26(3), 37, 37A, 37B, 38, 38A, 38B & 40	(a) All cases assigned to [3][Large Taxpayers' Office, Karachi, Medium Taxpayers' Office, Karachi and Corporate Tax Office, Karachi] &

[1]Substituted for "Large Taxpayers Unit" by SRO 465(I)/2020* dated April 07, 2021. *It should be 2021.
[2]Inserted by SRO 465(I)/2020* dated April 07, 2021. *It should be 2021.
[3]Substituted for "Large Taxpayers Unit-I & II, Karachi" & "Regional Tax Office Karachi, Regional Tax Offices, II& III Karachi" respectively by SRO 465(I)/2020* dated April 07, 2021. *It should be 2021.

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				All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the [1][Regional Tax Office-I, Karachi & Regional Tax Office-II Karachi]; and
				(b) All persons or classes of persons not otherwise specified if the person resides In areas mentioned In clause (a).
5	Director, Intelligence and Investigation (IR), Lahore	Commissioner (Inland Revenue)	Sections 25A, 26(3), 37, 37A, 37B, 38, 38A, 38B & 40	(a) All cases assigned to [2][Large Taxpayers' Office, Lahore & Corporate Tax Office, Lahore] All persons or classes of persons carrying on business, falling within the territorial jurisdiction of [2][Regional Tax Office, Lahore], Lahore, Regional Tax Offices, Sialkot and Gujranwala; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).
6	Director, Intelligence and Investigation (IR), Faisalabad	Commissioner (Inland Revenue)	Sections 25A, 26(3), 37, 37A, 37B, 38, 38A, 38B & 40	(a) All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Offices, Faisalabad and Sargodha; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).

[1]Substituted for "Large Taxpayers Unit-I & II, Karachi" & "Regional Tax Office Karachi, Regional Tax Offices, II& III Karachi" respectively by SRO 465(I)/2020* dated April 07, 2021. *It should be 2021.
[2]Substituted for "Large Taxpayers Unit, Lahore & Corporate RTO Lahore." & "Regional Tax Office II" respectively by SRO 465(I)/2020* dated April 07, 2021. *It should be 2021.

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7	Director, Intelligence and Investigation (IR), Peshawar	Commissioner (Inland Revenue)	Sections 25A, 26(3), 37, 37A, 37B, 38, 38A, 38B & 40	(a) All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Offices Peshawar and Abbottabad; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned In clause (a).
8	Director, Intelligence and Investigation (IR), Multan	Commissioner (Inland Revenue)	Sections 25A, 26(3), 37, 37A, 37B, 38, 38A, 38B & 40	(a) [1][All cases assigned to Large Taxpayers' Office, Multan and all] persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Offices, Multan, Sahiwal and Bahawalpur; and (b) All persons or classes of persons not otherwise specified if the person resides In areas mentioned In clause (a).
9	Director, Intelligence and Investigation (IR), Hyderabad	Commissioner (Inland Revenue)	Sections 25A, 26(3), 37, 37A, 37B, 38, 38A, 38B & 40	(a) All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Offices, Hyderabad, Sukkur and Quetta; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).

[1]Substituted for "All" by SRO 465(I)/2020* dated April 07, 2021. *It should be 2021.

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10	Additional Director-Headquarters, Intelligence and Investigation (IR), Islamabad	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	As assigned by the Director General, Intelligence & Investigation (IR), Islamabad from persons or classes of persons carrying on business In areas or residing, within the territorial jurisdiction of Pakistan
11	Additional Director-I, Intelligence and Investigation (IR), Islamabad	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	(a) All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Office, Islamabad, and all cases assigned to [1][Large Taxpayers' Office], Islamabad; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).
12	Additional Director-II, Intelligence and Investigation (IR), Islamabad	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	(a) All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Office Rawalpindi [2][and all cases assigned to Corporate Tax Office, Islamabad]; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).
13	Additional Director-III, Intelligence and Investigation (IR), Islamabad	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	As assigned by the Director, Intelligence & Investigation (IR), Islamabad from persons or classes of persons as specified at S. No. 3.

[1]Substituted for "Large Taxpayers Unit" by SRO 465(I)/2020* dated April 07, 2021. *It should be 2021.
[2]Inserted by SRO 465(I)/2020* dated April 07, 2021. *It should be 2021.

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14	Additional Director-I, Intelligence and Investigation (IR), Peshawar	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	(a) All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Offices Peshawar; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).
15	Additional Director-II, Intelligence and Investigation (IR), Peshawar	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	(a) All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Offices Abbottabad; and
				(b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).
16	Additional Director-I, Intelligence and Investigation (IR), Karachi	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	[1][(a) All cases assigned to Corporate Tax Office, Karachi; and] (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).

[1]Substituted for "(a) All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Office Karachi; and" by SRO 465(I)/2020* dated April 07, 2021. *It should be 2021.

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17	Additional Director-II, Intelligence and Investigation (IR), Karachi	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	(a) All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the [1][Regional Tax Office-I, Karachi & Regional Tax office-II, Karachi]; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).
18	Additional Director-III, Intelligence and Investigation (IR), Karachi	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	(a) All cases assigned to [2][Large Taxpayers' Office, Karachi & Medium Taxpayers' Office, Karachi]; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).
19	Additional Director-IV, Intelligence and Investigation (IR), Karachi	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	As assigned by the Director, Intelligence & Investigation (IR), Karachi from persons or classes of persons as specified at S. No.4.
20	Additional Director-I, Intelligence and Investigation (IR), Hyderabad	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	(a) All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Office, Hyderabad; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).

[1]Substituted for "Regional Tax Offices, II & III Karachi" by SRO 465(I)/2020* dated April 07, 2021. *It should be 2021.

[2]Substituted for "Large Taxpayers Unit-I &II, Karachi" by SRO 465(I)/2020* dated April 07, 2021. *It should be 2021.

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21	Additional Director-II, Intelligence and Investigation (IR), Hyderabad	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	(a) All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Offices, Sukkur and Quetta; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).
22	Additional Director-I, Intelligence and Investigation (IR), Lahore	Additional Commissioner (Inland Revenue)	Sections [1][25A, 37, 37A,] 37B, 38, 38B & 40	(a) All cases assigned to [2][Large Taxpayers' Office, Lahore & Corporate Tax Office, Lahore]; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).
23	Additional Director-II, Intelligence and Investigation (IR), Lahore	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	(a) All persons or classes of persons carrying on business, falling within the territorial jurisdiction of [3][Regional Tax Office, Lahore], Regional Tax Offices, Sialkot and Gujranwala; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).

[1]Inserted by SRO 1355(I)/2018 dated November 07, 2018.

[2]Substituted for "Large Taxpayers Unit, Lahore & Corporate RTO Lahore." by SRO 465(I)/2020* dated April 07, 2021. *It should be 2021.

[3]Substituted for "Regional Tax Office II, Lahore" by SRO 465(I)/2020* dated April 07, 2021. *It should be 2021.

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24	Additional Director-III, Intelligence and Investigation (IR), Lahore	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	As assigned by the Director, Intelligence & Investigation (IR), Lahore from persons or classes of persons as specified at S. No.5.
25	Additional Director-I, Intelligence and Investigation (IR), Faisalabad	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	(a) All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Office, Faisalabad; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).
26	Additional Director-II, Intelligence and Investigation (IR), Faisalabad	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	(a) All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Office, Sargodha; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).
27	Additional Director-I, Intelligence and Investigation (IR), Multan	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	(a) [1][All cases assigned to Large Taxpayers' Office, Multan and all] persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Office, Multan; and

[1]Substituted for "All" by SRO 465(I)/2020* dated April 07, 2021. *It should be 2021.

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				(b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).
28	Additional Director-II, Intelligence and Investigation (IR), Multan	Additional Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	(a) All persons or classes of persons carrying on business, falling within the territorial jurisdiction of the Regional Tax Offices, Bahawalpur & Sahiwal; and (b) All persons or classes of persons not otherwise specified if the person resides in areas mentioned in clause (a).
29	(a) Deputy Director-I, Intelligence and Investigation (IR), Islamabad; and (b) Deputy Director-II, Intelligence and Investigation (IR), Islamabad	Deputy/ Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B & 40	As assigned by Director I & I-IR Islamabad from the persons and classes of persons as specified at S. No. 11 above.
30	Deputy Director-III, Intelligence and Investigation (IR), Islamabad	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR Islamabad from the persons and classes of persons as specified at S. No. 12 above.
31	Deputy/Assistant Director-IV, Intelligence and Investigation (IR), Islamabad	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by the Director, I&I-IR, Islamabad from persons or classes of persons as specified at S. No. 3 above

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32	Deputy Director-I, Intelligence and Investigation (IR), Peshawar	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR Peshawar from the persons and classes of persons as specified at S. No. 14 above.
33	Deputy Director-II, Intelligence and Investigation (IR), Peshawar	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR Peshawar from the persons and classes of persons as specified at S. No. 15 above.
34	Deputy Director-I, Intelligence and Investigation (IR), Karachi	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR, Karachi from the persons and classes of persons as specified at S. No. 16 above.
35	(a) Deputy Director-II, Intelligence and Investigation (IR), Karachi; and (b) Deputy/ Assistant Director-III, Intelligence and Investigation (IR), Karachi	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR, Karachi from the persons and classes of persons as specified at S. No. 17 above.
36	(a) Deputy/ Assistant Director-IV, Intelligence and Investigation (IR), Karachi; and (b) Deputy/ Assistant Director-V, Intelligence and Investigation (IR), Karachi	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR, Karachi from the persons and classes of persons as specified at S. No. 18 above.
37	Deputy/Assistant Director-VI, Intelligence and Investigation (IR), Karachi	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by the Director I&I-IR, Karachi from persons or classes of persons as specified at S. No.4 above

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38	(a) Deputy Director-I, Intelligence and Investigation (IR), Hyderabad; and (b) Deputy Director-II, Intelligence and Investigation (IR), Hyderabad	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR, Hyderabad from the persons and classes of persons as specified at S. No. 20 above.
39	Deputy/Assistant Director, Intelligence and Investigation (IR), Sukkur	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR, Hyderabad from the persons and classes of persons as specified at S. No. 21 above.
40	Deputy/Assistant Director, Intelligence and Investigation (IR), Quetta	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR, Hyderabad from the persons and classes of persons as specified at S. No. 21 above.
41	(a) Deputy/ Assistant Director-I, Intelligence and Investigation (IR), Lahore; and (b) Deputy/ Assistant Director-II, Intelligence and Investigation (IR), Lahore	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR, Lahore from the persons and classes of persons as specified at S. No. 22 above.
42	(a) Deputy/ Assistant Director-III, Intelligence and Investigation (IR), Lahore; and (b) Deputy/ Assistant Director-IV, Intelligence and Investigation (IR), Lahore	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR, Lahore from the persons and classes of persons as specified at S. No. 23 above.
43	(a) Deputy/ Assistant Director-V, Intelligence and Investigation (IR), Lahore; and (b) Deputy/ Assistant Director-VI, Intelligence and Investigation (IR), Lahore	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR, Lahore from the persons and classes of persons as specified at S. No. 5 above.

44	(a) Deputy Director-I, Intelligence and Investigation (IR), Faisalabad; and (b) Assistant Director-II, Intelligence and Investigation (IR), Faisalabad	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR, Faisalabad from the persons and classes of persons as specified at S. No. 25 above.
45	Deputy/ Assistant Director-III, Intelligence and Investigation (IR), Faisalabad; and	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR, Faisalabad from the persons and classes of persons as specified at S. No. 26 above.
46	Deputy/ Assistant Director-I, Intelligence and Investigation (IR), Multan; and	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR, Multan from the persons and classes of persons as specified at S. No. 27 above.
47	Deputy/ Assistant Director-II, Intelligence and Investigation (IR), Multan; and	Deputy/Assistant Commissioner (Inland Revenue)	Sections 25A, 37, 37A, 37B, 38, 38B and 40.	As assigned by Director I&I-IR, Multan from the persons and classes of persons as specified at S. No. 28 above.

2. The de legation, authorization and exercise of the powers and functions specified in the Table above shall be subject to such limitations and restrictions as are imposed under the provisions of the Sales Tax Act, 1990 and rules made thereunder.

[F. No. 2(27)/BTB/2011-(P)]

(Muhammad Zaheer Quraishi)
Secretary (ST & FE-Budget)

Appointment of officers – Intelligence and Investigation (IR)

S.R.O. 1302(I)/2018, dated October 29, 2018.– In exercise of the powers conferred by sub-section (1) of section 30A of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to post the following Director General, Directors, Additional Directors, Deputy Director and Assistant Directors in the Directorate General of Intelligence and Investigation-Inland Revenue, namely:-

S. No.	Name of officer of Intelligence and Investigation (IR)	Designation of officer of Intelligence and Investigation (IR)
1	Mr. Shad Muhammad	Director General Intelligence and Investigation (IR)

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2	Dr. Ijlal Khattak	Director, Intelligence and Investigation (IR), Islamabad
3	Mr. Abdul Rehman Bullo	Director, Intelligence and Investigation (IR), Karachi
4	Mr. Muhammad Naveed Akhtar	Director, Intelligence and Investigation (IR), Lahore
5	Mr. Zulqarnain Ali Shaheen Haral	Director, Intelligence and Investigation (IR), Faisalabad
6	Mr. M.Tariq Arbab Director	Director, Intelligence and Investigation (IR), Peshawar
7	Mr. Yasir Ali	Director, Intelligence and Investigation (IR), Multan
8	Dr. M. Aslam Marri	Director, Intelligence and Investigation (IR), Hyderabad
9	Mr. Arshad Nawaz Chheena	Additional Director- Headquarters, Intelligence and Investigation (IR), Islamabad
10	Mr. Abdul Waheed Khan	Additional Director-I, Intelligence and Investigation (IR), Islamabad
11	Mr. Abdul Waheed Khan	Additional Director-II, Intelligence and Investigation (IR), Islamabad
12	Mr. Abdul Waheed Khan	Additional Director-III, Intelligence and Investigation (IR), Islamabad
13	Ms. Fakhriya Anjum	Additional Director-I, Intelligence and Investigation (IR), Peshawar
14	Mr. Ajmal khan	Additional Director-II, Intelligence and Investigation (IR), Peshawar
15	Mr. Muhammad Arif	Additional Director-I, Intelligence and Investigation (IR), Karachi
16	Mr. Muhammad Arif	Additional Director-II, Intelligence and Investigation (IR), Karachi
17	Mr. Muhammad Arif	Additional Director-III, Intelligence and Investigation (IR), Karachi
18	Mr. Muhammad Arif	Additional Director-IV, Intelligence and Investigation (IR), Karachi
19	Mr. Mumtaz Ali Thebo	Additional Director-I, Intelligence and Investigation (IR), Hyderabad
20	Mr. Mumtaz Ali Thebo	Additional Director-II, Intelligence and Investigation (IR), Hyderabad
21	Mr. Amir Abbas Khan	Additional Director-I, Intelligence and Investigation (IR), Lahore
22	Mr. Saad Waqas	Additional Director-II, Intelligence and Investigation (IR), Lahore
23	Mr. Saad Waqas	Additional Director-III, Intelligence and Investigation (IR), Lahore
24	Mr. Sajjad Amjad	Additional Director-I, Intelligence and Investigation (IR), Faisalabad
25	Mr. Bilal Hassan	Additional Director-II, Intelligence and Investigation (IR), Faisalabad
26	Dr. Muhammad Athar Ishaq	Additional Director-I, Intelligence and Investigation (IR), Multan

27	Dr. Muhammad Athar Ishaq	Additional Director-II, Intelligence and Investigation (IR), Multan
28	Mr. Inayat Malik Sawati	Deputy Director-I, Intelligence and Investigation (IR), Islamabad
29	Mr. Ghulam Mustafa Dogar	Deputy Director-II, Intelligence and Investigation (IR), Islamabad
30	Ms. Romana Alam	Deputy Director-III, Intelligence and Investigation (IR), Islamabad
31	Mr. Ghulam Mustafa Dogar	Deputy/Assistant Director-IV, Intelligence and Investigation (IR), Islamabad
32	Mr. Samiullah khan	Director-I, Intelligence and Investigation (IR), Peshawar
33	Mr. Zeeshan Asif	Deputy Director-II, Intelligence and Investigation (IR), Peshawar
34	Mr. Jamil Ahmed Brohi	Deputy Director-I, Intelligence and Investigation (IR), Karachi
35	Syed Azhar Hussain Shah	Deputy Director-II, Intelligence and Investigation (IR), Karachi
36	Mr. Asif Ali Abro	Deputy/Assistant Director-III, Intelligence and Investigation (IR), Karachi
37	Syed Azhar Hussain Shah	Deputy/Assistant Director-IV, Intelligence and Investigation (IR), Karachi
38	Mr. Asif Ali Abro	Deputy/Assistant Director-V, Intelligence and Investigation (IR), Karachi
39	Syed Azhar Hussain Shah	Deputy/Assistant Director-VI, Intelligence and Investigation (IR), Karachi
40	Mr. Ali Dost	Deputy Director-I, Intelligence and Investigation (IR), Hyderabad
41	Mr. Abdul Rasool Golo	Deputy Director-II, Intelligence and Investigation (IR), Hyderabad
42	Mr. Abdul Rasool Golo	Deputy/Assistant Director, Intelligence and Investigation (IR), Sukkur
43	Mr. Ali Dost	Deputy/Assistant Director, Intelligence and Investigation (IR), Quetta
44	Ms. Mehreen Yousaf	Deputy/Assistant Director-I, Intelligence and Investigation (IR), Lahore
45	Ms. Mehreen Yousaf	Deputy/Assistant Director-II, Intelligence and Investigation (IR), Lahore
46	Ms. Mehreen Yousaf	Deputy/Assistant Director-III, Intelligence and Investigation (IR), Lahore
47	Ms. Mehreen Yousaf	Deputy/Assistant Director-IV, Intelligence and Investigation (IR), Lahore
48	Ms. Mehreen Yousaf	Deputy/Assistant Director-V, Intelligence and Investigation (IR), Lahore
49	Ms. Mehreen Yousaf	Deputy/Assistant Director-VI, Intelligence and Investigation (IR), Lahore
50	Mr. Tariq Javed	Deputy Director-I, Intelligence and Investigation (IR), Faisalabad
51	Mr. Qaiser Naeem	Assistant Director-II, Intelligence and Investigation (IR), Faisalabad
52	Mr. Tariq Javed	Deputy/Assistant Director-III, Intelligence and Investigation (IR), Faisalabad

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53	Mr. Muhammad Irfan Khan Tareen	Deputy/Assistant Director-I, Intelligence and Investigation (IR), Multan
54	Mr. Muhammad Irfan Khan Tareen	Deputy/Assistant Director-II, Intelligence and Investigation (IR), Multan
[1][55	Ms. Rabia Yasir Durrani	Additional Director-II, Intelligence & Investigation (IR), Islamabad
56	Mr. Abdul Rehman Khilji	Additional Director-I, Intelligence & Investigation (IR), Karachi
57	Mr. Abdul Rehman Khilji	Additional Director-II, Intelligence & Investigation (IR), Karachi
58	Mr. Abdul Rehman Khilji	Additional Director-III, Intelligence & Investigation (IR), Karachi
59	Mr. Abdul Rehman Khilji	Additional Director-IV, Intelligence & Investigation (IR), Karachi
60	Mr. Pervaz Ahmed Shar	Additional Director-II, Intelligence & Investigation (IR), Hyderabad
61	Mr. Saad Waqas	Additional Director-I, Intelligence & Investigation (IR), Lahore
62	Mr. Talat Mehmood	Additional Director-II, Intelligence & Investigation (IR), Lahore
63	Mr. Naveed Ahmed	Additional Director-III, Intelligence & Investigation (IR), Lahore
64	Ms. Sarwat Malik Habib	Deputy/Assistant Director-I, Intelligence & Investigation (IR), Islamabad
65	Mr. Muhammad Tariq Aziz	Deputy/Assistant Director-III, Intelligence & Investigation (IR), Islamabad
66	Mr. Killman Ullah	Deputy/Assistant Director-IV, Intelligence & Investigation (IR), Islamabad
67	Mr. Akhtar Abbas	Deputy/Assistant Director-I, Intelligence & Investigation (IR), Lahore
68	Mr. Akhtar Abbas	Deputy/Assistant Director-II, Intelligence & Investigation (IR), Lahore
69	Mr. Umer Yar	Deputy/Assistant Director-III, Intelligence Investigation (IR), Lahore
70	Mr. Umer Yar	Deputy/Assistant Director-IV, Intelligence Investigation (IR), Lahore
71	Mr. Abdullah Irshad	Deputy/Assistant Director-V, Intelligence Investigation eIR), Lahore
72	Mr. Abdullah Irshad	Deputy/Assistant Director-VI, Intelligence Investigation (IR), Lahore
73	Mr. Amir Aslam	Deputy/ Assistant Director-I, Intelligence Investigation (IR), Faisalabad
74	Mr. Amir Aslam	Deputy/ Assistant Director-II, Intelligence Investigation (IR), Faisalabad
75	Mr. Amir Aslam	Deputy/ Assistant Director-III, Intelligence Investigation (IR), Faisalabad

[1]Sr. 55 to 75 added by SRO 213(I)/2019 dated February 11, 2019.

(2) The Directors, Additional Directors, Deputy Directors and Assistant Directors of Directorate General of Intelligence and Investigation shall be subordinate to the Director General of Intelligence and Investigation, Inland Revenue.

(3) Additional Directors, Deputy Directors and Assistant Directors of Directorate General of Intelligence and Investigation-IR shall be subordinate to the Director, Intelligence and Investigation-IR within whose jurisdiction they perform their functions.

[F. No. 2(27)BTB/2011(P)]

(Muhammad Zaheer Quraishi)
Secretary (ST & FE-Budget)

1-187-15-02-19

Section 32A: Special Audit by Chartered Accountants or Cost Accountants

Appointment of CAs and CMAs for special audit

S.R.O. 539(I)/2006, dated 5th June, 2006.– In exercise of powers conferred by section 32A of the Sales Tax Act, 1990, and in supersession of its Notification S.R.O. No. 579(I)/1999, dated the 17 th May, 1999, S.R.O. No. 194(I)/2001, dated the 24th March, 2001, S.R.O. No.195(I)2001, dated 24th March, 2001, and S.R.O. No. 821(I)/2005, dated the 15th August, 2005, the Central Board of Revenue is pleased to appoint the following Chartered Accountants, Firms of Chartered Accountants and Cost and Management Accountants and Firms of Cost and Management Accountants, and their branch offices anywhere in Pakistan, to be the auditors for conducting special audit of the records of registered persons, as may be assigned to them by the respective Collectorate from time to time, namely:–

1. CHARTERED ACCOUNTANTS

1	M/s A. Ferguson & Co.	Chartered Accountants	Karachi.
2	M/s Anjum Asim Shahid & Co.	Chartered Accountants	Karachi.
3	M/s Avais Hyder Zaman,	Chartered Accountants	Karachi.
4	M/s Coopers & Lybrand.	Chartered Accountants	Karachi.
5	M/s Ford, Rhodes, Robson, Morrow	Chartered Accountants	Karachi.
6	M/s Hameed Chaudhry & Co.	Chartered Accountants	Lahore.
7	M/s Hyder Bhimji & Co.	Chartered Accountants	Karachi.
8	M/s Ibrahim Shaikh & Co.	Chartered Accountants	Karachi.
9	M/s Ilyas Saeed & Co.	Chartered Accountants	Lahore.
10	M/s Khalid Majeed Hussain Rehman, & Co.	Chartered Accountants	Islamabad.
11	M/s M.Yousaf Saleem & Co.	Chartered Accountants	Karachi.
12	M/s Munif Zia-ud-Din & Co.	Chartered Accountants	Karachi.
13	M/s Rahim Iqbal Rafiq & Co.	Chartered Accountants	Karachi.
14	M/s Rahim Jan & Co.	Chartered Accountants	Lahore.
15	M/s Riaz Ahmad & Co	Chartered Accountants	Lahore.
16	M/s Saeed Kamran Patel & Co.	Chartered Accountants	Islamabad.
17	M/s Sandu & Co.	Chartered Accountants	Karachi.
18	M/s Sidat Hyder Qamar Maqbool & Co.	Chartered Accountants	Karachi.
19	M/s Tariq Ayub Anwar & Co.	Chartered Accountants	Lahore.
20	M/s Taseer Hadi Khalid & Co.	Chartered Accountants	Karachi.
21	M/s Zahid Jamil & Co.	Chartered Accountants	Faisalabad.
22	M/s Adnan & Co.	Chartered Accountants	Faisalabad.
23	M/s Akram & Co.	Chartered Accountants	Faisalabad.
24	M/s Habib Alam & Co.	Chartered Accountants	Faisalabad.
25	M/s Yaqub & Co.	Chartered Accountants	Faisalabad.
26	M.A Chaudhry & Co.	Chartered Accountants	Gujranwala.
27	M/s Nasir & Co.	Chartered Accountants	Sialkot..
28	M/s Ijaz Tabussum & Co.	Chartered Accountants	Islamabad.

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29	M/s S. Zafar Shah Naveed Imran & Co.	Chartered Accountants	Islamabad.
30	M/s Tahir Razzaque Khan & Co.	Chartered Accountants	Islamabad.
31	M/s Hamid Riaz & Co.	Chartered Accountants	Islamabad.
32	M/s Iftikhar A Syed.	Chartered Accountants	Islamabad.
33	M/s Masoom Akhtar & Co.	Chartered Accountants	Islamabad.
34	M/s Khawaja Aziz & Co.	CharteredAccountants	Rawalpindi
35	M/s Abbas Karjatwala & Co.	Chartered Accountants	Karachi.
36	M/s Daudally Lalani & Co.	Chartered Accountants	Karachi.
37	M/s Ebrahim & Co.	Chartered Accountants	Karachi.
38	M/s Haroon Zakaria & Co.	Chartered Accountants	Karachi.
39	M/s Majeed Faizi Suhail & Co.	Chartered Accountants	Karachi.
40	M/s Riaz Ahmad, Saqib, Gohar & Co.	Chartered Accountants	Karachi.
41	M/s Muhammad Nasim & Co.	Chartered Accountants	Karachi.
42	M/s Shahid Sami & Co.	Chartered Accountants	Karachi.
43	M/s A.R Khan & Co.	Chartered Accountants	Karachi.
44	M/s Ghouri & Co.	Chartered Accountants	Karachi.
45	M/s Hafizullah & Co.	Chartered Accountants	Karachi.
46	M/s Hamid Sherwani & Associates.	Chartered Accountants	Karachi.
47	M/s Hashmi & Co.	Chartered Accountants	Karachi.
48	M/s Hussain & Co.	Chartered Accountants	Karachi.
49	M/s Hussain Lakhani & Co.	Chartered Accountants	Karachi.
50	M/s Khanzada & Co.	Chartered Accountants	Karachi.
51	M/s M. Iqbal Patel & Co.	Chartered Accountants	Karachi.
52	M/s M.A Khan & Co.	Chartered Accountants	Karachi.
53	M/s Mahmood Zuberi & Co.	Chartered Accountants	Karachi.
54	M/s Mehmood & Co.	Chartered Accountants	Karachi.
55	M/s Muhammad Farooque Dandia & Co.	Chartered Accountants	Karachi.
56	M/s Muhammad Saleem & Co.	Chartered Accountants	Karachi.
57	M/s Muqtadir & Co.	Chartered Accountants	Karachi.
58	M/s Mustafa Siddique & Co.	Chartered Accountants	Karachi.
59	M/s S. M Rehan & Co.	Chartered Accountants	Karachi.
60	M/s Saud Ansari & Co.	Chartered Accountants	Karachi.
61	M/s Shafique Qureshi & Co.	Chartered Accountants	Karachi.
62	M/s Z. A Shaikh & Co.	Chartered Accountants	Karachi.
63	M/s Abdul Wahid & Co.	Chartered Accountants	Karachi.
64	M/s Amin Mudassar & Co	Chartered Accountants	Lahore.
65	M/s Aslam Malik & Co.	Chartered Accountants	Lahore.
66	M/s Azhar Zafar & Co.	Chartered Accountants	Lahore
67	M/s F. Majid Eshai & Co.	Chartered Accountants	Lahore.
68	M/s Gardezi & Co.	CharteredAccountants	Lahore.
69	M/s Hameed Khan & Co.	Chartered Accountants	Lahore.
70	M/s Hassan Farooq & Co.	Chartered Accountants	Lahore.
71	M/s Ijaz Amin & Co.	Chartered Accountants	Lahore.
72	M/s Javid Jalal Amjad & Co.	Chartered Accountants	Lahore.
73	M/s M. Almas & Co.	Chartered Accountants	Lahore.
74	M/s M.Hussain Chaudhry & Co.	Chartered Accountants	Lahore.

75	M/s Mansha Mohsin Dossani Khan & Co.	Chartered Accountants	Lahore.
76	M/s Munnawar Associates.	Chartered Accountants	Lahore.
77	M/s Nasir Javeed Maqsood Imran.	Chartered Accountants	Lahore.
78	M/s R.H & Co.	Chartered Accountants	Lahore.
79	M/s S. M. Masood & Co.	Chartered Accountants	Lahore.
80	M/s Sajid Iqbal & Co.	Chartered Accountants	Lahore.
81	M/s Saleem Hadi Aslam Nawaz.	Chartered Accountants	Lahore.
82	M/s Sarwar Awan & Co.	Chartered Accountants	Lahore.
83	M/s Ale Imran & Co.	Chartered Accountants	Lahore.
84	M/s Ahmad Usman Shabbir & Co.	Chartered Accountants	Lahore.
85	M/s Fazal Mahmood & Co.	Chartered Accountants	Lahore.
86	M/s Mazhar Ali Khan & Co.	Chartered Accountants	Lahore.
87	M/s Phinehas & Co.	Chartered Accountants	Lahore.
88	M/s S P Amjad & Co.	Chartered Accountants	Lahore.
89	M/s Salariya & Co.	Chartered Accountants	Lahore.
90	M/s Suleman Chaudhry & Co.	Chartered Accountants	Lahore.
91	M/s Tahir Siddiqi & Co.	Chartered Accountants	Lahore.
92	M/s Rai & Co.	Chartered Accountants	Lahore.
93	M/s Abdul Sattar & Co.	Chartered Accountants	Multan.
94	M/s Ashiq & Co.	Chartered Accountants	Multan.
95	M/s M.A Hadi & Co.	Chartered Accountants	Multan.
96	M/s Mahboob Shaikh & Co.	Chartered Accountants	Multan.
97	M/s Mushtaq Rehman Siraj & Co.	Chartered Accountants	Peshawar.
98	M/s Rafaqat Babar & Co.	Chartered Accountants	Peshawar.
99	M/s Aamer Amin & Co.	Chartered Accountants	Peshawar.
100	M/s Akhtar Naqvi & Co.	Chartered Accountants	Peshawar.
101	M/s Ali Associates.	Chartered Accountants	Peshawar.
102	M/s Amjad Javed & Co.	Chartered Accountants	Peshawar.
103	M/s Jalal & Co.	Chartered Accountants	Peshawar.
104	M/s Shahid Ahmad & Co.	Chartered Accountants	Peshawar
105	M/s Khalid Majid Rehman Sarfraz Rahim Iqbal Rafiq	Chartered Accountants	Islamabad
106	M/s Jalis Ahmad & Co.	Chartered Accountants	Karachi.
107	M/s Hassan Naeem & Co.	Chartered Accountants	Lahore.
108	M/s M.Zahid & Co.	Chartered Accountants	Faisalabad.
109	M/s Umer Adil & Co.	Chartered Accountants	Islamabad.
110	M/s M. Sajid & Co.	Chartered Accountants	Multan.

2. COST & MANAGEMENT ACCOUNTANTS

1	M/s. Iqbal Haider Co.	Cost & Management Accountants	Bahawalpur.
2	Mr. Abdul Ghafoor.	Cost & Management Accountants	Bannu.
3	M/s Naqvi Associates.	Cost & Management Accountants	Faisalabad.
4	M/s. M. Nazir & Co.	Cost & Management Accountants	Gujranwala.
5	M/s Mustafa Siddique & Co.	Cost & Management Accountants	Hyderabad.

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6	M/s. Saad Associates.	Cost & Management Accountants	Karachi.
7	M/s. Siddiqi & Co.	Cost & Management Accountants	Karachi.
8	M/s Jumani & Co.	Cost & Management Accountants	Karachi.
9	Mr. Mohammad Arif Nara	. Cost & Management Accountants	Karachi
10	M/s.Jalal & Associates.	Cost & Management Accountants	Karachi.
11	M/s. Alam Associates	Cost & Management Accountants	Karachi.
12	M/s. Qaisar Mufti & Associates.	Cost & Management Accountants	Karachi.
13	Mr. Peer Mohammad.	Cost & Management Accountants	Karachi
14	M/s Salam & Co.	Cost & Management Accountants	Karachi.
15	M/s A.M Quraishi & Co.	Cost & Management Accountants	Karachi.
16	Mr.Mushtaq Ahmad.	Cost & Management Accountants	Karachi.
17	M/s Iqbal Associates.	Cost & Management Accountants	Lahore
18	M/s. Corporate Consultants.	Cost & Management Accountants	Lahore
19	M/s. Jamil Shaikh & Co.	Cost & Management Accountants	Lahore.
20	M/s. M. Sadiq Khan & Co.	Cost & Management Accountants	Lahore.
21	M/s Revenue Advisory Services.	Cost & Management Accountants	Lahore
22	Mr. Mohammad Ishaque.	Cost & Management Accountants	Lahore.
23	Mr. Mohammad Khalid Mirza.	Cost & Management Accountants	Lahore.
24	M/s. Anis Hanif Anwar & Co.	Cost & Management Accountants	Islamabad.
25	M/s. Tariq Mustafa & Co.	Cost & Management Accountants	Islamabad.
26	M/s. Aas Associates.	Cost & Management Accountants	Rawalpindi.
27	M/s. Shaukat Baluch & Co	. Cost & Management Accountants	Rawalpindi.
28	M/s.Zafar & Co.	Cost & Management Accountants	Rahim-Yar-Khan.
29	M/s S.U.Khan & Co.	Cost & Management Accountants	Islamabad.
30	M/s Riasat Khan & Co.	Cost & Management Accountants	Islamabad.

[F.No.1(19)STM/2006.]

1-46-06-06-06

Section 34A: Exemption from penalty and additional tax

Amnesty for Pak Suzuki Motors

S.R.O. 644(I)/2002, dated September 20, 2002.– In exercise of the powers conferred under section 34A of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to exempt the amount of additional sales tax adjudged against M/s. Pak Suzuki Motors Ltd., vide order-in-original No. 220/93, dated 2nd October, 1993 for the reasons and subject to the conditions recorded below:–

(i) M/s. Pak Suzuki Motor Co. Ltd., took adjustment of sales tax paid on parts and components used in the manufacture of exempt vehicles, especially those supplied under the yellow cab scheme during the period from November 1990 to October 1992. Tax liability of Rs. 29.6 million as sales tax and Rs. 75.94 million as additional tax and surcharge was initially adjudged against them, which on appeal was reduced to Rs.19.8 million and Rs.30.6 million respectively.

(ii) The company filed a writ petition in the Sindh High Court and obtained a stay order, which was finally vacated on 17th December, 1999. By that time, additional tax had accumulated to Rs.523.6 million. On 30th December, 1990, M/s. Suzuki Motors Ltd., paid the principal amount and 25% of the additional tax adjudged against them in order to claim the benefit of amnesty under Federal Government Notification S.R.O. 1349(I)/99, dated 17th December, 1999. But their plea was not accepted by the department as the amnesty scheme required the payment of the principal amount and 25% of the additional tax calculated upto the date of payment.

(iii) The company represented that the original demand itself was not justified because;–

  (a) at that time Pak Suzuki was working as a public sector organization;

  (b) the price of vehicles under the yellow cab scheme was fixed by the Government without including the element of sales tax either on financial vehicles or on its parts or components; and

  (c) At the time they were required by the government to sell their vehicles at controlled price. Thus no sales tax was charged by them from the buyers.

(iv) No refund of any amount of sales tax already paid by M/s. Pak Suzuki Motors Ltd.; in the above referred case shall be claimed or paid in consequence of or on account of the this exemption order.

1-49-01-08-06

Waiver for M/s. Kash Distributor

ORDER, dated December 10, 2002.– WHEREAS M/s. Kash Distributor (Pvt.) Limited Plot No. 311, Industrial Triangle, Kahuta Road, Islamabad have

applied for waiver of additional tax and penalty payable on the principal amount of sales tax short paid by them for the period from July, 2000 to August, 2001 on the following grounds, namely:–

(a) that the office was closed during the said period due to obstruction by the Workers;

(b) that the cash amount was embezzled by their Manager; and

(c) that they had paid the short-paid principal amount immediately after issuance of show cause notice No. S.T./Adj/D.C.II/548/2001/9751, dated the 3rd August, 2002;

NOW, THEREFORE, in exercise of the powers conferred under section 34A of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to waive off seventy-five *per cent* of the additional tax and penalty payable on the 1st October, 2001, under order-in-original No. 94/2002, dated the 3rd August, 2002 passed by the Deputy Collector Collectorate of Customs, Central Excise and Sales Tax, Rawalpindi; as a special case; provided that they pay the balance amount before the 31st December, 2002 otherwise this waiver will lapse.

Waiver for M/s. Uch Power Ltd.

S.R.O. 375(I)/2003, dated April 28, 2003.– WHEREAS M/s. Uch Power Limited, Dera Murad Jamali, Baluchistan have applied for waiver of additional tax and penalty payable on the principal amount of sales tax amounting to one hundred fourteen million five hundred ninety-eight thousands and twenty rupees short paid by them for the period from October, 2000 to September, 2001 on the following grounds, namely:–

(a) that the company made payments of output tax on the basis of the value of electricity as shown in the Energy Purchase Price (EPP) invoices raised by it to WAPDA due to the misunderstanding that the company was required to pay sales tax on the amount received from WAPDA and not on the amount shown in the company's invoices for supply of electricity to WAPDA in terms of the Special Procedure for Collection and Payment of Sales Tax (Electric Power) Rules, 2000;

(b) that the company deposited one hundred fourteen million five hundred ninety-eight thousands and twenty rupees to cover the differential amount of sales tax as soon as ruling No. 64/2002, dated the 11th October, 2002 was issued by the Central Board of Revenue, which cleared the aforesaid misunderstanding; and

(c) that there was no *mala fide* involved on the part of the company and sales tax dues were cleared as soon as the misunderstanding was removed and the company started making payments on the basis of the EPP as shown in its invoices to WAPDA raised from October, 2002 onwards;

1-08-30-06-03

NOW, THEREFORE, the exercise of the powers conferred by section 34A of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to exempt additional tax amounting to twenty six million nine hundred three thousands and nine hundred eighty rupees and penalty of three million four hundred thirty- seven thousands and nine hundred forty-one payable by M/s. Uch Power Limited on the 3rd November, 2002, as a special case.

Waiver for M/s. FLS Pakistan (Pvt.) Ltd.

S.R.O. 416(I)/2003, dated May 16, 2003.– WHEREAS**,** the Additional Collector, Sales Tax, Peshawar vide order in–original No.04/2000 dated the 17th January, 2000 adjudged the following amounts to be recovered from M/s FLS Pakistan (Pvt.) Ltd, Industrial Estate, Hattar, namely:–

(a) principal amount of sales tax (thirty two lac twelve thousand five hundred and sixty-eight rupees only) along with additional tax and penalty on account of incorrect adjustment of input tax in respect of machinery imported during the exempted period;

(b) additional tax and penalty to be calculated at the time of payment on account of non-payment of sales tax in time on advances received by them; and

(c) nine thousand five hundred and nineteen rupees only along with additional tax and penalty on account of non payment of further tax;

AND WHEREAS M/s. FLS Pakistan (Pvt.) Ltd, Industrial Estate, Hattar paid the principal amounts of sales tax (rupees thirty-two lac twelve thousand five hundred and sixty eight only) and (nine thousand five hundred and nineteen rupees only) and have requested for exemption of additional tax and penalty leviable thereon and the additional tax and penalty leviable on advances received by them on the following grounds, namely:–

(a) incorrect adjustment of input tax happened due to the misconstruction of the then language of section 7 of the Sales Tax Act, 1990; as the words "during the tax period" were inserted in the section after the words "input tax paid" by the Finance Act, 1998 (III of 1998); and

(b) the concept of charging tax on advances was incorporated in the definition of ''Time of Supply" in the Finance Act, 1996 (IX of 1996). The exemption available to them was also withdrawn on The 1st July, 1996. It was beyond their professional reach to know, understand and apply both the legal amendments simultaneously. Moreover, they have paid sales tax due on the component of advances at the time of supply of the machinery during taxable period and it was invoiced on the total value. Hence, charging additional tax for the period intermediately between the receipt of advances and the date of actual supply and imposition of penalty would be an undue additional burden on their financial resources;

NOW, THEREFORE, in exercise of the powers conferred by section 34A of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to exempt, as a special case, the amount of additional tax and penalty leviable on the principal amount of rupees thirty two lac twelve thousand five hundred and sixty-eight only and rupees nine thousand five hundred and nineteen only and the additional tax and penalty payable on account of non payment of sales tax on advances on time adjudged vide order in original No. 4/2000 dated the 17th January, 2000, by the Additional Collector, Sales Tax, Peshawar on the aforesaid grounds.

1-08-30-06-03

General amnesty and exemption from sales tax and additional tax

S. R.O. 500(I)/2003, Islamabad, the 7th June, 2003.– In exercise of the powers conferred by clause (a) of sub-section (2) of section 13 and section 34A of

the Sales Tax Act, 1990, the Federal Government is pleased to exempt the amount of sales tax and additional tax, payable in excess of the amount shown in column (3) of the table given below by the categories of the persons mentioned in column (2) thereof subject to the following conditions, namely:–

(a) this notification shall not entitle any person to claim or take refund of any amount of sales tax already paid by or recovered from him; and

(b) this notification shall also not apply to the registered persons against whom a case of tax fraud or the evasion has already been framed; and

(c) no audit of the record shall be conducted in case the liabilities accrued in terms of this notification are paid by the 30th September, 2003.

TABLE

Sr. No.	Category of persons	Amount of sales tax exempt
1	2	3
1.	Persons registered or enrolled before the 1st July, 2000	Whole of the amount of sales tax and additional tax payable on supplies made prior to [1][registration].
2.	Persons registered or enrolled during the period 1st July, 2000 to the 31st May, 2003	Whole of the amount of sales tax and additional tax payable on supplies made prior to the 1st July, 2000 and the amount in excess of two per cent of the turnover declared with the Income Tax authorities for supplies made after the 1st July, 2000.
3.	Persons who apply for registration or enrollment during the period 1st June, 2003 to [2][30th September, 2003]	Whole of the amount of sales tax and additional tax payable on supplies made prior to the 1st July, 2002 and in excess of two per cent of the turnover declared or to be declared with Income Tax authorities for the year 2002-2003.
4.	Persons registered or enrolled during the period 1st July, 2000 to 31st May, 2003 and remained partially compliant.	Whole of the amount of sales tax and additional tax prior to the date of registration, and tax in excess of two per cent on their turnover declared with the Income Tax authorities for the period in which they remained non-compliant:

Explanation.– Partially compliant or non-compliant person for the purposes of this notification means, a person who either failed to file sales tax return or filed return showing no value addition and tax payment in any tax period since his date of registration or enrolment.

2. This notification shall remain in force till the 30th September, 2003 for the purposes of payment of liabilities.

1-11-20-09-03

[1]Substituted for "1st July, 2000" by Notification No. SRO 744/(I)/2003 dated July 30, 2003.

[2]Substituted for "31st August, 2003" by Notification No. SRO 914/(I)/2003 dated September 16, 2003.

Exemption To Certain Sugar Mills

S. R.O. 373(I)/2003, Islamabad, the 26th April, 2003.– WHEREAS the Government of Pakistan, through MOU signed with the Pakistan Sugar Mills Association on the 29th May, 1998, allowed export of 02 MT of sugar and in recognition thereof agreed to provide incentive of Rs. 3000/MT in addition to the existing incentive of zero-rating of Central Excise, Zero rating of Sales Tax and Export duty drwback of Rs. 1500/MT. Susequently, a large number of sugar mills could not pay their sales tax, due to the reason that their export rebate were not released by the concerned authority. In view of this problem faced by the mills, it was decided by the Commerce Minister on the 15th February, 1999, that no penalty is to be levied against such late sales tax adjustment made by sugar manufacturers provided that the Government owes money as duty draw back to the exporting sugar mills. Cubsequently, CBR in view of this commitment by Government of Pakistan, *vide* its letter C. No. 4/57-STB/97-Vol-II, dated the 22nd March, 1999, laid down procedure wherein if a sugar mill reports short payment or non-payment of its sales tax due in monthly return-*cum*-payment challan, it shall also indicate at the reverse of each copy of the challan a statement about pending duty draw back claim. The Collector of Sales Tax on receipt of such declaration was bound to recover the amount from the respective collector of Customs under clause (a) of sub-section (1) *section 48 of the Sales Tax Act, 1990, and recommend cases for waiver of statutory penalty and additional tax to the Board;

Accordingly, the Collector of Hyderabad has submitted cases of eight sugar mills listed in the Annex below for exemption of the amount of additional tax and penalty as the principal amount of Sales Tax has since been recovered from their duty draw back claim;

NOW, THEREFORE, in consideration of the commitment given by the Government of Pakistan, through its MOU, dated 29th May, 1998, read with Central Board of Revenue's letter C. No. 4/57-STB/97-Vol-II, dated the 22nd March, 1999, and in exercise of the powers conferred by section 34A of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to exempt the entire amount of additional tax and penalty, payable up to 15th April, 2003 as outstanding against the Sugar Mills listed in the following Annex:–

ANNEX

Sl. No.	Name of Unit			Add. Tax upto 15-4-2003	Penalty U/S 33(1)/ Penalty U/S 33(2)CC	Total Add. Tax *plus* Penalty Payable
	(1)					
1.	M/s. Faran Sugar Mills	…	…	1414844	559482	1974326
		Total	…	1414844	559482	1974326
2.	M/s. Sindh Abadgar Sugar Mills	…	…	606055	223800	829855
				423522	192453	675975
		Total	…	*1089577	*416253	*1505830

*apparently intended word "of" is missing.
**wrong totalling.

1-11-20-09-03

3.	M/s. Ansari Sugar Mills	…	…	593153	205656	744809
	M/s. Ansari Sugar Mills	…	…	524699	208841	733540
	M/s. Ansari Sugar Mills	…	…	1490860	353587	1844447
	M/s. Ansari Sugar Mills	…	…	365984	152865	518849
	M/s. Ansari Sugar Mills	…	…	1450921	662999	213920
		Toatl	…	*3832464	*1378292	*5210756
4.	M/s. Habib Sugar Mills	…	…	152752	58263	211015
		Total	…	15252	58263	211015
5.	M/s. Mirpurkhas Sugar Mills	…	…	678831	258942	937773
		Total	…	678831	258942	937773
6.	M/s. Tharparkar Sugar Mills	…	…	491339	200567	691906
		Total	…	491339	200567	691906
7.	M/s. Khairpur Sugar Mills	…	…	1197303	178113	1375416
		Total	…	1197303	178113	1375416
8.	M/s. Dewan Sugar Mills	…	…	2237797	829987	3067784
		Total	…	2237797	829987	3067784
	Grand	Total	…	*11094907	*3879899	*14974806

Exemption to certain registered persons

S.R.O. 981(I)/2003, Islamabad, the 14th October, 2003.– Whereas on reports furnished by various Collectorates of Sales Tax that certain registered persons have paid the total principal amount of sales tax and 25% of additional tax due from them as were detected/adjudged against them and whereas the registered persons have either not filed an appeal against the order-in-original, or have withdrawn the appeal if so filed, the Central Board of Revenue, in exercise of the powers conferred by section 34-A of the Sales Tax Act, 1990 is pleased to exempt, as a special case, the amount of additional tax and penalty detected or adjudged against the following twenty registered persons as shows** against their names in the following table:–

Sl. No	Name of the Unit	Principal Sales Tax Paid (Rs.)	25% Addl. Tax paid (Rs.)	75% Addl. Tax Waived	Penalty Waived	Total Waiver (Rs.)
1.	M/s. Nadia Textile International (Pvt.) Ltd. Lahore. Reg # 03-04-5111-027-19	86,400	4,320	12,960	25,920	38,880
2.	M/s. Karachi Dyeing (Pvt.) Ltd., Lahore Reg # 03-07-5111-023-73	479,445	56,501	169,503	25,689	195,192
3.	M/s. Rex Hotel, Lahore Reg # 03-09-9801-406-91	139,184	10,816	29,928	45,874	75,802

*wrong totalling.

**should have been “shown”.

4.	M/s. Regency Inn Hotel, Reg # 03-04-9801-400-73	43,687	6,313	18,939	5,000	23,939
5.	M/s. Royal City Hotel, Lahore Reg # 09-09-9801-070-73	3,474	416	0	5,000	5,000
6.	M/s. Time & Taste, Lahore, Reg # 09-04-9801-392-64	25,800	906	2,709	5,000	7,709
7.	M/s. Beauty Care, Lahore, Reg # 03-04-9801-009-55	7,303	741	2,223	5,000	7,223
8.	M/s. Crystal Garden Hotel, Lahore Reg # 03-04-9801-122-73	33,437	2,751	8,256	10,000	18,256
9.	M/s. Nawaz Iron & Steel, Lahore, Reg # 03-09-7326-082-82	9,300	825	2,475	5,000	7,475
10.	M/s. Sarai Hotel, Lahore, Reg # 03-09-9801-079-46	18,226	1,458	4,374	5,000	9,374
11.	M/s. Shakeel & Co., Lahore, Reg # 03-05-9801-065-73	15,080	1,281	3,843	5,000	8,843
12.	M/s. Shobra Hotel, Lahore, Reg # 03-09-9801-064-64	26,809	1,354	4,062	15,000	19,062
13.	M/s. Goung Dong Cuisine, Lahore, Reg # 03-04-9801-013-82	16,220	1,244	3,731	5,000	8,731
14.	M/s. Carry Homes Restaurant, Lahore, Reg # 03-09-9801-075-28	6,672	384	1,151	10,000	11,151
15.	M/s. Riaz Fabrics, Lahore, Reg # 03-07-5111-010-46	178,760	11,038	33,114	16,875	49,989
16.	M/s. Sanaullah Iqbal & Sons, Lahore, Reg # 03-05-5300-001-64	139,047	12,141	36,423	47,500	83,923
17.	M/s. Atara Tarpauline Textile Mill, Lahore, Reg # 03-06-5202-005-55	809,432	54,685	163,972	25,980	189,954
18.	M/s. Saritow Spinning, Kasur, Reg # 03-05-5202-028-82	38,878,358	2,525,000	7,575,000	0	7,575,000
19.	M/s. Ever Green Total Business, Lahore, Reg # 03-04-3200-005-46	262,129	17,298	51,894	19,323	71,217
20.	M/s. Liberty Textile (Pvt.) Ltd., Lahore, Reg # 03-08-5202-039-28	565,323	41,054	123,162	33,995	157,157
	Total	41,743,995	2,750,499	8,247,719	316,158	8,563,877

1-12-30-11-03

Exemption to M/s. S. Zia-ul-Haq and Sons

S.R.O. 15(I)/2004, dated January 10, 2004.– In exercise of the powers conferred by section 34A of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to exempt the amount of additional sales tax and penalty adjudged against M./s. S. Zia-ul-Haq and Sons, D-51, Block-9, Scheme-5, Kehkashan, Clifton, Karachi vide Order-in-Original No. 27/2003, dated the 15th March, 2003, and audit observation No. 17, dated the 4th September, 2003, for the reasons that they have paid the principal amount of sales tax involved and are otherwise compliant taxpayers but the delay in payment was due to genuine hardship and liquidity problems caused by non-receipt of payment from their customers.

Exemption to Distributor Liver Brothers Pakistan Ltd.

S.R.O. 241(I)/2004, dated April 29, 2004.– WHEREAS MR. M. Ilyas Khan, distributor, Lever Brothers (Pakistan) Limited, Kot Ghulam Muhammad, District Mirpurkhas, Sindh, sales tax registration No. 0101090202391, adjusted input tax against his output tax including further tax in violation of sub-section (1) of section 7 of the Sales Tax Act, 1990, during the tax period from 1st August, 2003 to 31st October, 2003, which resulted in levy of additional tax amounting to five thousand eight hundred seven rupees and penalty of fifteen thousand rupees;

AND WHEREAS the Central Board of Revenue is satisfied that the total amount of further tax not deposited due to erroneous adjustment has been deposited by the registered person; and that the omission was due to lack of knowledge and inadvertence;

NOW, THEREFORE, the Central Board of Revenue, in exercise of the powers conferred by section 34A of the Sales Tax Act, 1990, is pleased to exempt whole of additional tax and penalty pointed out by the audit staff against the registered person.

Exemption to F.W. Distributors

S.R.O. 242(I)/2004, datd April 26, 2004.– WHEREAS due to the sales tax audit of M/s F.W. Distributors, Rawalpindi, for the period July, 2000 to May, 2003, sales tax of Rs.4.258 Million alongwith additional tax was pointed out, to be recoverable;

AND WHEREAS on the request to M/s F.W. Distributors, Rawalpindi the case was sent to Dispute Resolution Committee under section 47A of the Sales Tax Act, 1990 and the said Committee recommended that additional tax up to the date of the order to be issued, in pursuance of the aforesaid recommendation, be exempted;

NOW, THEREFORE, the central Board of Revenue in exercise of the powers conferred by section 34A of the Sales Tax Act, 1990 is pleased to exempt as a special case the whole amount of Additional Tax leviable vide order No. 04/2004 dated the 27th March, 2004.

General Amnesty

S.R.O. 246(I)/2004, dated May 5, 2004.– In exercise of the powers conferred by clause (a) of sub-section (2) of section 13 and section 34A of the Sales Tax Act, 1990, and in supersession of its Notification No. S.R.O. 500(I)/2003, dated the 7th June, 2003 the Federal Government is pleased to exempt the amount of sales tax, additional tax and penalty payable in excess of the amount mentioned in column (3) of the Table below, by the categories of persons mentioned in column (2) thereof, subject to the following conditions, namely:–

(a) this notification shall not entitle any person to claim or take refund of any amount of sales tax already paid by or recovered from him; and

(b) no audit of the record for the period of exemption shall be conducted if the amount of tax is paid in terms of this notification by the [1][30th June, 2004].

TABLE

Sr. No.	Category of person	Extent of exemption
(1)	(2)	(3)
1.	Retailers registered or enrolled before the 1st July, 2000.	The whole of the amount of sales tax, turnover tax, additional tax and penalty payable on supplies made prior to registration.
2.	Retailers registered or enrolled during the period from the 1st July, 2000 to the day preceding the date of this notification.	The whole amount of sales tax, turnover tax, additional tax and penalty payable on supplies made prior to the 1st July, 2000, and the amount in excess of two percent of the turnover declared with the Income Tax authorities for supplies made during the period from 1st July 2000 to the day preceding the date of this notification.
3.	Retailers who apply for registration or enrolment from the date of this notification to the 30th June, 2004.	The whole amount of sales tax, turnover tax, additional tax and penalty payable on supplies made prior to the 1st July, 2003 and the amount in excess of two percent of the turnover declared with the Income Tax authorities for supplies during the period from the 1st July, 2003 to the date of registration. [2][No audit of the record for the period prior to registration shall be conducted where a retailer registers on or before the 30th June, 2004.]

[1]Substituted for "20th June, 2004" by Notification No. SRO 525(I)/2004, dated June 21, 2004.

[2]Words etc. inserted by Notification No. SRO 525(I)/2004, dated June 21, 2004.

General Amnesty

S.R.O. 247(I)/2004, dated May 5, 2004.– In exercise of the powers conferred by section 34A of the Sales Tax Act, 1990, the Federal Government is pleased to exempt the amount of additional tax and penalty payable in excess of the amount mentioned in column (3) of the Table below, by the categories of persons mentioned in column (2) thereof, subject to the following conditions, namely:–

(a) the amount of tax payable is to be paid by the [1][30th June, 2004:] and

[2][Provided that in case the additional tax payable by a registered person exceeds the principal amount, the additional tax in excess of twenty five per cent of the principal amount and the whole of penalty shall be exempted, if the payment of outstanding principal amount and the additional tax as reduced by this notification is made on or before the 30th June, 2004:

Provided further that in case only an amount of penalty is outstanding against a registered person, if he pays an amount equal to twenty-five per cent of the such amount by the 30th June, 2004, the remaining amount of penalty shall be exempted.]

(b) this notification shall not entitle any person to claim or take refund of any amount of sales tax already paid by or recovered from him.

TABLE

Sr. No.	Category of person	Amount payable
(1)	(2)	(3)
1.	Persons against whom any amount of sales tax is outstanding in terms of an audit observation, audit report, demand notice, assessment order or adjudication order, or due to any other reason.	Outstanding principal amount of sales tax and twenty-five *per cent* of additional tax thereon.
2.	Persons who failed to pay any amount of sales tax or took inadmissible adjustment of input tax due to any reason.	Amount of sales tax not paid or inadmissible input tax adjusted, as the case may be, and twenty-five per cent of additional tax thereon.
3.	Persons who wrongly obtained refund or took inadmissible adjustment of input tax on the basis of fake or flying invoices, wrong calculations or any other reason.	Amount of refund wrongly obtained, or inadmissible input tax adjusted, as the case may be, and twenty-five *per cent* of additional tax thereon.
4.	Persons who avoided payment of further tax by wrongly issuing invoices in the name of registered persons.	Amount of further tax involved and twenty-five *per cent* of additional tax thereon.

[1]Substituted for "20th June, 2004;" by Notification No. SRO 526(I)/2004, dated June 21, 2004.

[2]Provisos inserted by Notification No. SRO 526(I)/2004, dated June 21, 2004.

Waiver for mechanical oil expelling units

ORDER

S.R.O. 881(I)/2004, dated October 28, 2004.– WHEREAS, sales tax has been levied on cotton seed oil and cotton seed oil cake extracted from cotton seed by the mechanical oil expellers in the Budget 2004-05;

AND WHEREAS, the levy imposed on the mechanical oil expellers was a new levy and they were previously not in the registration net, therefore, a number of mechanical oil expellers could not file their sales tax returns within the due dates, as required under sub-section (9) of section 2 of the Sales Tax Act, 1990, due to lack of knowledge of Sales Tax law and procedures;

NOW, THEREFORE, in exercise of the powers conferred by section 34A of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to exempt, as a special case, whole of the amount of additional tax and penalty chargeable from the mechanical oil expelling units due to late filing of returns for the tax periods July, August and September, 2004 subject to following conditions, namely:-

(a) they shall file their outstanding returns by the 31st day of October, 2004; and

(b) no refund of additional tax or penalty, if already paid on account of late filing of tax returns for the aforesaid tax periods, shall be admissible.

[3(98)STP/96]

1-24-31-10-04

Immunity re: outstanding taxes

S.R.O. 520(I)/2005, 6th June 2005.– In exercise of the powers conferred by section 34A of the Sales Tax Act, 1990, the Federal Government is pleased to exempt whole of the amount of additional tax and penalties payable by a person against whom an amount of sales tax is outstanding on account of any audit observation, audit report, demand notice or any order; or who has failed to pay any amount of sales tax or claimed inadmissible input tax adjustment or refund due to any reason other than tax fraud, subject to the following conditions, namely:-

(a) the outstanding principal amount of sales tax is paid by the [1][31st July, 2005]; and

(b) this notification shall not entitle any person to claim or take refund of any amount of sales tax already paid by or recovered from him.

[C. No. 1/33-STB/2005]

Waiver for certain coal supplies in Baluchistan

S.R.O. 1182(I)/2005, dated 29th November, 2005.– In exercise of the powers conferred by Clause (a) of sub-section (2) of section 13 and section 34A of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the supplies of coal extracted by coal miners in Balochistan made on or prior to the 30th June, 2000, shall be exempt from payment of sales tax, and other liability of additional tax or penalty whether determined or adjudicated or otherwise due in respect of the said supplies shall be waived.

2. No refund of any amount of sales tax, additional tax or penalty already recovered or paid on the aforesaid supplies shall be claimed or paid under this notification.

Immunity for defaulting retailers

S.R.O. 363(I)/2007, dated 2nd May, 2007.–In exercise of the powers conferred by section 34A of the Sales Tax Act, 1990, the Federal Government is pleased to exempt the penalty and default surcharge imposed under section 33 and 34 of the Act, for the registered retailers who discharge their sales tax liabilities by making payment of sales tax at the rate of 1.25% of taxable supplies and income tax at the rate of 0.75% of taxable supplies made during the period 1st July, 2006 to 30th April, 2007 subject to the following conditions namely;

(a) the full payment of principal amount of tax shall be deposited by 30th May, 2007;

(b) no refund shall be admissible to any registered person on account of this notification; and

(c) The retailers who have partially paid sales tax and income tax @ 3% on certain value of taxable supply, shall pay sales tax and income tax at the new rates on the remaining value of taxable supply of the default period.

No.1/1-STB/2006(Pt)

[1]Substituted for "30th June, 2005" by SRO 723(I)/2005 dated July 21, 2005.

Amnesty for defaulters

S.R.O. 463(I)/2007, Islamabad, the 9th June, 2007.–In exercise of the powers conferred by section 34A of the Sales Tax Act, 1990, the Federal Government is pleased to exempt whole of the amount of default surcharge and penalties payable by a person against whom an amount of sales tax is outstanding on account of any audit observation, audit report, show cause notice or any adjudication order, or who has failed to pay any amount of sales tax or claimed inadmissible input tax adjustment or refund due to any reason other than tax fraud, subject to the condition that the outstanding principal amount of sales tax is paid by the 30th June, 2007 [1][, or has already been paid at the time of issuance of this notification.]

[C. No. 4/1-STB/2007]

Exemption for defaulters

S.R.O. 511(I)/2008, Islamabad, the 5th June, 2008.– In exercise of the powers conferred by section 34A of the Sales Tax Act, 1990 and sub-section (4) of section 16 of the Federal Excise Act, 2005, the Federal Government is pleased to exempt whole of the amount of default surcharge and penalties payable by a person against whom an amount of sales tax or federal excise duty is outstanding on account of any audit observation, audit report, show cause notice or any adjudication order, or who has failed to pay any amount of sales tax or federal excise duty or claimed inadmissible input tax adjustment or refund or drawback due to any reason, subject to the condition that the outstanding principal amount of sales tax or federal excise duty is paid by [2][31st July], 2008. It is clarified that exemption of default surcharge and penalties under this notification shall also apply in cases where principal amount of sales tax or federal excise duty has been deposited by the registered persons prior to issuance of this notification. However, the subject amnesty scheme does not apply to cases of fraudulent refunds or drawback and other tax frauds.

[C. No. 5/1-STB/2008]

Exemption for defaulters

S.R.O. 524(I)/2008, Islamabad, the 11th June, 2008.– In exercise of the powers conferred by clause (a) of sub-section (2) of section 13 and section 34A of the Sales Tax Act, 1990, the Federal Government is pleased to exempt the amount of sales tax, default surcharge and penalty payable in respect of the taxable supplies made prior to 11th June, 2008, subject to following conditions, namely:-

(i) the supplies were made by an unregistered person who was otherwise liable to be registered under the Sales Tax Act, 1990;

(ii) such person applies for registration during the period 1st June, 2008 to 31st July, 2008, and thereafter files sales tax returns and pays tax due regularly; and

[1]Comma substituted for full stop and words thereafter inserted by SRO 999(I)/2007, dated September 29, 2007. The amendment shall be deemed to have always been so made.
[2]Substituted for "30th June" by SRO 700(I)/2008 dated June 30, 2008.

(iii) this notification shall also not apply to the registered persons against whom a case of tax fraud or evasion has already been framed.

[C.No. 3(14)ST-L&P/08]

(Abdul Wadood Khan)
Additional Secretary

Exemption from penalty for late filing of return payable

S.R.O. 479(I)/2009, dated June 13, 2009.- In exerciese of the powers conferred by section 34A of the Sales Tax Act, 1990, and sub-section (4) of section 16 of Federal Excise Act, 2005, the Federal Government is pleased to exempt penalty for late filing of return payable under serial No. 1 of the Table given in section 33 of the Sales Tax Act, 1990, and sub-section (1) of section 19 of Federal Excise Act, 2005, in respect of a registered person, subject to the following conditions, namely:-

(a) The registered person filed the returns by the 28th February, 2009 for the tax periods from July, 2008, to January, 2009; and

(b) payment of the tax due was made by the registered person by due date for each month.

[1(16)GST/Com/JD-II/2009]

(Munir Qureshi)
Additional Secretary

Waiver of default surcharge & penalties

S.R.O. 648(I)/2011, dated June 25, 2011.- In exercise of the powers conferred by section 34A of the Sales Tax Act, 1990 and sub-section (4) of section 16 of the Federal Excise Act, 2005, the Federal Government is pleased to exempt whole of the amount of default surcharge and penalties payable by a person against whom an amount of sales tax or federal excise duty is outstanding on account of any audit observation, audit report, show cause notice or any adjudication order, or who has failed to pay any amount of sales tax or federal excise duty or claimed inadmissible input tax credit, adjustment, refund drawback or rebate due to any person, subject to the condition that the outstanding principal amount of sales tax or federal excise duty is paid by 30th June, 2011.

2. Benefit of this notification shall not be available in cases of fraudulent refunds or drawback and other tax frauds.

[C. No. 4(21)ITP/2011]

(Shahid Hussain Asad)
Additional Secretary

Waiver of default surcharge & penalties

S.R.O. 548(I)/2012, dated May 22, 2012.- In exercise of the powers conferred by section 34A of the Sales Tax Act, 1990 and sub-section (4) of section 16 of the Federal Excise Act, 2005, the Federal Government is pleased to exempt whole of the amount of default surcharge and penalty for non-payment payable by a person against whom an amount of sales tax or federal excise duty is outstanding on account of any audit observation, audit report, show cause notice or any adjudication order, or who has failed to pay any amount of sales tax or federal excise duty or claimed inadmissible input tax credit, adjustment, refund drawback or rebate due to any person, subject to the condition that the outstanding principal amount of sales tax or federal excise duty is paid by [1][30th June, 2012].

Provided that where refund becomes due to any person in consequence of a decision or judgment of court after the issuance of this Notification, the tax deposited by that person under this Notification shall be refunded to him.

2. Benefit of this Notification shall not be available in cases of fraudulent refunds or drawback and other tax fraud.

[C. No. 4(21)ITP/2011]

(Shahid Hussain Asad)
Member (Inland Revenue)/Additional Secretary

Waiver of default surcharge & penalties

S.R.O. 774(I)/2012, dated June 27, 2012.- In exercise of the powers conferred by section 34A of the Sales Tax Act, 1990, the Federal Government, in supersesson of its Notification No. S.R.O. 606(I)/2012, dated the 01st June, 2012, is pleased to exempt whole amount of default surcharge and penalties payable by a person against whom an amount of sales tax is outstanding on account of illegally adjusted input tax, subject to the following conditions:-

(i) twenty-five per cent of the principal amount of illegally adjusted sales tax is paid by the 30th June, 2012;

(ii) the remaining principal amount (seventy-five percent) is paid by the 31st December, 2012 in five equal monthly installment with first installment payable on the 31st August, 2012; and

(iii) any case, complaint or proceedings filed by the registered person before any court of law, Federal Tax Ombudsman or any other authority is withdrawn by 31st December, 2012.

2. Any criminal proceedings lodged by the department shall abate from the date of complying with the above conditions by the registered person.

3. In case payment is not made as per conditions mentioned above, benefit under this notification shall abate *ab initio.*

[C. No. 4(21)ITP/2011-Pt-II]

(Sardar Aminullah Khan)
Additional Secretary

1-136-12-06-13

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[1]Substituted for "25th June, 2012 by SRO 770 dated June 25, 2012.Earlier it was substituted for "31st May, 2012" by SRO 700(I)/2012 dated June 07, 2012.

100% exemption from default surcharge / penalty

S.R.O. 494(I)/2013, Islamabad, the 10th June, 2013.- In exercise of the powers conferred by section 34A Sales Tax Act, 1990, sub-section (4) of section 16 of the Federal Excise Act, 2005, section 202A of the Customs Act, 1969 (IV of 1969) and section 183 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Government is pleased to exempt the whole amount of default surcharge, penalty and other surcharge payable by a person against whom an amount of sales tax, federal excise duty, customs duty or income tax (including withholding tax) is outstanding on account of any audit observation, audit report, show cause notice, adjudication or assessment order, or who has failed to pay any amount of sales tax, federal excise duty, customs duty and income tax ("including withholding tax) or claimed inadmissible input tax credit, adjustment, refund, drawback or rebate due to any reason, subject to the condition that the whole outstanding principal amount of sales tax, federal excise duty, customs duty or income tax (including withholding tax), as the case may be, is paid by the 30th June, 2013.

2. The benefit of its Notification shall not be available to cases of fraudulent refunds, drawback or any case involving tax or duty fraud or where prosecution proceedings have been initiated.

[C.No.1/47-STB/2013]

(Mohammad Raza Baqir)
Additional Secretary

Exempt whole of the amount of default surcharge and penalty

S.R.O. 1134(I)/2026, Islamabad, the 17th July, 2026.– In exercise of the powers conferred by section 34A of the Sales Tax Act, 1990 and sub-section (4) of section 16 of the Federal Excise Act, 2005 and in pursuance of Federal Cabinet's decision dated the 15th day of June, 2026 in Case No. 411/Rules-19/2026/497, the Federal Government is pleased to exempt whole of the amount of default surcharge and penalty against the liability on account of sales tax and federal excise duty amounting to Rs. 1,003,836,617/- and Rs. 3,469,492,347/- (pertaining to September, October and December, 2025) respectively, in respect of M/s Pakistan International Airlines Corporation Limited (PIACL).

In exercise of the powers conferred by section 34A of the Sales Tax Act, 1990 and sub-section (4) of section 16 of the Federal Excise Act, 2005 and in pursuance of Federal Cabinet's decision dated the 15th day of June, 2026 in Case No. 411/Rules-19/2026/497, the Federal Government is pleased to exempt whole of the amount of default surcharge and penalty against the liability on account of sales tax and federal excise duty amounting to Rs. 1,003,836,617/- and Rs. 3,469,492,347/- (pertaining to September, October and December, 2025) respectively, in respect of M/s Pakistan International Airlines Corporation Limited (PIACL).

[C. No. 1/1-STB/2006-2357]

(Sajjad Taslim Azam)
Additional Secretary

1-1246-15-09-2026

Section 38: Authorised officers to have access to premises, stocks, accounts and records

Forms for collecting statistics

S.R.O. 370(I)/2003, Islamabad the 23rd April, 2003.– In exercise of the powers conferred by the Statistics Division's Notification No. S.R.O. 346(I)/2003, dated the 14th April, 2003, the Chairman, Central Board of Revenue is pleased to appoint the Collectors of Sales Tax and Central Excise or his authorized person, having jurisdiction, as statistical agent to obtain information prescribed in the annexures, as required for the purpose of collection of statistics or information under the General Statistics Act, 1975 (LXIX of 1975).

Annexures

MONTHLY PRODUCTION DATA

Information required in this Form is obligatory as per General Statistics Act, 1975. However, it is assured as per provision of the same Act that the information collected will be kept Strictly Confidential and used in aggregates for statistical purpose only.

1. Name of Factory _____
2. Postal Address _____
   _____
3. Telephone No. _____
4. Fax No. _____
5. E-mail address _____

Detail of Production

Sr. No.	Description of item	Unit	Current Year		Previous Year	
			Current month	Cumulative form July	Current month	form July form July
1.						
2.						
3.						
4.						
5.						

Name _____

Signature with stamp _____

_____

Confidential

MINISTRY OF ECONOMIC AFFAIRS AND STATISTICS
STATISTICS DIVIDION
FEDERAL BUREAU OF STATISTICS
ISLAMABAD

1-24-31-10-04

Information required in this schedule is obligatory as per General Statistics Act 1975. However, it is assured as per Provision of the same Act that the information collected will be kept Strictly Confidential and used for statistical purpose in aggregates.

INDUSTRIAL PRODUCTION DATA OF LARGE SCALE
MANUFACTURING INDUSTIRES

S. No.	Industry Major Group/Items	Unit of Quantity	No. of Reporting Units	Production	
				Month ……..	Cumulative Since July ……
1	2	3	4	5	6
	FOOD, BEVERAGES & TOBACCO Food & Tobacco				
1.	Vegetable ghee	M. Tonnes			
2.	Cooking oil	M. Tonnes			
3.	Sugar	M. Tonnes			
4.	Tea blended	M. Tonnes			
5.	Fruit & Vegetables (Canned)	M. Tonnes			
6.	Fish & Sea Food (Canned)	M. Tonnes			
7.	Dairy Products	M. Tonnes			
8.	Ice Cream	"000" Litres			
9.	Biscuits	"000" Litres			
10.	Starch & its Products	M. Tonnes			
11.	Cigarettes	Million Nos.			
	BEVERAGES				
12.	Soft, Drinks (7-up, Coke, Pepsi, aerated water etc.)	"000" Litres			
13.	Fruits Juices	"000" Litres			
14.	Syrups/Squashes	"000" Litres			
15.	Mineral Water	"000" Litres			
	APPAREL & TEXTILE				
16.	Cotton yarn	M. Tonnes			
17.	Cotton cloth	"000" Mitrs			
18.	Silk & art silk textile	"000" Mtr			
19.	Woolen & carpet yarn	M. Tonnes			
20.	Knitting wool	M. Tonnes			
21.	Cotton (Ginned)	M. Tonnes			
22.	Carpets & Rugs	"000" Sq. Mtrs			
23.	Hosiery	"000" Nos			
24.	Knitted Fabrics	"000" Mtr			
25.	Ready-made garments	"Min" Nos			
26.	Towels	"Min" Nos			
	SYNTHETIC FIBRE				
27.	Acetate yarn	"000" Mtr			
28.	Nylon	"000" Mtr			
29.	Polyester Fibre	"000" Mtr			
30.	Jute Goods	M. Tonnes			
	LEATHER & FOOTWEAR				
31.	Leather	"000" Sq. Mtrs			
32.	Footwear	"000" Pairs			
	PAPER AND BOARD				
33.	Paper	M. Tonnes			

34.	Board	M. Tonnes
	WOOD & WOOD PRODUCTS	
	Ply wood/Chip Boards etc.	
35.	Furniture	"000" Sq. Mtrs
36.	**CHEMICALS, RUBBER & PLASTIC**	"000" Nos
	Drugs & Pharmaceutical	
	Tablets	
37.	Liquids/Syrups	"000" Nos
38.	Capsules	"000" Litres
39.	Injections	"000" Nos
40.	Ointment	"000" Nos
41.	Galenicals (tincture/spirts)	"000" Kgs
42.	Chemicals	"000" Litres
43.	Hydrochloric acid	
44.	Soda ash	M. Tonnes
45.	Caustic soda	M. Tonnes
46.	Sulphuric acid	M. Tonnes
47.	Perfumery & Cosmetics	M. Tonnes
48.	Toilet soap	"000" Cont
49.	Flakes & Detergent	M. Tonnes
50	Industrial Cases (Chlorine	M. Tonnes
51.	Hydrogen, Oxygen etc.)	M. Tonnes
	Paints & Varnishes (S)	
52.	Paints & Varnishes (L)	M. Tonnes
53.	Polishes & creams	"000" Litres
54.	Matches	"000" Kgs
55.	Pesticides, Insecticides etc.	"Min" Nos
56.	Compressed gases etc.	"000" Litres
57.	Dyes & Colours/Pigments	"000" Kgs
58.	**Fertilizer (Total)**	M. Tonnes
	Nitrogenous Fertilizers	
	Urea	
59.	Amm. Nitrate	M. Tonnes
60.	Amm. Sulphate	M. Tonnes
61.	Nitro Phosphate	M. Tonnes
62.	NPK	M. Tonnes
63.	**Phosphatic Fertilizers**	M. Tonnes
	S. Phosphate	
64.	Di. Amm. Phosphate	M. Tonnes
65.	**Rubber & Plastic Products**	M. Tonnes
66.	Tyres & Tubes (Cycles, Motor cycles, rickshaw etc.)	"000" Nos
67.	Tyre & tubes (motor car, bus, van, truck etc.)	"000" Nos
	Plastic Products	
68.	**PETROLEUM PRODUCTS (TOTAL)**	"000" Nos
	Jet fuel oil	
69.		M. Tonnes

70.	Kerosene oil	M. Tonnes
71.	Motor Spirt	M. Tonnes
72.	High speed diesel oil	M. Tonnes
73.	Diesel oil (n.e.s.)	M. Tonnes
74.	Furnance oil	M. Tonnes
75.	Lubricating oil	M. Tonnes
76.	LPG	M. Tonnes
77.	Petroleum (n.e.s.)	M. Tonnes
	NON-METALLIC MINERAL PROD.	
78.	Glass plates & sheets	"000" Sq. Mtrs
79.	Glass products	"000" Nos
80.	Cement	"000" Tonnes
81.	Bricks & tiles	"000" Nos
82.	Sanitary ware (Ceramies)	"000" Nos
83.	Crockery (Ceramies)	"000" Nos
	BASIC METAL INDUSTRIES	
	Coke	
84.	Pig iron	M. Tonnes
85.	Billets	M. Tonnes
86.	H.R. Sheets/Coils/plates	M. Tonnes
87.	C.R. Sheets/Coils/plates	M. Tonnes
88.	Galvunize sheets/coils	M. Tonnes
89.	**ENGINEERING AND INDUSTRY**	M. Tonnes
	Agriculture Machinery	
	Chuff cutters	
90.	Sugareane machines	Nos.
91.	Wheat thrashers	Nos.
92.	**TEXTILE MACHINERY**	Nos.
	Power looms	
93.	Bobbins	Nos.
94.	Shuttles	"000" Nos
95.		"000" Nos
	INFORMATICS	
96.	Soft ware development	"000" Nos
	METAL PRODUCTS & MACHINERY	
97.	Cutlery	"000" Nos
98.	Sewing machines	Nos.
99.	Metal containers	"000" Nos
100.	Safety Razor/Blades	"000" Nos
101.	Bicycles	Nos.
	ELECTRICAL APPLIANCES	
	Refrigerators	
102.	Airconditioners	Nos.
103.	Deep freezers	Nos.
104.	T.V. sets	Nos.
105.		Nos.

106.	T.V. sets	"000" Nos
107.	Electric fans	"000" Nos
108.	Electric iron	Nos.
109.	Washing machines	"000" Nos
110.	Electric bulbs	"000" Nos
111.	Electric tubes	Nos.
112.	Electric motors	Nos.
113.	Electric meters	Nos.
114.	Switch gears	Nos.
115.	Electric transformers	Nos.
116.	Storage batteries	"000" Mtr.
	Cables & wire (insulated)	
	AUTOMOBILE INDUSTRIES	
117.	Diesel engines	Nos.
118.	Tractors	Nos.
119.	Trucks	Nos.
120.	Buses	Nos.
121.	Jeeps	Nos.
122.	Cars	Nos.
123.	L.C. V's	Nos.
124.	Motor cycles	Nos.
	SPORTS & SURGICAL INSTRUMENTS	
125.	Sports & athletics goods	"000" Nos.
126.	Surgical goods	"000" Nos.

Section 45: Powers of Adjudicaton

Jurisdiction of Collectors (Adjudication)

S.R.O. 8(I)/2005, dated January 1, 2005.– In exercise of the powers conferred by section 179 of the Customs Act, 1969 (IV of 1969), read with section 3 thereof, section 45 of the Sales Tax Act, 1990, read with section 30 thereof, section 33 of the Central Excises Act, 1944 (I of 1944), and rule 4 of the Central Excise Rules, 1944, and in supersession of its Notification No.S.R.O.780(I)/2004 dated the 13th September, 2004, the Central Board of Revenue is pleased to direct that subject to paragraphs 2 and 3, the Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), specified in column (2) of the table below, shall adjudicate the cases relating to areas or, as the case may be, the registered persons, falling in the jurisdiction of the Collectorates, or as the case may be, the Large Taxpayers Units, mentioned in column (3) of that table.-

TABLE

S. No.	Collector (Adjudication)	Collectorate
(1)	(2)	(3)
1.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Karachi-I.	(i) Collectorate of Customs (Appraisement), Karachi. (ii) Collectorate of Customs, Port Muhammad Bin Qasim, Karachi. (iii) Model Customs Collectorate, Karachi. (iv) Directorate of Intelligence & Investigation (Customs & Excise), Karachi (for cases pertaining to Appraisement matters). Directorate of Inspection and Internal (v) Audit, Karachi.
2.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Karachi-II.	(i) Collectorate of Customs (Exports), Karachi. (ii) Collectorate of Customs, (Preventive), Karachi. (iii) Coast Guards, Karachi. (iv) Director of Intelligence & Investigation (Customs & Excise), Karachi (for cases pertaining to Exports and Preventive matters).

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3.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Karachi-III.	(i) Sales Tax House, Karachi. (ii) Large Taxpayers Unit (LTU) Karachi. (iii) Directorate of Intelligence, Karachi (for cases pertaining to Sales Tax and Central Excise matters).
4.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Quetta.	(i) Collector of Customs, Sales Tax and Central Excise, Quetta. (ii) Frontier Corps, Quetta. (iii) Directorate of Intelligence & Investigation (Customs & Excise), Quetta.
5.	Collector, Collectorate of Customs Sales Tax and Central Excise (Adjudication), Hyderabad.	(i) Collectorate of Customs, Sales Tax and Central Excise, Hyderabad. (ii) Directorate of Intelligence & Investigation (Customs & Excise), Hyderabad.
6.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Multan.	(i) Collectorate of Customs, Sales Tax and Central Excise, Multan (ii) Directorate of Intelligence & Investigation (Customs & Excise), Multan.
7.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Faisalabad.	(i) Collectorate of Customs, Faisalabad. (ii) Collectorate of Sales Tax and Central Excise, Faisalabad. (iii) Directorate of Intelligence & Investigation (Customs & Excise), Faisalabad
8.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Lahore.	(i) Collectorate of Customs, Lahore (ii) Collectorate of Sales Tax and Central Excise, Lahore. (iii) Collectorate of Sales Tax and Central Excise, Gujranwala. (iv) Collectorate of Customs, Sambrial/Sialkot. (v) Directorate of Intelligence & Investigation (Customs & Excise), Lahore. (vi) Large Taxpayers Unit (LTU), Lahore. (vii) Directorate of Inspection & Internal Audit, Lahore.
9.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Rawalpindi.	(i) Collectorate of Customs, Rawalpindi. (ii) Collectorate of Sales Tax and Central Excise, Rawalpindi. (iii) Directorate of Intelligence & Investigation (Customs & Excise), Rawalpindi. (iv) Directorate of Inspection and Internal Audit, Rawalpindi.

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10.	Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication), Peshawar.	(i) Collectorate of Customs, Peshawar. (ii) Collectorate of Sales Tax and Central Excise, Peshawar. (iii) Frontier Corps, Peshawar.

2. The cases of following categories shall not be adjudicated by the adjudicating officers of Collectorate of Customs, Sales Tax and Central Excise (Adjudication), namely:-

(a) cases involving rejection of claims for refund of customs and central excise duties and sales tax;

(b) cases involving technical violation of manifest clearance;

(c) cases involving violation of baggage rules;

(d) cases involving technical violations of import/export restrictions without the involvement of any evasion of duty or taxes;

(e) cases involving adjudication by the officers of Controller of Customs Valuation's Office.

(f) cases specifically remanded by superior courts to the officers of the concerned Collectorates by name or by designation;

(g) cases involving routine condonations of time limit or procedural omissions;

(h) cases relating to Makran Civil Division, involving goods the value of which does not exceed one million rupees (excluding the value of conveyance used for transportation of seized goods); and

(j) cases relating to Northern Areas, involving goods the value of which does not exceed one million (excluding the value of conveyance used for transportation of the seized goods).

(k) cases involving non-filing, late filing, short filing and wrong filing of sales tax returns which shall, subject to the provisions of section 11A of the Sales Tax Act, 1990, be adjudicated by an officer not below the rank of Superintendent or, as the case may be, Senior Auditor of the respective Collectorate, Sales Tax House, Karachi, or of the Large Taxpayers Unit specified in column (3) of the said table, and all such pending cases, if any, shall be transferred to such officers.

3. The Collector, Collectorate of Customs, Sales Tax and Central Excise (Adjudication) shall specify the jurisdiction of the Additional Collectors of Customs, Sales Tax and Central Excise (Adjudication) and Deputy Collectors of Customs, Sales Tax and Central Excise (Adjudication) in the Collectorate with the prior approval of the Board.

1-28-31-01-05

1-18-15-07-04

Section 46: Appeal to Appellate Tribunal

Jurisdiction of benches of Appellate Tribunal

SRO 1199(I)/2005, dated 26th November, 2005.–In exercise of the powers conferred under sub-section (1) of section 194-C of the Customs Act, 1969 (IV of 1969) and in supersession of all previous orders issued in this behalf, The Chairman, Customs, Excise and Sales Tax Appellate Tribunal, is pleased to constitute the following Benches each Bench comprising one Judicial Member and one Technical Member, specified in column (2) of the Table below to exercise powers and perform functions of the Appellate Tribunal in respect of cases assigned to them within their respective jurisdiction specified in column (3) thereof:-

TABLE

S. No.	Name of Bench	Jurisdiction
1	2	3
1.	Bench-I and II, Islamabad	Cases pertaining to the jurisdiction of the Collectorates of- (a) Customs, Sales Tax and Federal Excise, Rawalpindi; (b) Customs, Sales Tax and Federal Excise (Appeals), Rawalpindi; (c) Sales Tax and Federal Excise, Peshawar in respect of Hattar Industrial Estate, District Haripur; (d) Customs, Sales Tax and Federal Excise (Appeals), Peshawar in respect of cases of Sales Tax and Federal Excise of Hattar Industrial Estate, District Haripur; and (e) Valuation appeals pertaining to the jurisdiction of the Collectorate of Customs, Rawalpindi decided by the Controller of Valuation, Karachi.
2.	Peshawar Bench	Cases pertaining to the jurisdiction of the Collectorates of- (a) Customs, Peshawar; (b) Sales Tax and Federal Excise, Peshawar;

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		(c) Customs, Sales Tax and Federal Excise, (Appeals), Peshawar excluding cases pertaining to Sales Tax and Federal Excise appeals of Hattar Industrial Estate, District Haripur; and (d) Valuation appeals pertaining to jurisdiction of the Collectorate of Customs, Peshawar decided by the Controller of Valuation, Karachi.
3.	Bench-I and Bench II, Lahore	Cases pertaining to the jurisdiction of the Collectorates of- (a) Customs, Lahroe; (b) Sales Tax and Federal Excise, Lahore; (c) Customs, Faisalabad; (d) Sales Tax and Federal Excise, Faisalabad; (e) Customs, Sales Tax and Federal Excise, Multan; (f) Customs, Sambrial, Sialkot; (g) Sales Tax and Federal Excise, Gujranwala; (h) Customs, Sales Tax and Federal Excise (Appeals), Lahore, Faisalabad, Multan and Gujranwala; and (i) Valuation appeal cases pertaining to the aforesaid jurisdiction decided by the Controller Valuation, Karachi.
4.	Bench-I, II and III, Karachi	Cases pertaining to the Collectorates of- (a) Customs, Sales Tax and Federal Excise, located within the jurisdiction of the Provinces of Sindh and Balochistan; (b) Customs, Sales Tax and Federal Excise (Appeals), Karachi, Hyderabad and Quetta; and (c) Valuation appeals pertaining to the aforesaid jurisdiction decided by the Controller of Valuation, Karachi.

2. Appeals against the orders passed by the Collectors or the Central Board of revenue under section 195 of the Customs Act, 1969, section 45 A of the Sales Tax Act, 1990 and section 35 of the Federal Excise Act, 2005 shall be heard by the Benches in whose jurisdiction the cases are originally initiated.

3. Cases pending with different Benches of the Tribunal on the date given in this notification shall continue to be decided by the respective Benches. Fresh

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cases received in Peshawar, Islamabad, Lahore and Karachi shall be equally divided between the Benches. Cases which are to be decided by Members sitting singly shall also be equally divided among all members of the Benches in their respective jurisdiction.

4. The aforesaid jurisdiction and distribution of work shall , however, be subject to the substantive provisions of law as contained in the Customs Act, 1969, the Sales Tax Act, 1990 and the Federal Excise Act, 2005.

[No.F.C.No.215/Jurisdiction/05.]

90-00-10-05-1

Section 47: Appeal to High Court

Form for Reference to High Court

S.R.O. 524(I)/2005.— In exercise of the powers conferred by sub-section (1) of section 47 of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to prescribe the following form of application to refer to the High Court any question of law arising out of the order of the Customs, Excise and Sales Tax Appellate Tribunal:–

"FORM OF REFERENCE APPLICATION UNDER SUB-SECTION (1) OF SECTION 47 OF THE SALES TAX ACT, 1990

Year

Before the High Court of _____.

Sales Tax
Reference Application No._____of 20
APPELLANT……

VERSUS

RESPONDENT ……..
Title and number of appeal which
gives rise to the reference

_____

The applicant (s) state (s) as follows: -

1. That the appeal noted above was decided by the _____ Bench of the Customs, Sales Tax & Central Excise Appellate Tribunal on _____.
2. That the order under sub-section (5) of section 46 of the Sales Tax Act, 1990 was served on the applicant on _____.
3. That the facts which are admitted and/or found by the Tribunal, the determination of the Tribunal and the question (s) of law which arises out of its order have been truly stated in the attached statement of the case.
4. That the following questions of law arise out of the order of the Tribunal:-
   (1)
   (2)
   (3)
5. That the following documents are attached with this application:
   (1) Statement of the case signed by the Appellant.
   (2) Certified copy of the order of the Appellate Tribunal from which the question(s) of law stated above arises.
   (3) Order-in-Appeal by the Collector (Appeals).
   (4) Order-in-Original or any other order.

1-33-06-06-05

6. That other document (s) or copies thereof, as specified below (the translation in English of the documents, where necessary are annexed with the statement of the case.

_____
Signed
(Appellant)

_____
Signed
(Authorized Representative, if any)

N.B:- 1. The application must be made in triplicate.

2.The application made by taxpayer must be accompanied by a fee of one hundred rupees. The fee be deposited in the Treasury or a Branch of the National Bank of Pakistan or the State Bank of Pakistan alongwith the payment challan (in quadruplicate) and one copy of the challan be attached with the application.".

[C. No. 1(7) STR/2005]

Section 47A: Alternate Dispute Resolution

Panel for constitution of committees

S.R.O. 657(I)/2019, Islamabad, the 27th June, 2019.- In exercise of the powers conferred by sub-section (2) of section 134A of the Income Tax Ordinance 2001, Sub-section (2) of 47A of the Sales Tax Act, 1990, and sub-section (2) of section 38 of the Federal Excise Act, 2005, and in supersession of Notification Nos. S.R.O. 209(1)/2017 dated 28.3.2017, 540(1)12006, dated the 5th June. 2006, S.R.O. 230(1)/2007, dated the 14th March, 2007, S.R.O. 461(1)/2007, dated the 9th June, 2007 and 209(1)/2017 dated 28.3.2017, the Federal Board of Revenue is pleased to notify the panel or the following persons for constitution of committees for alternative dispute resolution, namely:-

Sialkot

S. No.	Name
1	Mr. Z. A. Nasir, CA., Sialkot
2	Ch. Ahmad Zulfiqar Hayat, Businessman, Sialkot
3	Mr. Aftab Hussain Nagra, Advocate, Sialkot
4	Muhammad Arshad Nawaz Maan, Tax Practitioner, Sialkot
5	Mr. Mahar Ghulam Mujtaba, Representative Trade Bodies, Sialkot
6	Mr. Khalid Pervaiz Javaid Butt, Representative Trade Bodies, Sialkot

Faisalabad

S. No.	Name
1	Mr. Hamid Masood, C.A., Faisalabad
2	Mr. Zahid Suleman, C.A., Faisalabad
3	Mr. Muhammad Anwar Abid, Advocate High Court, Faisalabad
4	Syed Zia Alumdar Hussain, Trade Bodies Representative, Faisalabad
5	Mian Tanveer Ahmad, Trade Bodies Representative, Faisalabad
6	Engineer Hafiz Ihtasham Javed, Trade Bodies Representative, Faisalabad
7	Mr. Khalid Pervez, Advocate High Court, Faisalabad
8	Mr. Muhammad Amjad Khawaja, Trade Bodies Representative, Faisalabad
9	Ch. Habib Ahmad Gujjar, Trade Bodies Representative, Faisalabad
10	Mr. Jawad Asghar, Trade Bodies Representative, Faisalabad
11	Mr. Muhammad Ashraf Ghandi, Businessman, Faisalabad
12	Rana Muhammad Younis, Business, Faisalabad
13	Ch. Khalid Mahmood, District & Session Judge, Faisalabad

Sahiwal

S. No.	Name
1	Mr. Muhammad Abid, Commissioner IR, Sahiwal
2	Mr. Rashid Hameed, President Chamber of Commerce & Ind. Sahiwal
3	Mr. Rana Waseem Akhtar, Vice Chairman, Pakistan Soup Manufacturing Association, Sahiwal
4	Mian Muhammad Latif, President Anjuman Tajraan, Sahiwal
5	Mr. Muhammad Imran Khan, Vice President Sahiwal Tax Bar
6	Shaikh Muhammad Sajjad, Ex President, Sahiwal Tax Bar

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Islamabad

S. No.	Name
1	Syed Tanseer Bukhari, Advocate, Islamabad
2	Syed Tauqeer Bukhari, Advocate, Islamabad
3	Hafiz Muhammad Idress, Advocate, Islamabad
4	Mr. Shahzad Qazi, C.A., Islamabad
5	Mr. Muhammad Mudasser, C.A., Islamabad
6	Mr. Khalid Iqbal Malik, Representative of Trade Body, Islamabad
7	Mr. Tariq Sadiq, Representative of Trade Body, Islamabad
8	Mr. Naeem Siddiqui, Representative of Trade Body, Islamabad
9	Mian Muhammad Ramzan, Representative of Trade Body, Islamabad

Sukkur

S. No.	Name
1	Mr. Asif Iqbal Shekhani, Advocate, Sukkur
2	Mr. Rewachand Rajpal, Advocate, Sukkur
3	Mr. Khair Muhammad Shaikh, Representative Trade Body, Sukkur
4	Mr. Aamir Ali Khan, Ghouri, Reputable Taxpayer, Sukkur
5	Mr. Tarique Hussain Soomro, Advocate, Sukkur

Multan

S. No.	Name
1	Mr. M. Rashid Qamar, Rtd. District & Session Judge, Multan
2	Mr. Waqas Khalid, Tax Practitioner, Multan
3	Mr. Mueed Khawaja, Tax Practitioner, Multan
4	Haji Saeed Ahmad, Businessman, Multan
5	Kh. Muhammad Usman, Businessman, Multan
6	Agha M. Akmal Khan Quzailbash, Advocate, Multan
7	Mr. Anis Ahmad Sh. Businessman, Multan
8	Malik Asrar Ahmad Awan, Businessman, Multan
9	Mirza Muhammad Waheed Baig, Advocate, Multan
10	Mr. Muhammad Younas Ghazi, Tax Practitioner, Multan
11	Mr. Talat Javed Tax Practitioner, Multan

Gujranwala

S. No.	Name
1	Mr. Abid Hafeez Abid, Advocate High Court, Gujranwala
2	Mr. Muhammad Asim Anees, Businessman, Gujranwala

Bahawalpur

S. No.	Name
1	Mr. Shahid Nadeem Khaloon, Judge, Bahawalpur
2	Mr. Iqbal Haider, CMA Bahawalpur
3	Ch. Javed Iqbal, Advocate, Bahawalpur
4	Mr. Saifal Tanveer, Tax Practitioner, Bahawalpur
5	Mr. Ejaz Nazim, Representative of Bahawalpur Chamer
6	Ch. Mehmood Majeed, Reputable Businessman, Bahawalpur

Section 50: Fast Moving Consumer Goods for Digital Invoicing

S.R.O. 1525-D1(I)/2023, dated December 12, 2023.– In exercise of the powers conferred by section 50 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to notify the following registered persons in terms of Rule 150Q of the S.R.O. 1525(1)/2023:

- all importers and manufacturers of fast moving consumer goods,
- all wholesalers (including dealers), distributors of fast moving consumer goods,
- all wholesaler-cum-retailers engaged in bulk import and supply of fast moving consumer goods on wholesale basis to the retailers,

(2) In this notification, unless there is anything repugnant in subject or context,

"fast moving consumer goods" means consumer goods which are supplied in retail marketing as per daily demand of a consumer [excluding durable goods].

S.R.O. 28(I)/2024, dated January 10, 2024.– In exercise of the powers conferred by section 50 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to notify that the following registered persons shall transmit sales tax invoices electronically in terms of rule 150Q of its Notification No. 1525(1)/2023 dated 10th day of November, 2023, as prescribed under Chapter XIV of the Sales Tax Rules 2006 namely-

(a) all importers and manufacturers of fast-moving consumer goods,

(b) all wholesalers (including dealers), distributors of fast-moving consumer goods and

(c) all wholesaler-cum-retailers engaged in bulk import and supply of fast-moving consumer goods on wholesale basis to the retailers.

(2) This Notification shall come into force on and from the 1st day of February, 2024.

(3) The aforesaid registered persons, may after showing plausible cause make application to the Commissioner Inland Revenue having jurisdiction for extension in time for compliance.

(4) In this Notification, unless there is anything repugnant in subject or context, "fast moving consumer goods" means consumer goods which are supplied in retail marketing as per daily demand of a consumer, excluding durable goods.

1-241-10-11-2025

S.R.O. 1852(I)/2025, dated September 24, 2025.– In exercise of the powers conferred under section 50 of the Sales Tax Act. 1990 (VII of 1990) read with sub-rule (2) of rule 150Q of the Sales Tax Rules, 2006, and in supersession of Notification No. S.R.O. 1413(I)/2025. dated the 1st August, 2025, the Federal Board of Revenue is pleased to direct that all sales tax registered persons specified in column 2 of the Table below shall complete the registration and testing for integration of their hardware and software with the Board's computerized system through a licensed integrator or PRAL, and shall issue electronic invoices, not later than the respective dates specified in columns (3), (4) and (-5) of the said Table, namely:-

Table

S. No.	Category of Registered person	Date for registration	Date for testing	Date for issuance of electronic invoices
(1)	(2)	(3)	(4)	(3)
1.	All public companies	15th October, 2025	25th October, 2025	1st November, 2025
2.	All companies excluding at serial no. 1 with turnover exceeding 1 billion rupees declared in sales tax returns for the last twelve months	15th October, 2025	25th October, 2025	1st November, 2025
3.	All importers	15th October, 2025	25th October, 2025	1st November, 2025
4.	All companies excluding at serial no. 1 with turnover exceeding 100 million rupees but not exceeding 1 billion rupees declared in sales tax returns for the last twelve months	25th October, 2025	31st October, 2025	15th November, 2025
5.	All companies excluding at serial no. 1 with turnover not exceeding 100 million rupees declared in sales tax returns for the last twelve months	15th November, 2025	25th November, 2025	1st December, 2025
6.	All individuals and association of persons with turnover exceeding 100 million rupees declared in sales tax returns for the last twelve months	10th October, 2025	25th October, 2025	1st November, 2025
7.	Registered persons other than listed above	10th December, 2025	25th December, 2025	31st December, 2025

1-241-10-11-2025

S.R.O. 1963(I)/2025, dated October 15, 2025.– In exercise of the powers conferred by sub-section (1) of section 50 and section 40C of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to notify that the production of registered persons engaged in textile spinning **shall be electronically monitored** through video analytics, in accordance with the provisions of rule 150ZQR of Chapter XIV-BA of the Sales Tax Rules, 2006, with immediate effect.

2. This notification shall come into force on and from the 1st day of November, 2025.

S.R.O. 880(I)/2026, dated May 20, 2026.– In exercise of the powers conferred by sub-section (1) of section 50 and section 40C of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to notify that the production of registered persons engaged in the manufacturing of packaged milk, iron and steel, oil and ghee shall be electronically monitored in accordance with the provisions of rule 150ZQR of Chapter XIV-BA of the Sales Tax Rules, 2006, with immediate effect.

2. This notification shall come into force at once

1-244-20-06-2026

Section 61: Repayment of tax in certain cases

Repayment/refund of sales tax to solvent extractors

S.R.O. 335(I)/2004, dated May 24, 2004.– WHEREAS during the budget for the financial year 2003-04, imported oil seeds were subjected to sales tax @ 20% the oil extracted therefrom was subjected to sales tax @ 15% on local supply, while the meal extracted from oil-seed remained exempt from payment of sales tax under the Sixth Schedule to the Sales Tax Act, 1990. Hence, in terms of section 7 and clause (a) of sub-section (1) of section 8 of the said Act, read with the Apportionment of Input Tax Rules, 1996, the refund or adjustment of input tax was admissible to the extent of taxable supplies (oil) only;

AND whereas the solvent extractors thus raised the issue that owing to higher inputs and lesser outputs, they could not adjust the entire amount of sales tax paid by them at import stage. It was, therefore, decided that the Government would share the burden of sales tax on meal to the extent of half of the increased impact of sales tax on meal, which is worked out to be equivalent to 10.5% of the average amount of sales tax paid at import stage. This relief would be in addition to any sales tax refund or carry forward that may accrue due to 20% sales tax chargeable on imported oil-seeds and 15% on the local supply of oil extracted therefrom;

NOW, THEREFORE, in exercise of the powers conferred by section 61 of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to allow re-payment or refund of sales tax to the extent of 10.5% of the amount of tax per metric ton of oil seeds paid at the import stage to solvent extractors, subject to following conditions, namely:

(1) The refund or relief under this notification shall only be extended to the imported oil-seeds for which bill of entry has been filed on or after the 7th June, 2003;

(2) the claimant shall file a refund claim with the concerned Collectorate where he is registered for sales tax purposes along with copy of sales tax return for the relevant tax period to which the claim is related; and

(3) the claimant or importer should produce documentary evidence i.e., the bill of entry, duly verified from the concerned Customs station, in support of his claim.

1-241-10-11-2025

Repayment of Sales Tax paid on steel products under Chapter XI

S.R.O. 308(I)/2008, Islamabad, March 24, 2008.–In exercise of the powers conferred by section 61 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to allow repayment of sales tax paid on steel products under Chapter XI of the Sales Tax Special Procedures Rules, 2007, to the registered persons on the export from Pakistan of steel products as specified in column (2) of the Table below, at the rates mentioned against each in column (3) of the said Table subject to the conditions specified in paragraph 2.

[1][**TABLE**

S. No.	Description	Repayment-cum-drawback rate
(1)	(2)	(3)
		For export made against invoices issued with immediate effect.
1.	Ingots or billets other than imported or of Pakistan Steel Mills or Peoples Steel Mills.	Rs. 6,447 per metric ton
2.	Mild steel re-rolled products manufactured from ingots and billets other than imported or Pakistan Steel Mills or of People Steel Mills.	Rs. 7,357 per metric ton
3.	Mild steel re-rolled products manufactured from imported billets or billets of Pakistan Steel Mills or People Steel Mills.	Rs. 8,526 per metric ton]

2. The repayment under this notification shall be admissible subject to the fulfilment of the following conditions, namely: −

(i) the sales tax liability in respect of exported goods has been discharged to the extent as prescribed under rules 58H and 58Ha of the Sales Tax Special Procedures Rules, 2007;

(ii) the exporter shall file claim for repayment of sales tax to the concerned Collector of Sales Tax and Federal Excise for the repayment on monthly basis, as and if due, within a period of six months after the end of the tax period in which the goods were exported;

(iii) commercial exporters shall be entitled to the repayment of sales tax provided they make direct procurements from the registered persons who are subject to sales tax under aforesaid rules 58H and 58Ha.

(iv) the claimant shall submit duplicate goods declarations (in original) for export along with the claim for repayment. In addition, he shall also furnish goods declarations (in original) for import and original purchase invoices where the claim relates to serial number 3 of the Table above or where the claim has been filed by commercial exporter. One set of photocopies of aforesaid original documents shall also be submitted.

1-241-10-11-2025

[1]Table substituted by SRO 802(I)/2012 dated June 30, 2012, effective July 01, 2012. Earlier it was substituted by SRO 596(I)/2012 dated June 01, 2012, effective from June 02, 2012 and was substituted by SRO 317(I)/2010 dated May 06, 2010.

The original supportive documents shall be returned to the claimant after tallying with the photocopies by the officer-in-charge or any officer authorized by the Collector in this behalf, who will record the following endorsement under the full signatures and official stamp of the said officer, namely:-

"Zero-rating has been claimed on this Goods declaration/ invoice".

(v) the exporters shall be required to furnish a monthly inventory-*cum*-production statement to the concerned Collector in the format as set out in 'Annex' duly supported by copies of goods declarations and purchase invoices. The statement shall be verified by the Collectorate on quarterly basis through desk audit; and

(vi) the provisions of Export Policy and procedures shall apply to repayment under this notification.

3. The Collectorates shall process the repayment claim in the same manner as prescribed under Chapter V of the Sales Tax Rules, 2006, as far as applicable, and shall issue sanction order within a period of thirty days of the receipt of claim along with all requisite documents.

4. This notification shall be deemed to have taken effect on the 1st day of July, 2007.

Annex

[*See* paragraph 2(v)]

MONTHLY INVENTORY-CUM-PRODUCTION STATEMENT

Name of registered person _____

Registration No. _____

NTN _____

Month _____

S. No.	Description	Opening stock of finished goods	Quantity produced/ obtained during the month	Quantity Supplied		Closing stock
				Local	Export	

Certified that the tax of Rs. _____ has been paid under rule 58H / 58Ha of the Sales Tax Special Procedures Rules, 2007, in the above said month (Copy of paid bill/ challan enclosed).

Signature _____
Name _____
Designation _____
NIC No. _____
Date _____

1-230-31-01-2024

Before substitution by SRO 802(I)/2012 Table read as follows:-

"TABLE

S. No.	Description	Repayment-cum-drawback rate
(1)	(2)	(3)
		For export made against invoices issued from the 2nd June, 2012.
1.	Ingots or billets other than imported or of Pakistan Steel Mills or Peoples Steel Mills.	Rs. 7,349 per metric ton
2.	Mild steel re-rolled products manufactured from ingots and billets other than imported or Pakistan Steel Mills or of People Steel Mills.	Rs. 8,387 per metric ton
3.	Mild steel re-rolled products manufactured from imported billets or billets of Pakistan Steel Mills or People Steel Mills.	Rs. 9,651 per metric ton"

Before substitution by SRO 596(I)/2012 Table read as follows:-

"TABLE

S. No.	Description	Repayment-cum-drawback rate	
(1)	(2)	(3)	(4)
		For export made against invoices issued upto the 30th of June, 2008	For export made against invoices issued from the 1st July, 2008
1.	Ingots or billets other than imported or of Pakistan Steel Mills or Peoples Steel Mills	Rs.4,100 per metric ton	Rs.5,526 per metric ton
2.	Mild steel re-rolled products manufactured from ingots and billets other than imported or Pakistan Steel Mills or of People Steel Mills	Rs.4,717 per metric ton	Rs. [1][6,306] per metric ton
3.	Mild steel re-rolled products manufactured from imported billets or billets of Pakistan Steel Mills or People Steel Mills	Rs.5,460 per metric ton	Rs.7,308 per metric ton"

[1]Substituted for figure:"5960" by SRO 333(I)/2012 dated March 31, 2012. Effect of this amendment shall be deemed to have been so substituted with effect from the 23rd October, 2008 till the 1st June, 2012 instead of the 31st March, 2012 by SRO 1244(I)/2017 dated December 13, 2017.

Before substitution by SRO 317(I)/2010 Table read as follows:-

"TABLE

S. No.	Description	Repayment-cum-drawback rate
(1)	(2)	(3)
1.	Ingots or billets other than imported or of Pakistan Steel Mills or of Peoples Steel Mills	Rs. 4,100 per metric ton
2.	Mild steel re-rolled products manufactured from ingots and billets other than imported or of Pakistan Steel Mills or of Peoples Steel Mills	Rs. 4,717 per metric ton
3.	Mild steel re-rolled products manufactured from imported billets or billets of Pakistan Steel Mills or Peoples Steel Mills	Rs. 5,460 per metric ton"

1-230-31-01-2024

0-01-18

Section 64: Power to declare what goods are identifiable and to prohibit drawback in case of specified foreign territory

No drawback for cigarettes exported by land or to Afghanistan, Iran or China

S.R.O. 1231(I)/90, dated December 1, 1990.– In exercise of the powers conferred by section 64 of the Sales Tax (Amendment) Act, 1990, and in supersession of the Central Board of Revenue Notification No. S.R.O. 528(I)/88, dated the 26th June, 1988, the Federal Government is pleased to prohibit the payment of drawback upon exportation of such cigarettes as are exported from Pakistan to any port or territory by land route or to Afghanistan, Iran or China.

1-230-31-01-2024

Section 65: Exemption of tax not levied or short levied as a result of general practice

Amnesty for short levy on formaldehyde etc.

S.R.O. 824(I)/2000, dated November 8, 2000.– WHEREAS the Federal Government is satisfied that, inadvertently and as a general practice, sales tax was short-charged and paid at the rate of 18% instead of 23% on supplies of Urea Formaldehyde Resin (PCT Heading No. 3909.1000), Melamine Urea Formaldehyde Resin (PCT Heading No. 3909.1000), Urea Formaldehyde Moulding Compound (PCT Heading No. 3909.1010), Melamine Formaldehyde Moulding Compound (PCT Heading No. 3909.2000) and Polystyrene Resin (PCT Heading No. 3903.1000) made by the registered persons, M/s. Dyno Pakistan Limited, M/s. Rapid Ltd. and M/s. Pakistan Styrene (Pvt.) Ltd, located at Hub, Lasbella, during the period from the 1st July, 1996 to the 27th March, 1997;

AND WHEREAS the said registered persons did not recover any tax in excess of 18% ad valorem till the 27th March, 1997, and have started paying the tax on the prevailing applicable rate on the said supplies with effect from the 28th March, 1997;

NOW, THEREFORE, in pursuance of section 65 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the tax short-paid during the aforesaid period shall not be required to be paid by the aforesaid registered persons.

Amnesty for hand-knotted carpets

S.R.O. 837(I)/2000, dated November 20, 2000.– WHEREAS the Federal Government is satisfied that, inadvertently and as a general practice, sales tax was not charged on hand-knotted carpets supplied at retail stage by M/s. Afghan Carpet, Karachi, a registered person, during the period prior to the 1st July, 2000;

AND WHEREAS the said registered person did not recover any tax prior to the 1st July, 2000, and has started paying the tax or is responsible to pay the tax on the said supplies with effect from the 1st July, 2000;

NOW, THEREFORE, in pursuance of section 65 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the tax not levied during the aforesaid period shall not be required to be paid by the aforesaid registered person.

Amnesty for unbranded butter

1-10-31-08-03

S.R.O. 215(I)/2002, dated April 10, 2002.– WHEREAS the Federal Government is satisfied that, inadvertently and as a general practice, sales tax was not charged on loose or unbranded butter supplied by M/s. Noon Pakistan Limited, Faisalabad, a registered person, during the period from the 1st July, 1996 to the 10th November, 1999;

AND WHEREAS the said registered person did not recover any sales tax prior to the 10th November, 1999, and has started paying sales tax on such supplies with effect from the 11th November, 1999;

NOW, THEREFORE, in pursuance of section 65 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the tax not levied during the aforesaid period shall not be required to be paid by the aforesaid registered person.

Amnesty for M/s. Alsons for speedometers

S.R.O. 605(I)/2002, dated September 10, 2002.– WHEREAS the Federal Government is satisfied that, inadvertently and as a general practice, sales tax was not charged on speedometers for vans and pickups supplied by M/s. Alson Industries, Karachi, a registered person, prior to the 31st August, 1991;

AND WHEREAS the said registered person did not recover any sales tax prior to the 31st August, 1991, and has started paying sales tax on such supplies with effect from the 1st September, 1991;

NOW, THEREFORE, in pursuance of section 65 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the tax not levied during the aforesaid period shall not be required to be paid by the aforesaid registered person subject to the conditions that–

(a) they account for their supplies of the said goods from September, 1991, onwards and shall also pay sales tax thereon if not already paid;

(b) pay additional tax under section 34 of the Sales Tax Act, 1990, on the principal amount of tax paid in terms of clause (a); and

(c) no refund of sales tax on any ground shall be claimed or paid for the period prior to September, 1991.

Amnesty for M/s. Phoenix Chemicals

S.R.O. 784(I)/2003, dated August 11, 2003.– WHEREAS the Federal Government is satisfied that, inadvertently and as a general practice, sales tax was charged at the rate of fifteen percent instead of twenty percent notified vide Notification No. S.R.O. 389(I)/2001, dated the 18th June, 2001, on Activated Bleaching Earth by Messers *Phoenix* Chemicals, Sheikhupura, on their supplies made during the period the 18th June, 2001 to the 31st May, 2002.

AND WHEREAS the said registered person did not recover any tax in excess of fifteen percent prior to the 1st June, 2002, and have started paying the tax at the rate of twenty percent on the supplies of Activated Bleaching Earth with effect from the 1st June, 2002;

NOW, THEREFORE, in pursuance of section 65 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the tax not charged or levied in excess of fifteen percent during the aforesaid period shall not be required to be paid by the aforesaid person.

Amnesty for M/s. General Lock (Pvt.) Ltd.

S.R.O. 74(I)/2004, dated January 27, 2004.– WHEREAS the Federal Government is satisfied that, inadvertently and as a general practice, sales tax was charged on motor-cycle ignition switch sets supplied by M/s. General Lock (Pvt.) Limited, during the period from June, 1995 to June, 1996;

AND WHEREAS the said registered person did not recover any sales tax on his supplies prior to June 1996, and has started paying the tax or is responsible to pay the tax on the said supplies with effect from the 1st July, 1996;

NOW, THEREFORE, in pursuance of section 65 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the tax not levied during the aforesaid period shall not be required to be paid by the aforesaid registered person subject to the following conditions, namely:–

(a) only those supplies of ignition switch sets shall be exempt that are made to M/s. Atlas Honda Limited for installation in motor cycles, and

(b) no refund of sales tax on any ground shall be claimed or paid for the period prior to the 30th June, 1996.

———————

1-26-20-12-04

Collector Empowered to Condone Time Limit for Claim of Refund

S.R.O. 978 (I)/2004, dated 10th December, 2004.– In exercise of the powers conferred by proviso to section 74 of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to empower Collector of Sales Tax to condone the time limit of adjustment/refund of input Sales Tax in terms of section 66, beyond the prescribed period, subject to the following conditions, namely:–

(a) the payments have been made in accordance with the provisions of section 73 of the Sales Tax Act, 1990;

(b) the invoice or goods declaration or bill of entry relating to the transaction contains the full name, address and registration number of both the supplier and the buyer besides other particulars specified in section 23 of the aforesaid Act;

(c) the transaction does not involve any closed, de-registered or any person whose registration has been blacklisted or suspended; and

(d) adjustment / refund of the amount has not already been claimed.

Establishment of Check Posts in Tax-Exempt Areas for Enforcement of Provisions of Section 40D

S.R.O. 1189(I)/2023, dated September 05, 2023.– In exercise of the powers conferred by rule 69F of the Sales Tax Rules, 2006, the Federal Board of Revenue is pleased to establish check posts as specified in column (2) of the Table below with mobile teams as specified in column (3) thereof on the routes as specified in column (4) of that Table originating from tax-exempt areas for the purpose as specified in section 40D of the Sales Tax Act, 1990 (VII of 1990), namely:-

TABLE

S. No.	Name and particular of check post established	Mobile Teams	Routes / Area Covered
(1)	(2)	(3)	(4)
1.	Kohala Bridge Check post for Muzafarabad Azad Jammu Kashmir Exit	Mobile Squad II	Express way road old Murree/GT Road, Murree along with Bhurban Road till Bharakaho
2.	Nakodar Check post Mangla Road Mirpur Kashmir Exit	Mobile Squad I	Mangla Road Dina Bypass GT Road Jehlum Dhaan Gali towards Kalar Syedan Rawalpindi

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S.R.O. 1193(I)/2024, dated August 08, 2024.– In exercise of the powers conferred by rule 69F of the Sales Tax Rules, 2006, the Federal Board of Revenue is pleased to establish check post as specified in column (2) of the Table below with mobile team as specified in column (3) thereof on the routes as specified in column (4) of that Table originating from tax-exempt areas for the purpose specified in section 400 of the Sales Tax Act, 1990 (VII of 1990), namely:-

TABLE

S. No.	Name and particular of check post established	Mobile Teams	Routes / Area Covered
(1)	(2)	(3)	(4)
1.	Thakot Bazar Check post for Thakot Exit	Mobile Squad	Thakot Bazar and adjoining entering areas from exempt areas (non-tariff) to non-exempt areas of district Battagram Silk/ Karakoram Road towards Manshera/ Abbottabad.

1-242-10-01-2026

S.R.O. 2185(I)/2025, dated November 20, 2025.– In exercise of the powers conferred by rule 69F of the Sales Tax Rules, 2006, the Federal Board of Revenue is pleased to establish check post as specified in column (2) of the Table below with locations as specified in column (3) thereof on the routes as specified in column (4) of that Table originating from tax-exempt areas for the purpose as specified in section 40D of the Sales Tax Act, 1990 (VII of 1990), namely:-

TABLE

S. No.	Name of Check Post	Locations	Route
1.	Kohala Bridge Check Post	Kohala Bridge	Muzaffarabad (AJK) towards Murree and Abbottabad.
2.	Nakoder Check Post	Nakoder (Dina) Mangla Rd.	Mirpur (AJK) to towards Jhelum Road.

1-242-10-01-2026

Collector Empowered to Condone Time Limit for Transactions

S.R.O. 642(I)/2004, dated July 26, 2004.– In exercise of the powers conferred by proviso to section 74 of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to empower Collector of Sales Tax to condone the time limit of payment in terms of section 73 beyond the prescribed period, subject to the following conditions, namely:–

a) the payments have been made in accordance with the provisions of sub-section (1) of section 73 of the Sales Tax Act, 1990;

b) the invoice relating to the transaction contains the full name, address and registration number of both the supplier and the buyer besides other particulars specified in section 23 of the aforesaid Act; and

c) the transaction does not involve any closed, de-registered or any person whose registration has been blacklisted or suspended.

Registered persons engaged in manufacturing excluded from the purview of the sub-section (4), of Section 73

S.R.O. 1337(I)/2020, dated December 16, 2020.– In exercise of the powers conferred by clause (d) of proviso to sub-section (4) of section 73 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to direct that the persons specified in column (2) of the Table below shall be excluded from the purview of the aforesaid sub-section (4), subject to the conditions specified in column (3) thereof, namely:-

TABLE

S. No.	Person	Conditions
(1)	(2)	(3)
1.	Registered persons engaged in manufacturing	The registered persons shall provide following documents and details to the Board on or before the 15th day of January, 2021:- (a) complete list of the dealers or distributors of their products including details of business name, address and NTNs; (b) complete list of buyers, other than dealers and distributors, including details of their names, residential addresses and CNICs;

1-203-31-12-2020

		(c) copies of relevant dealership or distribution agreements, as the case may be; (d) details of all business bank accounts of the dealers, distributors or buyers along-with names and addresses of the relevant bank branches; (f) any other document specially required by the Board for compulsory registration of dealers, distributors or buyers.

2. Failure to comply with any of the conditions specified in column (3) of the said Table by due date shall disentitle the registered person for the waiver being granted under this Notification and all provisions of Act shall apply accordingly.

3. This Notification shall take effect from the 1st day of July, 2020.

1-203-31-12-2020

Furnishing refund claims pertaining to tax periods

S.R.O. 1204(I)/2007, dated December 11, 2007.-In exercise of the powers conferred by proviso to section 74 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to empower Collector of Sales Tax having jurisdiction to allow extension up to the 31st January 2008 for furnishing refund claims pertaining to tax periods from July 2006 to September 2007 on the prescribed software along with the supportive documents under rule 28 of the Sales Tax Rules, 2006, if the delay in filing of claim and documents is due to-

(a) incorrect feeding of returns by the department;

(b) non-working of computer system in Collectorate or there was some error in the refund claim preparation software (RCPS);

(c) incomplete data in Computerized Risk-based Evaluation of Sales Tax (CREST) System; or

(d) delay in getting certificate documents from other departments or agencies despite the fact that the registered person applied for the same in time:

Provided that extension shall not be allowed by Collectors to registered persons filing refund claims against revised returns and to blacklisted registered persons.

[C. No. 2(1)ST-L&P/2000-Pt]

Powers of Collector to condone time limit

S.R.O. 1444(I)/2024, dated September 12, 2024.- In exercise of the powers conferred by proviso to section 74 of the Sales Tax Act, 1990 and in supersession of Notification No. S.R.O. 394(I)/2009, dated the 21st May, 2009, the Federal Board of Revenue is pleased to empower Commissioner-IR having jurisdiction to condone time-limit where any time or period has been specified under any of the provision of the said Act or rules made thereunder within which any application is to be made or any act or thing is to be done, so that he may, in any case or class or cases, permit such application to be made or such act or thing to be done within such time or period as he may consider appropriate, subject to the following limitations and conditions, namely:

(a) the registered person concerned or any person authorized by him shall submit an application to the Commissioner-IR having jurisdiction stating therein the grounds of delay for condonation of the time-limit;

(b) if no further information or documents are required in respect of the case, the Commissioner-IR shall take into consideration the grounds of delay and decide the case within thirty days from the date of receipt of the application;

(c) if the Commissioner-IR is of the opinion that further information and documents are required in respect of the case, he may ask for submission of such information and documents and, after receipt of the requisite information and documents, take the case into consideration and decide the case within forty-five days of the receipt of the application;

(d) the Commissioner-IR shall decide the case on merit and record the reasons for approval or rejection of the application; and

(e) in the case of approval of the application, the Commissioner-IR may condone the time-limit upto [1][two years].

2. The Commissioner-IR shall, not later than seventh day of every month, furnish in soft form or otherwise to the concerned Chief Commissioner-IR a report of cases processed in the calendar month, on the following format, namely:-

S. No.	Name of Registered Person	NTN/ STRN	Date of Initial Application	Date of complete information	Date of decision	Days Condoned
(1)	(2)	(3)	(4)	(5)	(6)	(7)

[C.No.1(111)ST-L&P/Misc/2024]

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[1]Substituted for "three years" by SRO 14(I)/2026 dated January 07, 2026.

Filing of appeals by an officer of Sales Tax below in rank to an Additional Collector

S.R.O. 47(I)/2008, dated January 15, 2008.- In exercise of the powers conferred by section 75 of the Sales Tax Act, 1990, the Federal Government is pleased to declare that sub-section (8) of section 194A of the Customs Act, 1969, (IV of 1969), is made applicable to all appeals pending before the Customs, Excise and Sales Tax Appellate Tribunals as have been filed by an officer of Sales Tax below in rank to an Additional Collector.

[C. No. 3(2)ST-L&P/07]

(Mehmood Alam)
Additional Secretary

1-86-30-05-09

Section 76: Service charges on invoice issued through integrated POS

Levy of Service charges at a rate of Rupee one per invoice issued through integrated POS

S.R.O. 1279(I)/2021, dated September 30, 2021.- In exercise of the powers conferred by sub-section (1) of section 76 of the Sales Tax Act, 1990, the Federal Board of Revenue with the approval of the Federal Minister-in-charge is pleased to levy service charges at a rate of Rupee one per invoice issued through all points of sale (PUS) integrated with the Board's computerized system for the real time reporting of sales, which shall be collected by Tier1 retailers integrated with the Board's computerized system and deposited in a designated account along with monthly payment of sales tax and filing of the sales tax return.

[C. No. 3(13)ST-L&P/2017]

(Ali Mohammad)
Secretary (ST & FE-Policy)

1-212-25-10-2021

Fifth Schedule

Machinery exempt on supply to petroleum or gas sector

S.R.O. 342(I)/2002, dated June 15, 2002.– In exercise of the powers conferred by serial No. 6 of the Fifth Schedule to the Sales Tax Act, 1990, the Federal Government is pleased to specify that zero-rating of sales tax shall be available only to supplies of locally manufactured plant and machinery to petroleum and gas sector Exploration and Production Companies, including OGDC, their contractors and sub-contractors, subject to the following conditions, namely:–

(i) zero-rating shall be allowed only in respect of such plant and machinery as is specifically recommended by the relevant Regulatory Authority as defined in Annexure-VI to the Petroleum Policy, 1994 in view of their project requirements;

(ii) such companies shall at the time of purchase of plant and machinery, furnish to the Collector of Sales Tax an indemnity bond in the form at Annex-I and produce installation certificate within two years of the purchase of such plant and machinery in the form at Annex-II;

(iii) these companies shall be entitled to shift such plant and machinery from one project to another project site as authorized by the Regulatory Authority; and

(iv) sales tax shall be payable in case such plant and machinery is sold to any unregistered person before the expiry of seven years of the purchase."*

ANNEX-I

[*See* para (ii)]

INDEMNITY BOND

THIS DEED OF INDEMNITY is made on the ___ date of _____ BETWEEN Messrs. _____ having sales tax registration No._____ hereinafter called "the purchaser" which means and includes their successors, administrators, executors and assignees) of the one part, AND the President of Pakistan through the Collector of Sales Tax _____ (hereinafter called the "Collector of the Sales Tax") of the other part.

WHEREAS the Federal Government, by its decision contained in Notification No. S.R.O. 342(I)/2002, dated the 15th June, 2002 and subject to the conditions specified in the said Notification, has been pleased to direct that such machinery shall be charged to sales tax at the rate of zero-percent, in accordance with the said Notification.

NOW, THEREFORE, in consideration of the supply of the machinery without payment of sales tax, the purchasers bind themselves to pay on demand to the Government of Pakistan the sum of Rs. _____ being the sales tax leviable on the machinery at standard rate, along with additional tax under section 34 of the Sales Tax Act, 1990, if the purchaser fails—

*the closing inverted commas are superfluous.

1-159-10-07-15

(i) to produce an installation certificate from Assistant Collector of Sales Tax of respective jurisdiction within two years from the date of the purchase of the machinery, to the effect that the machinery has been installed; and

(ii) to produce such other evidence as the Collector of Sales Tax may require to satisfy himself that the plant or machinery has been installed in accordance with the conditions of the said Notification.

The purchasers further agree and bind themselves that the amount covered by this Bond shall be recovered as arrears of sales tax under section 48 of the Sales Tax Act, 1990.

This Bond shall be cancelled and returned when the aforesaid certificate has been produced and the Collector of Sales Tax is satisfied that the purchasers have fulfilled all the conditions of this Bond in the said Notification.

Signed by purchaser on this _____ day of _____200____.

_____
Managing Director
(Name and permanent address)

Collector of Sales Tax or his
authorized officer
(On behalf of President)

Witness_____
(Signature, name, designation and full address)

Witness_____
(Signature, name, designation and full address)

Note.—The bond shall be written on appropriate non-judicial stamp paper and shall be witnessed by a Government servant in BS-16 or above, an Oath Commissioner, a Notary Public or an officer of a Scheduled Bank.

ANNEX-II

[*See* para (ii)]

INSTALLATION CERTIFICATE

File No._____ Dated:_____

Certificate No._____

(Progressive S.No. starting from 1st January every year)

I _____ (name of Assistant Collector of Sales Tax), am satisfied that the machinery purchased by Messrs. _____ having sales tax registration No. _____under the provisions of Notification No. S.R.O. 342(I)/2002, dated the 15th June, 2002 *vide* Sales Tax invoice No._____ dated _____ issued by M/s. _____ having sales tax registration No._____ has been installed at the following location: _____.

Assistant Collector of Sales Tax.

_____

Sixth Schedule

Specification of materials for exemption – S. No. 33(iv)

S.R.O. 512(I)/97, dated July 5, 1997.– In exercise of the powers conferred by clause (iv) of serial number 33 of the Sixth Schedule to the Sales Tax Act, 1990, the Federal Government is pleased to specify the raw materials and products of,–

(i) alloy steel;

(ii) medium alloy steel;

(iii) stainless steel; and

(iv) high carbon steel;

for the purposes of the said clause as are supplied in Pakistan by the distributors, whole-salers or retailers.

———————

1-159-10-07-15

Sales Tax Rules, 2006

*Arrangement of Rules

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The Sales Tax Rules, 2006

S.R.O. 555(I)/2006, Islamabad, the 5th June, 2006.–In exercise of the powers conferred by sub- section (1) of section 4 [1][, section 40 and section 45A] of the Federal Excise Act, 2005, [2][ ] section 50 [3][and sub-section (1) of section 71] of the Sales Tax Act, 1990, read with [4][sub-section (9A) of section 3,] [5][sub-section (7) of section 3] sub-section (2) of section 8, [5][[6][ ] of section 8,] section 9, 10, 14, 21 [7][, 21A] and 28, clause (c) of sub-section (1) of section 22 [8][, first proviso to sub- section (1) of section 23], section 26, [5][section 33 [7][, section 40C],] sub- section (6) of section 47A, sections 48, [9][50A, 52, 52A] and 66 thereof, the [10][Federal Board of Revenue] is pleased to make the following rules, namely:-

1. Short title, application and commencement.– (1) These Rules may be called the Sales Tax Rules, 2006.

(2) They shall be applicable to such persons or class of persons as are specified in the respective chapters.

(3) They shall come into force on the first day of July, 2006.

2. Definitions.- (1) In these Rules, unless there is anything repugnant to the subject or context,–

(i) "Act" means the Sales Tax Act, 1990;

(ii) "accountant" means-

(a) a Chartered Accountant within the meaning of the Chartered Accountants Ordinance, 1961 (X of 1961); or

(b) a Cost and Management Accountant within the meaning of the Cost and Management Accountants Act, 1966 (XIV of 1966); or

(c) a member of any association of accountants recognized in this behalf by the Federal Government;

(iii) "adjudicating authority" means any officer appointed to adjudicate and decide cases under section 179 of the Customs Act, 1969 (IV of 1969), section 45 of the Sales Tax Act, 1990, and section 31 of the Federal Excise Act, 2005;

(iv) "Agreement" means the agreement executed between the Board and the Bank for the purposes of payment of tax and submission of tax returns;

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[1]Substituted for "and section 40" by SRO 494(I)/2015 dated June 30, 2015.
[2]Words etc "section 219 of the Customs Act, 1969 (IV of 1969)," deleted by SRO 918(I)/2019 dated August 07, 2019.
[3]Words inserted by SRO 698(I)/2019 dated June 29, 2019.
[4]Words inserted by SRO 1203(I)/2019 dated October 10, 2019.
[5]Words etc was inserted by SRO 191(I)/2012 dated February 23, 2012.
[6]Words etc "clause (b) of sub-section (1)" deleted by SRO 918(I)/2019 dated August 07, 2019. Earlier it was inserted by SRO 191(I)/2012 dated February 23, 2012.
[7]Inserted by SRO 494(I)/2015 dated June 30, 2015.
[8]Words inserted by SRO 793(I)/2011 dated August 24, 2011.
[9]Substituted for "52" by SRO 470(I)/2007, dated June 09, 2007.
[10]Substituted for "Central Board of Revenue" by SRO 530(I)/2008, dated June 11, 2008.

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(v) "attachment officer" means an officer, not below the rank of Principal Appraiser or Superintendent or Senior Auditor, authorised by the Recovery Officer to perform any of the functions under these rules;

(vi) "Bank" means the National Bank of Pakistan or any of its branches designated, by notification in the official Gazette, for the purpose of filing of returns and payment of sales tax;

(vii) "Board" means the [1][Federal Board of Revenue];

(viii) "claimant" means any registered person who files a claim for refund of sales tax under these rules;

(ix) "Collector" means the Collector of Sales Tax having jurisdiction;

(x) "Collectorate" means the office of the Collector of Sales Tax having jurisdiction and includes the Large Taxpayers' Unit (LTU) and the Regional Tax Office (RTO), where the offices of Income Tax, Sales Tax and Federal Excise are co- located;

(xi) "commercial exporter" means a person registered as [2][an] exporter, who does not have his own manufacturing facility and is exporting the goods, whether in the same state or after getting them processed or manufactured from one or more registered persons, and holds a valid sales tax invoice for such processing, manufacturing or conversion;

(xii) "committee" means a committee constituted under sub- section (2) of section 47A of the Act;

(xiii) "Computerized Payment Receipt" means a computer generated receipt showing payment of tax to the designated branch of the National Bank of Pakistan;

[3][(xiii- a) "CREST" means "Computerized Risk- based Evaluation of Sales Tax;]

(xiv) "CRO" means Central Registration Office established for the purposes of centralized sales tax registration;

(xv) 'CSTRO' means Centralized Sales Tax Refund Office to be established in the [1][Federal Board of Revenue] for disbursement of refund of sales tax;

(xvi) "defaulter" means a person mentioned in the demand note, who has failed to discharge his liabilities in payment of Government dues;

(xvii) "demand note" means a note received by the Sales Tax Recovery Officer from the referring authority specifying the details regarding the defaulter and the Government dues;

[4][ ]

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[1]Substituted for "Central Board of Revenue" by SRO 530(I)/2008, dated June 11, 2008.

[2]Substituted for "a commercial" by SRO 470(I)/2007, dated June 09, 2007.

[3]Clause (xiii- a) inserted by SRO 470(I)/2007, dated June 09, 2007.

[4]Sub- clause (xviii) omitted by SRO 530(I)/2008, dated June 11, 2008.

Omission sub- clause (xviii).- Before omission it read as follows:-

"(xviii) "Digital Certificate Request Form" means a form to be downloaded from NIFT website and filled for obtaining NIFT Class 2 Digital Certificate as required under sub- rule (2) of rule 18;"

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(xix) "diplomat" means a person entitled to immunities and privileges under the Diplomatic and Consular Privileges Act, 1972 (IX of 1972);

(xx) "diplomatic mission" means a mission recognized as such under the Diplomatic and Consular Privileges Act, 1972 (IX of 1972);

(xxi) "dispute" means, a case where, for evidently valid reasons, a registered person is aggrieved in connection with the order of the sales tax officer passed in any matter of sales tax specified in sub- section (1) of section 47 A of the Act and prima facie deserves relief for the elimination of possible hardship;

[1][(xxi- a) "e- declaration administrator" means an officer not below the rank of an Additional Collector of Sales Tax, authorized by the Collector for the purpose of administration of the scheme envisaged under these rules;

(xxi- b) "electronic data interchange (EDI)" means a system of secure transmission of electronic information, based on an agreed and internationally accepted standards and can be understood and treated automatically without human intervention;

(xxi- c) "electronic invoicing" means electronic transmission and storage of sales tax invoices, without the delivery of paper documents;]

(xxii) "Electronic Sales Tax Return Form" means a form of sales tax return available on the [2][Federal Board of Revenue]'s website to be filled in and filed in terms of sub- rule (4) of rule 18;

(xxiii) "execution" means steps taken for the recovery of Government dues in pursuance of a demand note;

(xxiv) 'Fast Track Channel' means automated risk based system for processing of claims filed by the registered persons covered under clause (b) of rule 26;

(xxv) "foreign currency" means foreign currency as defined in clause (c) of section 2 of the Foreign Exchange Regulation Act, 1947 (VII of 1947);

(xxvi) "Government dues" means recoverable amounts of sales tax, default surcharge, penalty or any other tax, duty or other levy being collected, in the same manner as sales tax is collected, an adjudged penalty or fine or any amount unpaid which may be payable under any bond, guarantee or instrument executed under the Act or such other laws or the rules made thereunder and against the recovery of which there is no bar or valid stay order from the competent court;

(xxvii) "ICRC" means International Committee of the Red Cross;

(xxviii) "immovable property" has the same meaning assigned to it in clause (20) of section 3 of the General Clauses Act, 1897 (X of 1897);

[3][(xxviii- a) "licensee" means a person authorized by the Board to install, maintain and operate the system under Chapter XIV- B of these rules;]

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[1]Clauses (xxi- a) to (xxi- c) inserted by SRO 470(I)/2007, dated June 09, 2007.
[2]Substituted for "Central Board of Revenue" by SRO 530(I)/2008 dated June 11, 2008.
[3]Clause (xxviii- a) inserted by SRO 494(I)/2015 dated June 30, 2015.

(xxix) "LRO" means Local Registration Office established in the Collectorate of Sales Tax or Regional Tax Office (RTO) having jurisdiction;

(xxx) "LTU" means the Large Taxpayer Unit having jurisdiction;

(xxxi) "misconduct" means conduct prejudicial to good order, unbecoming of a gentleman and includes any act on his part to bring or attempt to bring outside or any sort of influence, directly or indirectly, to bear on the officer of Customs, Federal Excise and Sales Tax in respect of any matter relating to discharge of his duties under the relevant Acts, or creating hindrance in discharge of such duties or impersonation or submission of fake documents;

(xxxii) "movable property" means a property which can be taken into custody for removal without physically knocking it down and includes currency and coin, shares, documents and instruments;

[1][ ]

(xxxv) "nil return" means a return indicating that no sales tax is payable by the registered person in respect of the tax period to which the tax return relates;

[1][ ]

[2][(xxxv-b) "null return" means, a sales tax return which shows no data relating to sales and purchases during a tax period.]

[3][(xxxv- b) "package" means a packet, bottle or other single retail unit of the goods specified in the Table under rule 150ZF;]

(xxxvi) "PACCS" means Pakistan Automated Customs Clearance System;

(xxxvii) "privileged organization" means United Nations and the organisations working under it and shall include organisations which the Board may, by notification in the official Gazette, recognise to be a privileged organization;

(xxxviii) "privileged person"–

(a) for the purpose of rule 53, means a person covered by United Nations (Privileges and Immunities) Act, 1948 (XX of 1948), and shall include persons entitled to concessions and exemptions under the Model Rules for customs concessions to privileged personnel arriving under various foreign aid programmes or projects issued by the Board, under C. No. 10(34)- Cus-III/58, dated the 18th April, 1963; and

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[1]Sub- clauses "(xxxiii), (xxxiv) & (xxxv- a)" omitted by SRO 530(I)/2008 dated June 11, 2008. Earlier clause (xxxva) was inserted by SRO 470(I)/2007, dated June 09, 2007.

[2]Clause (xxxv- b) inserted by SRO 776(I)/2020 dated August 25, 2020. *Clause already exist

[3]Clause (xxxv- b) inserted by SRO 494(I)/2015 dated June 30, 2015.

Omission of sub- clauses (xxxiii), (xxxiv) & (xxxv- a).- Before omission these read as follows:-

"(xxxiii) "NIFT" means the National Institutional Facilitation Technologies (Pvt.) Ltd.;

(xxxiv) "NIFT Class 2 Digital Certificate" means a certificate to be obtained, filled and used in the manner specified under sub- rule (2) of rule 18;"

"(xxxva) "Nil Return Receipt Counter" means a counter set up in the concerned Collectorate of Sales Tax for the purpose of receiving nil returns;"

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(b) for the purpose of rule 54, means the person so declared under the President's Salary, Allowances and Privileges Act, 1975 (LVIII of 1975) and the Prime Minister's Salary, Allowance and Privileges Act, 1975 (LIX of 1975);

(xxxix) "Processing Officer" means audit staff authorized to process a refund claim;

(xl) "RCPS" means the Refund Claim Preparation Software prescribed by the Board;

(xli) "receiver" means a person appointed by the Recovery Officer to manage, run and account for any attached business or property;

(xlii) "Recovery Officer" means an officer of Sales Tax as appointed by the Collector to exercise powers as contained in sub- section (2) of section 48 of the Act, who shall not be below the rank of Assistant Collector;

(xliii) "reciprocity" means extension of the same privileges and facilities to a diplomat or diplomatic mission of a country in Pakistan as are extended by such country to diplomats and diplomatic mission of Pakistan in that country.

(xliv) "records" means the records as provided under section 22 of the Act;

(xlv) "referring authority" means an officer, not below the rank of an Assistant Collector, desiring to recover government dues through Recovery Officer;

[1][(xlva) "REGSYS" means the Board's computerized system for registration of taxpayers;]

(xlvi) "Relevant Acts" means the Act, the Federal Excise Act, 2005 [2][, Income Tax Ordinance, 2001 (XLIX of 2001)] and the Customs Act, 1969 (IV of 1969).

(xlvii) "residual input tax" means the amount of tax paid on raw materials, components and capital goods being used for making taxable as well as exempt supplies but does not include the input tax paid on raw materials used wholly for making taxable or exempt supplies.

[3][ ]

(xlix) "RTO" means the Regional Tax Office having jurisdiction;

(l) "same- state- goods" means goods purchased by a commercial exporter against tax invoice for export as such;

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[1]Clause (xlva) inserted by SRO 79(I)/2014 dated January 31, 2014.

[2]Words inserted by SRO 776(I)/2020 dated August 25, 2020.

[3]Clause (xlviii) omitted by SRO 470(I)/2007 dated June 09, 2007. Before omission it read as follows:-

"(xlviii) "RRAS" means Risk- based Refund Analysis System for processing the refund claim as per risk parameters approved by the Board;"

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(li) "share" means share in a corporation and private limited or public limited company and includes stock, debenture stock, debentures or bonds;

(lii) "Special Auditor" means a Chartered Accountant or a Cost and Management Accountant appointed under section 32A of the Act;

(liii) "STR form" any of the sequentially numbered forms as annexed to these rules;

(liv) "supportive documents", in relation to sales tax refund, means the documents as mentioned in rule 38 of these rules or such other documents as may be prescribed by the Board;

[1][(liv- a) "system" includes the equipment for electronic monitoring of production or for secure counting and recording of production, stocks and clearances, affixation of the tax stamps, banderoles, stickers, barcodes, labels etc. the related software and hardware and human resources required for electronic monitoring and tracking of taxable goods;]

(lv) "taxpayer" means any person who is required, or liable, to pay, or is paying duty, or tax, or any sum under any or all of the relevant Acts, or the rules and includes any person, other than a government employee, who is assigned any duty or responsibility under any of the relevant Acts or the rules;

(lvi) "terms of reference", in relation to special audit, means the terms of reference as specified in the appointment letter issued by the Board to the special auditor regarding his appointment;

(lvii) "transmit" also means to transmit data or documents through electronic means.

(lviii) "UNDP" means the United Nations Development Program;

(lix) "UNHCR" means the United Nations High Commission for Refugees;

(lx) "UNICEF" means the United Nations International Children's Emergency Fund;

[2][lx- a) "unique user identifier" means a unique identification name, number or password allotted by the Board to the authorized user of the computerized system under section 50A of the Act;]

(lxi) "WFP" means the World Food Program;

(lxii) "WHO" means the World Health Organisation.

(2) Other terms or expressions used but not defined here shall have the same meaning as are assigned to them in the Act.

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[1]Clause (liv- a) inserted by SRO 494(I)/2015 dated June 30, 2015.
[2]Clause (lx- a) inserted by SRO 470(I)/2007 dated June 09, 2007.

Chapter I

REGISTRATION, COMPULSORY REGISTRATION AND DE- REGISTRATION

3. Application.- The provisions of this chapter shall apply to the following persons, namely:-

(a) a person required to be registered under the Act;

(b) a person required, under any other Federal law or Provincial law, to be registered for the purpose of any duty or tax collected or paid as if it were sales tax under the Act;

(c) a person who is subject to compulsory registration;

(d) a person who is already registered and requires a change in the name, address or other particulars of registration;

(e) a person who is blacklisted or whose registration is suspended; and

(f) a person who is required to be de- registered.

[1][ ]

[2][**5. Application for registration**.- (1) A person required to be registered under the Act shall, before making any taxable supplies, apply on the computerized system through owner, authorized member or partner or authorized director, as the case may be, in the Form STR- 1, as annexed to these rules. Such application shall specify the RTO in whose jurisdiction the registration is sought, as per criteria given below, namely:-

(a) in case of listed or unlisted public limited company, the place where the registered office is located;

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[1]Rule 4 deleted by SRO 494(I)/2015 dated June 30, 2015.

[2]Rule 5 substituted by SRO 494(I)/2015 dated June 30, 2015.

Rule 4, substitution.- Before substitution it read as follows:-

"**4. Requirement of registration.-** The following persons engaged in making of taxable supplies in Pakistan (including zero- rated supplies) in the course or furtherance of any taxable activity carried on by them, if not already registered, are required to be registered in the manner specified in this chapter, namely:–

[1][(a) a manufacturer not being a cottage industry";]

(b) a retailer whose value of supplies, in any period during the last twelve months exceeds five million rupees;

(c) an importer;

(d) a wholesaler (including dealer) and distributor; [2][ ]

(e) a person required, under any other Federal law or Provincial law, to be registered for the purpose of any duty or tax collected or paid as if it were a levy of sales tax to be collected under the Act [3][; and]

[3][(f) a commercial exporter, who intends to obtain sales tax refund against his zero- rated supplies.]

[1]Sub- clause (a) substituted by SRO 530(I)/2008 dated June 11, 2008.Before substitution sub-clause (a) read as follows:-

"(a) a manufacturer whose annual turnover from taxable supplies, made in any tax period during the last twelve months exceeds five million rupees;"

[2]Word "and" omitted by SRO 470(I)/2007, dated June 09, 2007.

[3]Inserted by SRO 470(I)/2007 dated June 09, 2007.

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(b) in case of other companies-

(i) if the company is primarily engaged in manufacture or processing, the place where the factory is situated; and

(ii) if the company is primarily engaged in business other than manufacture or processing the place where main business activities are actually carried on;

(c) in case of a person not incorporated, the jurisdiction where the business is actually carried on; and

(d) in case of a person not incorporated, having a single manufacturing unit and whose business premises and manufacturing unit are located in different areas, the jurisdiction where the manufacturing unit is located:

Provided that the jurisdiction of Large Taxpayers Units shall remain as specified by the Board:

Provided further that the Board may transfer the registration of any registered person to a jurisdiction where the place of business or registered office or manufacturing unit is located.

[1][(2) The applicant having NTN or income tax registration shall, using his login credentials, upload following information and documents-

(a) bank account certificate issued by the bank in the name of the business;

(b) registration or consumer number with the gas and electricity supplier;

(c) particulars of all branches in case of multiple branches at various locations;

(d) GPS-tagged photographs of the business premises; [2][ ]

(e) in case of manufacturer, also the GPS-tagged photographs of machinery and industrial electricity or gas meter installed [3][; and]

[4][(f) in the case of an individual, association of persons and a company having only one shareholder or member, other than manufacturer, a balance sheet indicating the amount of business capital [5][, assets and liabilities]:

Provided that where an individual, an association of persons and a company having only one shareholder or member, other than manufacturer, already registered, do not fulfil the requirement of clause (f) [6][ ], the electronic filing of return shall only be allowed with prior authorization of the Commissioner through IRIS.]

[1]Sub-rules (2) to (9) substituted by SRO 698(I)/2019 dated June 29, 2019.
[2]Word "and" deleted by SRO 350(I)/2024 dated March 07, 2024.
[3]Full stop substituted by SRO 350(I)/2024 dated March 07, 2024.
[4]Clause (f) inserted by SRO 350(I)/2024 dated March 07, 2024.
[5]Substituted for "with corresponding assets in the bank, amounts attributable to partners with percentage, as the case may be" by SRO 582(I)/2024 dated April 18, 2024.
[6]Words "within thirty days from the date the said requirement comes into force" deleted by SRO 582(I)/2024 dated April 18, 2024.

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(3) On furnishing above documents, the system shall register the applicant for sales tax [1][:]

[2][Provided that in the case of an individual, an association of persons, and a company having only one shareholder or member, as the case may be, the IRIS shall register such persons only after the LRO is satisfied that the requirements under sub-rule (2) of this rule has been uploaded in IRIS, and the LRO has approved the application through an order in IRIS.]

(4) After registration, the applicant or his authorized person shall visit e-Sahulat Centre of NADRA within a month for bio-metric verification. In case of failure to visit or failure of verification, the registered person's name shall be taken off the sales tax Active Taxpayer List [1][:]

[2][Provided that every individual, any member of an association of persons, and a director of a company having only one shareholder or member, as the case may be, shall visit e-Sahulat Centre of NADRA during the month of July every year, for bio-metric re-verification, and in case of failure to do so, the electronic filing of return shall only be made with prior authorization of the Commissioner through IRIS.]

(5) In case of manufacturer, the Board may require [3][pre-verification or post-verification or both, as the case may be] through field offices or a third party authorized by the Board.

(6) In case, the field office, during scrutiny after the registration, finds that any document provided is non-genuine or fake or wrong, it may request through the system, to provide the missing document, in fifteen days, failing which the registered person shall be taken off from the sales Active Taxpayer List, subject to approval of the Member (IR-Operations), FBR.]

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[1]Full stop substituted by SRO 350(I)/2024 dated March 07, 2024.
[2]Proviso inserted by SRO 350(I)/2024 dated March 07, 2024.
[3]Substituted for "post-verification" by SRO 350(I)/2024 dated March 07, 2024.

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Rule 5(2) to (9), substitution.- Before substitution by SRO 698(I)/2019 it read as follows:-

"(2) The applicant shall submit [1][ ] the following documents, namely:-

(a) CNIC of all owners, members, partners or directors, as the case may be, and the representative, if any, and in case of non- residents, their passports;

(b) in case of a company or registered AOP, the Registration or Incorporation Certificate, along with Form III or Form A as prescribed in the Companies Ordinance, 1984 (XLVII of 1984);

(c) in case of a partnership, the partnership deed [2][, if available];

(d) bank account certificate issued by the bank in the name of the business;

(e) lease or rent agreement, if the premises is on rent, along with CNIC of the owner of the premises;

(f) ownership documents of the premises, such as registered sale deed or registered transfer deed;

(g) latest utility bills (electricity, gas, land- line telephone, and post- paid mobile phones, as the case may be);

(h) list of machinery installed in case of manufacturer;

(i) distribution certificate from the principal showing distributorship or dealership, in case of distributor or dealer;

(j) balance sheet/statement of affairs/equity of the business;

(k) particulars of all branches in case of multiple branches at various locations; and

(l) particulars of all franchise holders in case of national or international franchise [1][, if applicable].

[1]Words "through the computerized system" deleted by SRO 227(I)/2016 dated March 21, 2016.

[2]Words inserted by SRO 227(I)/2016 dated March 21, 2016.

[2][(3) The documents as prescribed in the preceding sub-rule shall be submitted online through the computerized system or by visiting the concerned RTO, In either case, the original copies of all documents shall be presented in RTO for verification purpose before the application is processed by the system.]

[3][(3A) The applicant, being the owner, or authorized member or partner, or authorized director, as the case may be, shall visit the concerned RTO for biometric verification.]

[4][ ]

(5) Incomplete applications shall not be entertained by the computerized system.

(6) Where an applicant has unsold or unused stocks of tax- paid inputs on which he desires to claim the benefit of section 59 of the Act, he shall declare such stocks in a statement in the Form set out as STR- 4, to be appended with his application for registration.

(7) The application shall be processed by the computerized system and if found complete in all respects, shall be assigned a risk score. In case the application is found low risk, registration shall be issued by the computer system and certificate shall be sent to the applicant by courier service. The high risk cases shall, for further inquiry and scrutiny of documents, be sent to the [5][Additional Commissioner] Inland Revenue, designated in the RTO for the purpose.

[6][(7A) The process leading to determination of risk score shall be completed within one working day 01 submission 01 complete application and biometric verification, whereas the scrutiny, including physical verification of premises to be carried out by an officer not below the rank of Assistant Commissioner, in high risk cases shall be completed within three working days in case of manufacturers and within seven working days in case of non-manufacturers.]

(8) Where a person, who has furnished a Form for registration, discovers any omission or wrong statement therein, or notices a subsequent change in any information, particulars, annexures, statements, documents or data already furnished, he may, without prejudice to any liability incurred by him under any provision of the Act, furnish a revised Form for registration.

[1]Words inserted by SRO 227(I)/2016 dated March 21, 2016.
[2]Sub-rule (3) substituted by SRO 227(I)/2016 dated March 21, 2016.
[3]Sub-rule (3A) inserted by SRO 227(I)/2016 dated March 21, 2016.
[4]Sub-rule (4) deleted by SRO 227(I)/2016 dated March 21, 2016.
[5]Substituted for "Commissioner" by SRO 227(I)/2016 dated March 21, 2016.
[6]Sub-rule (7A) inserted by SRO 227(I)/2016 dated March 21, 2016.

(9) In case the person applying for registration as manufacturer is sharing the premises, he shall provide evidence of–

(a) demarcation of manufacturing premises for registration, and

(b) installation of sub- meter by the relevant utility company, in case he does not have independent industrial utility connection but is using electricity or gas through sub- meter."

Rule 5(3), substitution.- Before substitution it read as follows:-

"(3) The applicant being the owner, authorized member or partner or authorized director, as the case may be, shall visit the concerned RTO for biometric verification along with all those documents specified under sub- rule (2) which have not been submitted through computerized system."

Rule 5(4), omission.- Before omission it read as follows:-

"(4) Subject to sub- rule (2) the applicant shall also submit the following to the computerized system through the electronic application prescribed by the Board for the purpose, namely:-

(a) GPS- tagged photographs of the business premises, office equipment, electricity meter and gas meter;

(b) in case of manufacturer, in addition to clause (a), GPS- tagged photographs of factory premises, machinery, industrial electricity or gas meter installed; and

(c) in case of wholesaler, in addition to clause (a), GPS- tagged photographs of the business premises and godown."

Rule 5, substitution.- Before substitution it read as follows:-

"5. Application for registration.- (1) A person required to be registered under the Act shall, before making any taxable supplies, apply [1][for registration through owner, member or authorized director, as the case may be, through REGSYS in the Form STR- I, as annexed to these rules]. Such application will specify the Collectorate in whose jurisdiction the registration is sought, as per criteria given below, namely:-

[2][(a) in case of listed or unlisted public limited company, the place where the registered office is located;

(b) in case of other companies,-

(i) if the company is primarily engaged in manufacture or processing, the place where the factory is situated; and

(ii) if the company is primarily engaged in business other than manufacture or processing, the place where main business activities are actually carried on;

(c) in case of a person not incorporated, the jurisdiction where the business is actually carried on; and

(d) in case of a person not incorporated, having a single manufacturing unit and whose business and manufacturing unit are located in different areas, the jurisdiction where the manufacturing unit is located:

Provided that the jurisdiction of Large Taxpayers Unit shall remain as specified by the Board:

Provided further that the Federal Board of Revenue may transfer the registration of any registered person to a jurisdiction where the place of business or registered office or manufacturing unit is located.]

[1]Substituted for "to the CRO, through electronic means as provided by the Board or otherwise, through owner, member or director, as the case may be. Such application shall be made in the form STR- 1, as annexed to these rules, transmitted to the CRO electronically or through registered mail or courier service" by SRO 79(I)/2014 dated January 31, 2014.

[2]Substituted by SRO 945(I)/2013 dated October 24, 2013, effective from July 1, 2013. Earlier it was substituted by SRO 506(I)/2013 dated June 12, 2013. Before substitution it read as follows:-

"(a) in case of a corporate or non- corporate person, having a single manufacturing unit or business premises, the Regional Tax Office or Large Taxpayers Unit, as the case may be, in whose jurisdiction the manufacturing unit or business premises is actually located; or

(b) in case of a corporate or non- corporate person, having multiple manufacturing units or business premises, the Board may decide the place of registration of such persons:

Provided that existing registrations which fall in category of clause (a) shall stand transferred and in case of those falling in category of clause (b) the Board may decide the place of registration of such person."

[1][**5A. Temporary registration.–** (1) Where a person files application for sales tax registration as a manufacturer without having installed machinery, for the purpose of import of machinery to be installed by him, temporary registration as manufacturer shall be allowed to him for a period of sixty days subject to furnishing of the complete list of machinery to be imported along with Bill of Lading (BL) or Goods Declaration (GDs) in lieu of the requirements prescribed in [2][ ] sub-rule [3][(2)] of rule 5.

(2) The temporary registration shall be issued by the computerized system within seventy- two hours of filing of the complete application.

(3) After receiving temporary registration, the person shall be allowed to import plant, machinery and raw materials, etc. as a manufacturer, subject to submission to the customs authorities of a post- dated cheque equal to the difference in duties and taxes to be availed as a manufacturer.

(4) In case the requirements prescribed in [2][ ] sub- rule (1A) and sub- rule (1B) of rule 5 are not fulfilled within sixty days of issuance of the temporary registration, such temporary registration shall be disabled and the post- dated cheques submitted shall be encashed.

(5) A person holding temporary registration shall file monthly return in the form STR-7, but shall not issue a sales tax invoice and if such invoice is issued, no input tax credit shall be admissible against such invoice.

(6) No sales tax refund shall be paid to the person during the period of temporary registration and the amount of input tax may be carried forward to his returns for subsequent tax periods.]

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[1]Rule 5A inserted by SRO 494(I)/2015 dated June 30, 2015.
[2]Words "clause (h) of" deleted by SRO 1339(I)/2020 dated December 16, 2020.
[3]Substituted for "(1A) and sub-rule (1B)" by SRO 227(I)/2016 dated March 21, 2016.

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[3][(1A) The applicant shall electronically attach scanned copies of the following documents with his application:-

(a) CNIC of all owners, members, partners or directors, as the case may be, and the representative (if any), and in case of non- resident, their passports;
(b) in case of a company or registered AOP, the Registration or Incorporation Certificate, along with Form III or Form A as prescribed in the Companies Ordinance, 1984 (XLVII of 1984);
(c) in case of a partnership, the partnership deed and Statement of Affairs;
(d) bank account certificate issued by the bank, in the name of the business;
(e) lease or rent agreement, if the premises is on rent, along with CNIC of the owner of the premises;
(f) ownership documents of the premises, such as registered sale deed or registered transfer deed;
(g) latest utility bills (electricity, gas, land- line telephone, and post- paid mobile phones, as the case may be); and
(h) list of machinery installed, in case of manufacturer.

(1B) The applicant shall also submit GPS- tagged photographs of the business premises, machinery installed (if any), the electricity meter, and gas meter, as the case may be, using the electronic application provided by the Board for the purpose and electronically submit them to REGSYS.]

(2) Where an applicant has unsold or un- used stocks of tax- paid inputs on which he desires to claim the benefit of section 59 of the Act, he shall declare such stocks in a statement in the form set out as STR- 4, to be appended with his application for registration.

[3]Inserted by SRO 79(I)/2014 dated January 31, 2014.

Before substituted by SRO 506(I)/2013 dated June 12, 2013, effective from July 1, 2013. Before substitution it read as follows:-

"(a) in case of a corporate person, that is, a listed public limited company or an unlisted public limited company or a private limited company, the area where the registered office is located;

(b) in case of a person not incorporated, the area where the business is actually carried on; and,

(c) in case of a person not incorporated, having a single manufacturing unit, whose business premises and manufacturing unit are located in different areas, shall apply for registration in the Collectorate of the area in whose jurisdiction his manufacturing unit is located:

Provided [1][ ] that a corporate person shall have the option to apply for transfer of registration to the Collectorate having jurisdiction where the place of business is located [2][:]

[2][Provided further that the Federal Board of Revenue may transfer the registration of any registered person or any business of a registered person to an area of jurisdiction where the place of business or registered office or manufacturing units is located."

[1]Word "further" omitted by SRO 589(I)/2012 dated June 01, 2012, effective from June 02, 2012.

[2]Colon substituted for full stop and Proviso inserted by SRO 589(I)/2012 dated June 01, 2012, effective from June 02, 2012.

[4][ ]

[5][(3) The application shall be processed electronically by REGSYS, and if found complete in all respects, shall be assigned a risk score. In case the application is found incomplete or incorrect, Objection Memo shall be issued electronically to the applicant, allowing him a period of ten days to remove the objections before the application is rejected. In case the application is assigned a low risk score, registration certificate will be issued by REGSYS as set out in the Form STR- 5 annexed to these rules, which will be sent to the applicant by courier service. The remaining applications shall be sent to the concerned LRO for further inquiry, which may include physical verification. The officer conducting physical verification shall take GPS- tagged photographs, as specified in sub- rule (1B), and electronically load them into REGSYS.

(4) A person who has applied for registration as manufacturer, and is not assigned low risk score by REGSYS, shall be registered only after LRO has physically verified his manufacturing facility in the manner prescribed in sub- rule (3).]"

(5) In no case, a person required to be registered under the Act shall be issued more than one [6][National Tax Number].]

[4]Sub- rule (2A) deleted by SRO 79(I)/2014 dated January 31, 2014. Earlier it was inserted by SRO 429(I)/2009 dated June 02, 2009. Before omission it read as follows:-

"(2A) CRO may cause further inquiry from the applicant through LRO or otherwise including insurance of Objection Slip."

[5]Sub- rules (3) & (4) substituted by SRO 79(I)/2014 dated January 31, 2014. Earlier sub- rule (4) was inserted by SRO 530(I)/2008 dated June 11, 2008. Before substitution these read as follows:-

"(3) On completion of such verification or inquiry, through LRO or otherwise, as the CRO deems necessary, it may register the applicant and issue a certificate of registration containing the [6][National Tax Number] of the applicant in the form as set out in the form STR- 5, or reject the application within fifteen days from the date complete application is received in the CRO, under intimation to the applicant, specifying the reasons for such rejection.

(4) A person who has applied for registration as manufacturer shall be registered after LRO has verified his manufacturing facility."

[6]Substituted for "registration number" by SRO 610(I)/2010 dated July 01, 2010.

Rule 6, substitution.- Before substitution it read as follows:-

"6. Compulsory registration.- (1) If a person, who is required to be registered under this Act, does not apply for registration and the LRO or any other office as may be authorized by the Board or the Collector, after such inquiry as deemed appropriate, is satisfied that such person is required to be registered, it shall issue notice to such person in the form set out in the form STR- 6.

(2) In case the LRO receives a written reply from the said person within the time specified in notice, contesting his liability to be registered, the LRO shall grant such person opportunity of personal hearing, if so desired by the person, and shall thereafter pass an order whether or not such person is liable to be registered compulsorily. Copy of the said order shall invariably be provided to that person.

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[1][**6. Compulsory registration.–** (1) if a person, who is required to be registered under the Act, does not apply for registration and the Commissioner Inland Revenue or any other officer, as may be authorized by the Board, after such inquiry as deemed appropriate, is satisfied that such person is required to be registered, he shall issue notice to such person in the Form set out in Form STR- 6.

(2) In case the Commissioner receives a written reply from the said person within the time specified in notice under sub- rule (1), contesting his liability to be registered, the Commissioner shall grant such person opportunity of personal hearing, if so desired by the person, and shall thereafter pass an order whether or not such person is liable to be registered compulsorily. Copy of the said order shall invariably be provided to that person. Where the Commissioner passes the order for compulsory registration, he shall cause the said person to be registered through computerized system.

(3) Where the person to whom a notice is given under sub- rule (1), does not respond within the time specified in the notice, the Commissioner shall cause to compulsorily register the said person through computerized system under intimation to the said person through courier service.

(4) A person registered compulsorily under sub- rule (2) or (3) is required to comply with all the provisions of the Act and rules made thereunder from the date of compulsory registration, and in case of failure to do so, the Commissioner Inland Revenue having jurisdiction may issue notice under section 25 of the Act for production of records or documents and appearance in person to assess the amount of sales tax payable under section 11 of the Act, and take any other action as required under the law against such person:

Provided that if it is subsequently established that a person was not liable to be registered but was wrongly registered under .this rule due to inadvertence, error or misconstruction, the Commissioner shall cause to cancel his registration through the computerized system. In case of such cancellation of registration, such person shall not be liable to pay any tax, default surcharge or penalty under the Act or rules made thereunder, subject to the conditions, limitations and restrictions prescribed under section 3B of the Act.]

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[1]Rules 6 to 11 substituted by SRO 494(I)/2015 dated June 30, 2015.

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(3) Where the person to whom a notice is given under sub- rule (2), does not respond within the time specified in the notice, the LRO shall transmit the particulars of the person to [1][REGSYS], which shall compulsorily register the said person and allot him a [2][National Tax Number] which shall be delivered to the said person either in person through LRO or through registered mail (acknowledgement due) or through courier service.

[1]Substituted for "the CRO" by SRO 79(I)/2014 dated January 31, 2014.

[2]Substituted for "registration number" by SRO 610(I)/2010 dated July 01, 2010.

(4) A person registered compulsorily as aforesaid, is required to comply with all the provisions of the Act and rules made thereunder from the date of compulsory registration, and in case of failure to do so, the [2][Commissioner Inland Revenue] having jurisdiction may issue notice under section 25 of the Act for production of records or documents and appearance in person to assess the amount of sales tax payable under section 11 of the Act, and take any other action as required under the law against such person.

Provided that if it is subsequently established that a person was not liable to be registered but was wrongly registered under this rule due to inadvertence, error or misconstruction, the [3][Commissioner shall send recommendation to REGSYS to] cancel his registration. In case of such cancellation of registration, such person shall not be liable to pay any tax, default surcharge or penalty under the Act or rules made there- under, subject to the conditions, limitations and restrictions prescribed under section 3B of the Act.]"

[2]Substituted for "Collector of Sales Tax" by SRO 79(I)/2014 dated January 31, 2014.

[3]Substituted for "CRO, shall" by SRO 79(I)/2014 dated January 31, 2014.

[1][**7. Change in the particulars of registration**.- (1) In case there is a change in the name, address or other particulars as stated in the registration certificate, the registered person shall notify the change in the Form STR- l to the computerized system, within fourteen days of such change.

(2) The change of business category as 'manufacturer' shall be allowed subject to fulfillment of all applicable requirements as specified in rule 5.

(3) In case of approval of the change applied for, a revised registration certificate shall be issued through computerized system, which shall be effective from the date the person applied for the change.

(4) The Commissioner may, based on available information or particulars and after making such inquiry as he may deem necessary and after providing reasonable opportunity of being heard to a person, by an order in writing, make modifications in registration of the person.]

[1][**8. Transfer of registration**.- (1) The Board may, in accordance with clauses (a), (b) and (c) of sub- rule (1) of rule 5 or otherwise, by an order, transfer the registration of a registered person from the jurisdiction of one LTU or RTO to another.

(2) On transfer of registration,-

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[1]Rules 6 to 11 substituted by SRO 494(I)/2015 dated June 30, 2015.

Rule 7, substitution.- Before substitution it read as follows:-

"7. Change in the particulars of registration.- (1) In case there is a change in the name, address or other particulars as stated in the registration certificate, the registered person shall notify the change in the prescribed form [1][STR- 1] to [2][REGSYS], within fourteen days of such change.

[3][(2) The change of business category as 'manufacturer' shall be allowed after LRO has verified the manufacturing facility [4][, taken GPS- tagged photographs and entered them on REGSYS in the manner prescribed in sub- rule (3) of rule 5,] and confirmed the status as industrial consumer of the electricity and gas distribution companies.]

(3) In case of approval of the change applied for, [2][REGSYS] shall issue revised registration certificate, which will be effective from the date the concerned person has applied for the change.

[5][(4) The change of nature of business (e.g. from individual to AOP or corporate person) shall be allowed as under, namely:-

(i) in case of transfer of individual business from any person to his spouses or children, the change shall be made by LRO on receipt of verification of documents from RTO;

(ii) in case of change in nature of business from individual to AOP, the change shall be made by LRO on receipt of verification of documents from RTO;

(iii) in case of change of nature of business from AOP to corporate entity, the same shall only be allowed by LRO on receipt of verification from RTO or LTU, however, this change shall only be allowed in cases where the same persons who are members of AOP are nominated as directors in the corporate entity; and

(iv) in case of transfer of business or change in nature on any other account, a new [6][National Tax Number] shall be issued to the entity.]"

[1]Substituted for "STR- 2" by SRO 530(I)/2008 dated June 11, 2008.
[2]Substituted for "the CRO" by SRO 79(I)/2014 dated January 31, 2014.
[3]Sub- rule (2) substituted by SRO 470(I)/2007, dated June 09, 2007.Before substitution it read as follows:-
"(2) The change of business category as 'manufacturer' shall be allowed after verification by LRO."
[4]Words inserted by SRO 79(I)/2014 dated January 31, 2014.
[5]Sub- rule (4) inserted by SRO 589(I)/2012 dated June 01, 2012, effective from June 02, 2012.
[6]Substituted for "Sales Tax Registration Number" by SRO 610(I)/2010 dated July 01, 2010.

(a) all the records and responsibilities relating to such registered person shall be transferred to the LTU or RTO, in whose jurisdiction the registration has been so transferred;

(b) notwithstanding the actions already taken, being taken or otherwise pending immediately before the transfer in respect of such registered person under any of the provisions of the Act or the rules made thereunder in the LTU or RTO from where his registration has been transferred, the LTU or RTO, in whose jurisdiction the registration is so transferred shall exercise the jurisdiction over such person in the manner as if it always had such jurisdiction.

(3) In case of transfer of registration under sub- rule (1), the Board shall issue intimation letter to the registered person along with copy to concerned LTU or RTO.

(4) In case a registered person intends to shift his business activity from the jurisdiction of one LTU or RTO to another, or he has any other valid reason for such transfer, he shall apply to the Board for transfer of his registration along with Form STR- I. The Board shall follow the procedure as provided under sub- rules (2) and (3).]

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[1]Rules 6 to 11 substituted by SRO 494(I)/2015 dated June 30, 2015.

Rule 8, substitution.- Before substitution it read as follows:-

"8. Transfer of Registration.- (1) The CRO may, [1][in accordance with clauses (a), (b) and (c) of sub- rule (1) of rule 5], by an order, transfer the registration of a registered person from the [2][territorial] jurisdiction of one [3][LTU or RTO to another].

(2) On transfer of registration,-

(a) all the records and responsibilities relating to such registered person shall be transferred to the [4][ ] LTU or RTO, in whose jurisdiction the registration has been so transferred;[5][ ]

(b) notwithstanding the actions already taken, being taken or otherwise pending immediately before the transfer in respect of such registered person under any of the provisions of the Act or the rules made thereunder in the [6][LTU or RTO] from where his registration has been transferred, [7][ ] the LTU or [8][; and]

[8][(c) the return for the tax period in which the registration is transferred shall be filed in the [6][LTU or RTO] from where the registration is transferred.]

RTO, in whose jurisdiction the registration is so transferred shall exercise the jurisdiction over such person in the manner as if it always had such jurisdiction.

(3) In case of transfer of registration, the CRO shall issue intimation letter to the registered person along with copy to concerned [9][ ] Large Taxpayers Unit or RTO.

(4) In case a registered person intends to shift his business activity from the jurisdiction of one [6][LTU or RTO] to another, or he has any other valid reason for such transfer, he shall apply to the CRO for transfer of his registration along with form [10][STR- 1]. The CRO shall follow the procedure as per sub- rules (2) and (3)."

[1]Substituted for "subject to such conditions, limitations or restrictions as it may deem fit to impose" by SRO 1131(I)/2010 dated December 15, 2010.

[2]Word inserted by SRO 1131(I)/2010 dated December 15, 2010.

[3]Substituted for "Collectorate to another Collectorate or, as the case may be, to the LTU or RTO" by SRO 79(I)/2014 dated January 31, 2014.

[4]Words "Collectorate or, as the case may be, to the" deleted by SRO 79(I)/2014 dated January 31, 2014.

[5]Word "and" omitted by SRO 470(I)/2007 dated June 09, 2007.

[6]Substituted for "Collectorate" by SRO 79(I)/2014 dated January 31, 2014.

[7]Words "the Collectorate, or as the case may be," deleted by SRO 79(I)/2014 dated January 31, 2014.

[8]Inserted by SRO 470(I)/2007 dated June 09, 2007.

[9]Words "Collectorate, or as the case may be the" deleted by SRO 79(I)/2014 dated January 31, 2014.

[10]Substituted for "STR- 2" by SRO 429(I)/2009 dated June 02, 2009.

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[1][**9. Option to file application with Commissioner Inland Revenue.-** A person who is unable to file application for registration or change in particulars of registration directly in computerized system may submit the prescribed application and required documents to the concerned Commissioner Inland Revenue at RTO, which shall ensure entry of the application and documents in computerized system within three days.]

[2][**10. Cancellation of multiple registrations**.- (l) In case a person holds multiple sales tax registrations, he shall retain only one registration and surrender all other registrations under intimation to concerned Commissioner Inland Revenue at RTO.

Provided that the Board may, subject to such conditions as it may deem appropriate, allow or allocate a person separate registration for manufacturing units located in different LTU or RTO.

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[1]Rules 6 to 11 substituted by SRO 494(I)/2015 dated June 30, 2015. Earlier Rule 9 was substituted by SRO 79(I)/2014 dated January 31, 2014.

[2]Rules 6 to 11 substituted by SRO 494(I)/2015 dated June 30, 2015. Earlier Rule 10 was substituted by SRO 530(I)/2008 dated June 11, 2008.

Rule 9, substitution.- Before substitution by SRO 494(I)/2015, it read as follows:-

"9. Option to file application with LRO.- A person who is unable to file application for registration or change in particulars of registration directly in REGSYS may submit the prescribed application and required documents to the concerned LRO, which shall ensure entry of the application and documents in REGSYS within three days."

Rule 10, substitution.- Before substitution by SRO 494(I)/2015, it read as follows:-

"10. Cancellation of multiple registrations.- (1) In case a person holds multiple sales tax registrations, he shall retain only one registration and surrender all other registrations under intimation to CRO. Alternatively, such registered persons shall file only one return for the tax period July 2008, and onwards, against the [1][National Tax Number] they wish to retain and all other registration numbers shall be cancelled by CRO [2][:]

[2][Provided that the Board may, subject to such conditions as it may deem appropriate, allow or allocate a person separate registration for manufacturing units located in different [3]/LTUs or RTOs/.]

(2) The tax liabilities against the registrations cancelled in the aforesaid manner shall be transferred against the registration retained and in case of such registrations being in different [4][LTUs or RTOs], the [5][Commissioner] having jurisdiction over cancelled registrations shall ensure that tax arrear files are transferred to the [6][LTU or RTO] having jurisdiction over the registration so retained."

[1]Substituted for "registration number" by SRO 610(I)/2010 dated July 01, 2010.

[2]Substituted for full stop and Proviso inserted by SRO 1289(I)/2008 dated December 23, 2008.

[3]Substituted for "Collectorates or Regional Tax Offices" by SRO 79(I)/2014 dated January 31, 2014.

[4]Substituted for "Collectorates" by SRO 79(I)/2014 dated January 31, 2014.

[5]Substituted for "Collector" by SRO 79(I)/2014 dated January 31, 2014.

[6]Substituted for "Collectorate" by SRO 79(I)/2014 dated January 31, 2014.

Rule 9, substitution.- Before substitution by SRO 79(I)/2014 it read as follows:-

"9. Option to file application with LRO.- The person applying for registration, changes in particulars of registration or transfer of registration, may, in exceptional cases where he is not able to send such application directly to CRO, file the prescribed application in LRO, instead of filing the same in CRO. In such case LRO shall forward the same to CRO within three days and the Collector concerned shall ensure that such application is transmitted to CRO within the stipulated period."

Rule 10, substitution.- Before substitution by SRO 530(I)/2008, it read as follows:-

"**10. Revised registration certificate.**– In case of multiple registrations, the registered person [1][shall] apply on form STR- 1 for single registration to the CRO which after ascertaining tax liabilities from the concerned Collectorate shall issue revised registration certificate in which previous registration number shall be merged."

[1]Substituted for "may" by SRO 470(I)/2007, dated June 09, 2007.

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(2) The tax liabilities against the registration cancelled under sub- rule (1) shall be transferred against the registration retained and in case of such registrations being in different LTU or RTO, the Commissioner having jurisdiction over cancelled registrations shall ensure that tax arrears' files are transferred to the LTU or RTO, having jurisdiction over the registration so retained.]

[1][**11. De-registration.-** (1) Every registered person who ceases to carry on his business or whose supplies become exempt from tax, [2][and he intend to get de-registered shall apply online on the computerized system] for cancellation of his registration in Form STR- 3, and the Commissioner, on such application or on its own initiative, may issue order of de-registration or cancellation of the registration of such person from such date as may be specified, but not later than [3][sixty] days from the date of such application or the date all the dues outstanding against such person are deposited by him, whichever is later and such person shall caused to be de- registered through computerized system accordingly [4][:]

[4][Provided that registered person shall be barred to file Annex-C, Annex-D and the return after the date of online submission of application. No input tax adjustment or refund shall be admissible to the registered person during the currency of de-registration. And no input tax adjustment or refund shall be allowed to any other registered persons on the strength of invoices issued by such person, during the currency of de-registration.]

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[1]Rules 6 to 11 substituted by SRO 494(I)/2015 dated June 30, 2015.

[2]Substituted for "or who ceases to remain registered shall apply to the Commissioner Inland Revenue having jurisdiction" by SRO 608(I)/2025 dated April 17, 2025.

[3]Substituted for "ninety" by SRO 608(I)/2025 dated April 17, 2025.

[4]Full stop substituted and proviso inserted by SRO 608(I)/2025 dated April 17, 2025.

Rule 11, substitution.- Before substitution by SRO 494(I)/2015, it read as follows:-

"**11. De- registration.**– (1) Every registered person who ceases to carry on his business or whose supplies become exempt from tax, shall apply to the LRO for cancellation of his registration in form STR- 3, and the LRO, [1][on such application or on its own initiative] may recommend to the CRO to cancel the registration of such person from such date as may be specified, but not later than three months from the date of such application or the date all the dues outstanding against such person are deposited by him, whichever is the later.

(2) A registered person whose total taxable turnover during the last twelve months remains below the limit specified in rule 4, may apply to the LRO for de- registration in form STR- 3 or the [2][Commissioner] may, on his initiative, start proceedings for his de- registration.

(3) Local Registration Office, upon completion of any audit or inquiry which may have been initiated consequent upon the application of the registered person for deregistration, shall direct the applicant to discharge any outstanding liability which may have been raised therein by filing a final return under section 28.

(4) If a registered person fails to file tax return for six consecutive months, the LRO may, without prejudice to any action that may be taken under any other provision of the Act, after issuing a notice in writing and after giving an opportunity of being heard to such person, recommend to the CRO for cancellation of the registration after satisfying itself that no tax liability is outstanding against such person.

(5) The obligations and liabilities of the person whose registration is cancelled under sub- rule (1) relating to the period when he conducted business as a registered person shall not be affected by the fact that his registration has been cancelled or that he has ceased to be a registered person."

[1]Words inserted by SRO 470(I)/2007, dated June 09, 2007.

[2]Substituted for "Collector" by SRO 79(I)/2014 dated January 31, 2014.

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[1][(2) Where the Commissioner Inland Revenue desires to conduct any audit or inquiry of the applicant to determine his liability, he shall require the applicant, in writing, to provide the requisite records. The Commissioner on receipt of the complete requisite records and upon completion of any audit or inquiry which may have been initiated consequent upon the application of the registered person for de-registration, shall complete the proceedings or inquiry within ninety days from the date of application and direct the applicant to discharge any outstanding liability which may have been raised therein by filing a final return under section 28. On submission of final return and payment, if any entry to this effect shall be made in the computerized system, which shall automatically de-register the applicant on expiry of ninety days thereof, subject to provisions of sub-rule (4).

Provided that adjournment be excluded but not later than ninety days.]

[2][(2A) After receipt of the application for de-registration [3][on the computerized system], the obligation of the registered person to file monthly sales tax return under section 26 of the Act shall remain suspended, until he is de-registered or his application is rejected, as the case may be;

[4][ ]

(3) If a registered person fails to file tax return for six consecutive months, the Commissioner, without prejudice to any action that may be taken under any other provision of the Act, after issuing a notice in writing and after giving an opportunity of being heard to such person, shall issue order of de- registration of such person and the computerized system shall be caused to de- register the person accordingly.

(4) The obligations and liabilities of the person whose registration is cancelled under sub- rule (1) relating to the period when he conducted business as a registered person shall not be affected by the fact that his registration has been cancelled or that he has ceased to be a registered person.]

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[1]Rule 11(2) substituted by SRO 608(I)/2025 dated April 17, 2025.
[2]Sub- rule (2A) & (2B) inserted by SRO 51(I)/2021 dated January 13, 2021.
[3]Substituted for "by the Commissioner Inland Revenue having jurisdiction" by SRO 608(I)/2025 dated April 17, 2025.
[4]Rule 11(2B) deleted by SRO 608(I)/2025 dated April 17, 2025. Earlier it was inserted by SRO 51(I)/2021 dated January 13, 2021.

Rule 11(2), substitution.- Before substitution by SRO 608(I)/2025, it read as follows:-

"(2) The Commissioner, upon completion of any audit proceedings or inquiry which may have been initiated consequent upon the application of the registered person for de- registration, shall complete the proceedings or inquiry within ninety days from the date of application and direct the applicant to discharge any outstanding liability which may have been raised therein by filing a final return under section 28:

Provided that the person applying for de- registration shall not be de- registered unless he provides record for the purpose of audit or inquiry."

Rule 11(2B), Omission.- Before omission by SRO 608(I)/2025, it read as follows:-

"(2B) Where the Commissioner Inland Revenue desires to conduct audit or inquiry of the applicant to determine his liability, he shall require the applicant, in writing, to provide the requisite records. On receipt of the complete requisite records, entry to this effect shall be made in the computerized system, which shall automatically de-register the applicant on expiry of ninety days thereof, subject to provisions of sub-rule (4)."

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12. Blacklisting and suspension of registration.– [1][Where the Commissioner or Board has reasons to believe that the registered person is to be suspended or blacklisted, [2]*[*in order to ensure that the [3][LTOs] and RTOs follow a uniform policy for suspension and blacklisting of sales tax registered persons under section 21(2) of the Act and for subsequent proceedings in such cases, the following procedure shall be followed, namely:-

(a) SUSPENSION

(i) Where a Commissioner, having jurisdiction, is satisfied that a registered person has issued fake invoices, evaded tax or committed [4][tax fraud in terms of clause (37) of section 2 of the Act], registration of such person may be suspended by the Commissioner through the system, without prior notice, pending further inquiry. The basis for such satisfaction may inter alia include the following, namely:–*]*.]

(A) [5][non-existence] of the registered person at the given address;

[6][(B) refusal to allow access to business premises under section 40B and 40C or refusal to furnish records under section 25 and 37 of the Act to an authorized Inland Revenue Officer;

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[1]Sub- rule (1) to (5) substituted by SRO 589(I)/2012 dated June 01, 2012, effective from June 02, 2012.
[2]Words etc "the procedure as prescribed by the Board shall be followed" substituted by SRO 494(I)/2015 dated June 30, 2015.
[3]Substituted for "LTUs" by SRO 608(I)/2025 dated April 17, 2025.
[4]Substituted for "tax fraud" by SRO 608(I)/2025 dated April 17, 2025.
[5]Substituted for "non- availability" by SRO 608(I)/2025 dated April 17, 2025.
[6]Paragraphs (B) to (F) substituted by SRO 608(I)/2025 dated April 17, 2025.

Rule 12(1) to (5), substitution.- Before substitution it read as follows:-

"(1) Where the Collector has reasons to believe that a registered person is found to have committed tax fraud or evaded tax or has failed to deposit the tax due on his supplies despite having recovered it from the respective buyers or recipients of such supplies, he may suspend his registration through an order in writing and initiate such inquiry, as deemed appropriate.

(2) After such inquiry and investigation to confirm the facts and veracity of the information and after giving an opportunity to such person to clarify his position, the Collector, if satisfied that such person has committed any of the offences as aforesaid, may blacklist such person through an order in writing, and such blacklisting shall be without prejudice to any other action that may be taken against such person under the Act and the rules made thereunder.

(3) The inquiry in such cases shall be completed within ninety days, and show cause notice for recovery of any evaded amount of tax and for contravention of the provisions of the Act may be issued within the period specified under section 36 of the Act:

Provided that where the records required for completion of the inquiry are not produced by the blacklisted person or a person whose registration has been suspended or by the suppliers of such person, the period of ninety days for completion of the inquiry shall be deemed to have been extended by a further period of ninety days.

(4) The order for blacklisting or suspending the registration of a registered person shall be communicated to such person, the CRO and to the Central Sales Tax database provided for this purpose.

(5) During the period of suspension of registration, the invoices issued by such person shall not be entertained for the purposes of sales tax refund or input tax credit, and once such person is blacklisted, the refund or input tax credit claimed against the invoices issued by him, whether prior or after such blacklisting, shall be rejected through a self- speaking appealable order and after affording an opportunity of being heard to such person."

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(C) activity becomes 5 time more than sum of the capital and liabilities declared in the balance sheet;

(D) making more than l0% purchases from or making 10% supplies to other suspended person in the month of suspension, except suspension based in terms of clause B or value of above Rs. 50 million or whichever is higher;

(E) non-filing of sales tax returns for three consecutive months and null filing of sales tax returns for six consecutive months;

(F) committed any act which falls within the ambit of tax fraud;]

(G) any other reason to be specified by the [1][Board];

(ii) the suspension of registration shall take place through a written order of the Commissioner concerned, giving reasons for suspension. This order shall be endorsed to the registered person concerned, all other [2][LTOs]/RTOs, the FBR's computer system, the STARR computer system and the Customs Wing computer system for information and necessary action as per law;

(iii) a registered person who does not file sales tax return for [3][three] consecutive months shall be caused to be suspended through the system without any notice;

(iv) in cases, where the buyers and suppliers of any such person, whose registration is being suspended, belongs to another [2][LTOs]/RTOs, and these buyers / suppliers are also required to be suspended, the Commissioner shall intimate the Chief Commissioner of the concerned [2][LTOs]/RTOs in whose jurisdiction such buyers / suppliers fall, in writing explaining the complete facts of the case and the reasons on the basis of which these buyers / suppliers are to be suspended, to initiate proceedings for suspension / blacklisting of the buyers / suppliers;

(v) no input tax adjustment/refund shall be admissible to the registered person during the currency of suspension. Similarly, no input tax adjustment/refund shall be allowed to any other registered persons on the strength of invoices issued by such suspended person (whether issued prior to or after such suspension), during the currency of suspension;

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[1]Substituted for "Commissioner" by SRO 608(I)/2025 dated April 17, 2025.
[2]Substituted for "LTUs" by SRO 608(I)/2025 dated April 17, 2025.
[3]Substituted for "six" by SRO 608(I)/2025 dated April 17, 2025.

Rule 12(B) to (F), substitution.- Before substitution it read as follows:-

"(B) refusal to allow access to business premises or refusal to furnish records to an authorized Inland Revenue Officer;

(C) abnormal tax profile, such as taking excessive input tax adjustments, continuous carry-forwards, or sudden increase in turnover;

(D) making substantial purchases from or making supplies to other blacklisted or suspended person;

(E) non- filing of sales tax returns;

(F) on recommendation of a commissioner of any other jurisdiction;"

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(vi) the Commissioner shall, within seven days of issuance of order of suspension, issue a show cause notice (through registered post or courier service) to the registered person to afford an opportunity of hearing with fifteen days of the issuance of such notice clearly indicating that he will be blacklisted, in case–

(A) there is no response to the notice;

(B) he has not provided the required record;

(C) he has not allowed access to his business record or premises [1][under sections 40B and 40C]; and

(D) any other reason specified by the [2][Board];

(vii) in case show cause notice is not issued within seven days of the order of suspension, the order of suspension shall become void ab-initio;

(viii) in case of non- availability of the suspended person at the given address, the notice may be affixed on the main notice Board of the [3][LTOs]/RTOs;

(ix) on receipt of the reply to the notice and after giving an opportunity of hearing to the registered person, if the Commissioner is satisfied, he may order for revoking of suspension of the registered person [4][within thirty days of receipt of the reply to the notice];

(b) BLACKLISTING

(i) in case, after giving an opportunity of hearing, the offence is confirmed, the Commissioner shall issue an appealable self- speaking order for blacklisting of the registered person, and shall proceed to take legal and penal action under the relevant provisions of the Act;

(ii) the order of blacklisting shall contain the reasons for blacklisting, the time period for which any refund or input tax claimed by such person or by any other registered person on the strength of invoices issued by him from the date of his registration shall be inadmissible, any recovery to be paid or penalties to be imposed;

(iii) the order of blacklisting shall be issued within ninety days of the issuance of the notice of hearing. In case, the order of blacklisting is not issued within this time period the suspension of registered person shall become void ab- initio;

(iv) copies of the order shall be endorsed to the registered person concerned, all other LTUs/RTOs, the FBR/PRAL computer system, the STARR computer system and the Customs Wing computer system. Each LTU/RTO shall circulate all such lists to their refund sections, audit sections and other concerned staff to ensure that the order is implemented in letter and spirit by all concerned;

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[1]Words inserted by SRO 608(I)/2025 dated April 17, 2025.
[2]Substituted for "Commissioner" by SRO 608(I)/2025 dated April 17, 2025.
[3]Substituted for "LTUs" by SRO 608(I)/2025 dated April 17, 2025.
[4]Words inserted by SRO 608(I)/2025 dated April 17, 2025.

(v) all LTUs / RTOs shall further circulate the copies of the order along with a computer system- generated list of invoices issued by the blacklisted persons as referred to in the preceding clause, to all officers of Inland Revenue having jurisdiction over the registered persons who have claimed credit of input tax or refund on the strength of the invoices issued by the said blacklisted persons; and

(vi) the officer of Inland Revenue receiving the aforesaid list under clause (v) shall issue show- cause notice under section 11 and sub- section (3) of section 21 of the Act to a registered person for rejecting the input tax or refund claimed against the invoices so circulated and further proceed to decide the matter as per law through a self- speaking appealable order and after affording a reasonable opportunity of being heard to such person, in the manner as provided in the said sub- section (3).]

12A. Non-active taxpayer.– (1) A registered person who does not fulfil any of the conditions prescribed in clause (1) of section 2 of the Act shall automatically become a non-active taxpayer and his name shall be removed from the active taxpayers list maintained by the Board.

(2) A non- active taxpayer shall not be entitled to-

(a) file Goods Declarations for import or export;

(b) issue sales tax invoices;

(c) claim input tax or refund; or

(d) avail any concession under the Act or rules made thereunder.

(3) No person, including government departments, autonomous bodies and public sector organizations, shall make any purchases from a non- active taxpayer.

(4) In case of entry of an invoice issued by a non- active taxpayer by any registered buyer in Annexure- A of his return, a message shall appear to the effect that the supplier is a non- active taxpayer and no input tax credit shall be admissible against such invoice.

12B. Restoration as an active taxpayer.- A non- active taxpayer may be restored as active taxpayer, if-

(a) the registered person files the return or statement along with payment of any tax due under the Act or Income Tax Ordinance, 2001 (XLIX of 2001);

(b) the RTO or LTU having jurisdiction, on satisfying itself after conducting such audit or other investigation as may be necessary, recommends to the Board for restoration; and

(c) the Board issues an order to such effect.]

[1]Rules 12A & 12B inserted by SRO 494(I)/2015 dated June 30, 2015.

1-239-10-07-2025

Chapter II
FILING OF RETURNS

13. Application.- The provisions of this chapter shall apply to all registered persons required to file a return under section 26 of the Sales Tax Act, 1990.

[1][**14. Filing of returns.-** (1) Every person [2][, excluding a retailer not being a tier-1 retailer,] registered under the Sales Tax Act, 1990, or the Federal Excise Act, 2005, shall file the return as specified in the form STR- 7, along with all its annexures provided therein, in accordance with the instructions given therewith, in the manner as specified in rule 18 [3][:]

[4][Provided that all registered manufacturers making supply of taxable goods shall furnish, in Annex-J of the monthly return details of goods manufactured or produced and goods supplied:

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[1]Rule 14 substituted by SRO 530(I)/2008 dated June 11, 2008.

[2]Words inserted by SRO 918(I)/2019 dated August 07, 2019.

[3]Substituted for full stop by SRO 494(I)/2015 dated June 30, 2015.

[4]Proviso substituted by SRO 55(I)/2025 dated January 24, 2025. Earlier proviso & table was inserted by SRO 494(I)/2015 dated June 30, 2015.

Rule 14, substitution.- Before substitution by SRO 530(I)/2008, it read as follows:-

"14. Filing of Returns.- (1) Every registered person, whether under the Sales Tax Act, 1990, or the Federal Excise Act, 2005, shall file the return as specified in the STR- 7, in triplicate, in accordance with the instructions given therewith, in a Bank located in the jurisdiction of the Collectorate where he is registered:

Provided that a registered person may also file the return electronically, in the manner specified in rule 18:

[1][Provided further that the registered persons working under a special procedure notified under section 71 of the Act by the Federal Government, shall also file the part of the return as prescribed for them:]

Provided also that a person registered in the jurisdiction of a LTU, shall at the time of filing his return, legibly and conspicuously indicate the expression "LTU" on the top right corner of the return:

(2) The registered person shall deposit the amount of sales tax due for the tax period at the time of filing of return in the Bank.

[2][(3) Where a registered person operates in different sectors for which different dates of filing of return have been prescribed in any rules made under the Sales Tax Act, 1990, or the Federal Excise Act, 2005, such person shall file a single return for all such sectors by the due date applicable to his major activity in terms of sales tax or federal excise duty payable.]

[3][ ]"

[1]Proviso substituted by SRO 470(I)/2007, dated June 09, 2007. Before substitution Proviso read as follows: "Provided further that registered persons working under a special procedure notified under section 71 of the Act by the Federal Government, wherein a separate return form is prescribed, shall file returns in such form and in such manner as may be prescribed therein:"

[2]Sub- rule (3) substituted by SRO 307(I)/2008, dated March 24, 2008. Before substitution it read as follows:-

"(3) In case no amount of sales tax is payable by the registered person, he may file a nil return in accordance with chapter I of the Sales Tax Special Procedures Rules, 2006."

[3]Sub- rule (4) omitted by SRO 824(I)/2007, dated August 16, 2007. The amendment shall be deemed to have been made on July 1, 2007. Before omission it read as follows:-

"(4) Notwithstanding anything in sub- rule (1), a registered person operating, whether exclusively or otherwise, as dealer, distributor or wholesaler of the goods mentioned in the Third Schedule to the Act, shall file the return in triplicate, in the format set out at STR- 9, in respect of such goods, and in case of other goods, if any, he shall file a separate return for those goods, in the form mentioned in sub- rule (1)."

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Provided further that all registered commercial importers, distributers, wholesalers making supply of taxable goods shall furnish, in Annex-H1 of the monthly return, details of such goods purchased or imported and goods supplied.]

Rule 14(1)-Proviso, substitution.- Before substitution by SRO 55(I)/2025, it read as follows:-

"Provided that all registered manufacturers making supply of taxable goods as mentioned in column (2) of the Table below shall furnish, in Annex- J of the monthly return, details of such goods manufactured or produced and goods supplied, using the units mentioned in column (3) of that Table, namely:-

Table

S. No.	Product	Unit of measurement
(1)	(2)	(3)
1	Sugar	M. Tons
2	Tea blended	M. Tons
3	Cigarettes	Million Nos.
4	Aerated Waters	"000" Litres
5	Paper	M. Tons
6	Board	M. Tons
7	Chemicals	M. Tons
8	Caustic soda	M. Tons
9	Toilet soap	M. Tons
10	Flakes & Detergent	M. Tons
11	Industrial Gases (Chlorine, Hydrogen, Oxygen etc.)	M. Tons
12	Paints & Varnishes	M. Tons
13	LPG	M. Tons
14	Natural Gas	Million Cu. Meters
15	Cement	"000" M. Tons
16	Ceramic Tiles	'000' Sq. Meters
17	Refrigerators	Nos.
18	Air conditioners (Split/ Window)	Nos.
19	Deep freezers	Nos.
20	T. V. Sets	Nos.
21	Washing machines	Nos.
22	Cables & wire (insulated)	"000" Meters
23	Trucks	Nos.
24	Buses	Nos.
25	Jeeps	Nos.
26	Motor Vehicles of all kind	Nos.
27	LCVs/ LTVs	Nos.
28	Motors cycles	Nos.
29	Tractors	Nos.
30	Ice Cream	"000" Litres
31	Biscuits	M. Tons
32	Fruits/ Vegetable Juices	"000" Litres
33	Syrups/Squashes	"000" Litres
34	Mineral Water	"000" Litres
35	Soda ash	"000" Litres
36	Tyre & Tubes (motor car, bus, van, truck etc.)	"000" Nos.

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37	Motor Spirit	M. Tons
38	High speed diesel oil	M. Tons
39	Diesel oil	M. Tons
40	Furnace oil	M. Tons
41	Lubricating oil	M. Tons
42	G. I. Pipes and MS Pipes	'000' Meters
43	Yarns (all kinds)	M. Tons
[1][44	Steel billets	M. Tons]
[2][44A	Steel ingots / bala	M. Tons
44B	Ship plates	M. Tons
44C	Steel bars	M. Tons
44D	Other long re-rolled products of steel	M. Tons
44E	Other iron and steel products (including stainless steel products)	M. Tons]
45	Storage Batteries (all kinds)	Nos.
[1][46	Cotton yarn	M. Tons]
[2][46A	Other yarn	M. Tons
46B	Processed fabric	"000" Meters]
47	Pesticides and insecticides	M. Tons
48	Liquid Glucose	M. Tons
[3][49	Urea fertilizer	M. Tons
49A	DAP fertilizer	M. Tons
49B	Other fertilizers	M. Tons]
50	Footwear	Nos.
51	Power Transformers	Nos.
52	Filter rod	Nos.]
[4][53	Cane Molasses	M. Tons
54	Ethanol	M. Tons
55	Vegetable ghee	M. Tons
56	Cooking Oil	M. Tons
57	Edible oil	M. Tons]
[5][58	Concentrate	Lit/kg.]

[1]S. No. 44 & 46 substituted by SRO 918(I)/2019 dated August 07, 2019. Before substitution it read as follows:- "44 Iron & Steel products including stainless steel products M. Tons"

[2]S. Nos. 44A to 44E & 46A to 46B inserted by SRO 918(I)/2019 dated August 07, 2019.

[3]S. No. 49 substituted and 49A & 49B inserted by SRO 1203(I)/2019 dated October 10, 2019. Before substitution it read as follows:-"49 Fertilizers M. Tons"

[4]S. Nos. 53 to 57 inserted by SRO 1203(I)/2019 dated October 10, 2019.

[5]S. 58 inserted by SRO 776(I)/2020 dated August 25, 2020.

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(2) Where a registered person operates in different sectors for which different dates of filing of return have been prescribed in any rules made under the Sales Tax Act, 1990, or the Federal Excise Act, 2005, such person shall file a single return for all such sectors by the due date applicable to his major activity in terms of sales tax or federal excise duty payable.]

[1][(3) In case the return is not filed within a period of six months after the due date, the same shall be filed only after approval of the Commissioner Inland Revenue having jurisdiction.]

[2][ ]

[3][ ]

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[1]Sub- rule (3) inserted by SRO 494(I)/2015 dated June 30, 2015.

[2]Rule 14A omitted by SRO 487(I)/2011 dated June 03, 2011, effective from June 04, 2011. Earlier it was inserted by SRO 278(I)/2010 dated April 28, 2010. and omitted by SRO 530(I)/2008 dated June 11, 2008 and was inserted by SRO 470(I)/2007, dated June 09, 2007.

[3]Rule 15 omitted by SRO 918(I)/2019 dated August 07, 2019.

Rule 14A, omission.- Before omission by SRO 487(I)/2011 it read as follows:-

"14A. Revision of a return by a registered person.- (1) Where any registered person wishes to revise his return resulting in payment of tax over the tax already paid on the original return and prior approval of such revision is required under sub- section (3) of section 26 of the Act, regardless whether or not such person has already filed to the Commissioner any application for approval of such revision, may file his revised return and pay the differential amount of tax along with the default surcharge, if any, without such approval from the Commissioner and without any penalty whether adjudged or not.

(2) The time limitation of one hundred and twenty days prescribed in the sub- section (3) shall not apply to revision of returns made by a registered person under sub- rule (1)."

Rule 14A, omission.- Before omission by SRO 530(I)/2008 it read as follows:-

"**14A. Option to file Nil Return in the Collectorate.-** (1) Every registered person intending to file a nil return under section 26 of the Act may file the nil return, in duplicate, not later than the due date, at the counter set up in the Collectorate for the purpose.

(2) The person receiving the nil return shall ensure that the particulars mentioned in both the copies tally with each other and shall then sign and stamp the two copies and also endorse the date of submission thereof.

(3) The person receiving a nil return shall forward the original copy thereof to the Computer Section and return back the duplicate copy, duly signed, stamped and indicating the date of submission, to the registered person in token of receipt."

Rule 15-Omission.- Before omission by SRO 918(I)/2019 these read as follows:-

"**15. Receipt of return by the Bank.-** (1) The Bank official shall ensure that the particulars entered in all the three copies of the return are identical and that the amount deposited by the registered person tallies with the amount indicated as "TOTAL SALES TAX PAYABLE" in the return, and shall thereafter sign and stamp the return indicating the date of payment of tax and submission of tax return.

(2) The Bank shall forward the original copy of the return to the concerned Collectorate of Sales Tax or the LTU, as the case may be. The second copy thereof along with the computer generated receipt shall be delivered to the registered person as a token of receipt of payment of sales tax and filing of return and the third copy shall be retained by the Bank for its record.

1-238-10-04-2025

[1][ ]

17. Filing of Annual Sales Tax Return.- As stipulated in second proviso to sub-section (1) of section 26 of the Act, every registered person, being a private or public limited company, shall file annual sales tax return, in the form as set out in STR10, for a financial year by the 30th September of the following financial year, with the Collector having jurisdiction.

[1]Rule 16 omitted by SRO 918(I)/2019 dated August 07, 2019.

(3) In case of payment through cheque, pay order or bank draft, the Bank will receive the return in triplicate along with the instrument of payment for the amount of tax payable indicated in the return and issue a provisional acknowledgement receipt to the registered person.

(4) On clearance of the instrument, the Bank official shall sign and stamp the return indicating the date on which payment is received by the Bank. In cases where the payments are received through pay order or bank draft, the bank shall affix two stamps on the return indicating the date on which the pay order or bank draft was received for clearing and the date on which the pay order or bank draft was cleared for payment by transfer.

(5) The date of payment, in case of payment through cash or cheque, shall be treated as the date on which the payment is received by the bank. In case of payment through pay order or Bank draft, the date on which the pay order or Bank draft is tendered at the Bank counter shall be treated as the date of payment and where the pay order or Bank draft, so tendered at the Bank counter, is not cleared on its first presentation for Bank clearing before the due date, the registered person shall, without prejudice to any other action, be liable to pay default surcharge and penalties prescribed under the Act for late payment of sales tax."

Rule 16-Omission.- Before omission by SRO 918(I)/2019 these read as follows:-

"16. Payment of service charges to the Bank.- (1) The Bank shall charge ten rupees per return (including nil returns) as service charges from the Collectorates having jurisdiction in the area where the bank branches are located.

(2) For the purpose of claiming service charges referred to in sub- rule (1), the Manager of the main branch of the Bank shall submit the claim to the Assistant Collector, Assessment and Processing Division of the concerned Collectorate in the first week of the following month supported by a statement indicating date, number of returns received, number of returns submitted to the Collectorate, amount of sales tax collected and amount of sales tax deposited in the State Bank of Pakistan.

(3) The Assistant Collector, Assessment and Processing Division, shall verify the statement submitted under sub- rule (2) from the Accounts Section of the Collectorate and from his own record. If the claim is found to be in order and the Assistant Collector is satisfied that the Bank has fulfilled its responsibility under clauses (iv), (vi), paragraphs a and b of the Agreement, he shall sanction the claim and issue a cheque within a week from the date of submission of the claim, provided that in case of delay by the Collectorate, it shall pay a penalty at the rate of fifteen percent per annum for the amount late sanctioned.

(4) If the Bank fails to fulfil the conditions specified in clause (iv), clause (vi), paragraph a, or paragraph b of the Agreement, the Assistant Collector shall deduct the amount of penalty leviable thereunder on the Bank at the rate of 15% per annum against the amount late deposited in the State Bank of Pakistan from the service charges admissible to the Bank.

(5) If the returns are not submitted to the Collectorate within forty- eight hours of the receipt thereof returns in the designated branches of the Bank, the service charges in respect of the returns submitted late shall also be deducted and the remaining amount, if any, shall be sanctioned by the Assistant Collector and cheque therefore will be issued to the Bank.

(6) For deduction of any amount under sub- rule (4), the Assistant Collector shall intimate the Bank the reasons thereof within seven days of deduction.

(7) Where it is not clear as to whether deduction should be made, the Assistant Collector shall require the Bank for clarification before taking a decision.

(8) All public holidays and the number of days the Collectorate is prevented from functioning, due to the factors beyond its control, shall be excluded while calculating delay in sanctioning the claim for service charges.

(9) Where the Assistant Collector requires any clarification from the Bank, the time taken by the Bank for this purpose shall be excluded from the time specified for sanctioning the service charges claim."

1-233-25-05-2024

[1][**18. Electronic filing of Sales Tax Return**.- [2][(1) Every registered person required to file return or other statement as prescribed under section 26 or section 27 of the Act or any notification issued thereunder shall file such a return or, as the case may be, statement, electronically in the manner as specified by the Board through a general order [3][:]]

[4][Provided that, in case a registered person fails to fill-in relevant data or information in any applicable column of the sales tax return or any annexure thereto in his case, such return shall be treated as invalid [5][:]]

[5][Provided further that where the sales being declared in the sales tax return by an individual, an association of persons, or a company having only one shareholder or member, other than being a manufacture*, as the case may be, are five times more than the [6][sum of the capital and liabilities declared in the balance sheet], the electronic filing of return shall only be made with prior authorization by the Commissioner through IRIS.]

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[1]Rule 18 substituted by SRO 49(I)/2008 dated January 15, 2008.

[2]Sub- rule (1) substituted by SRO 530(I)/2008 dated June 11, 2008.

[3]Substituted for full stop by SRO 776(I)/2020 dated August 25, 2020.

[4]Inserted by SRO 776(I)/2020 dated August 25, 2020.

[5]Full stop substituted and proviso inserted by SRO 350(I)/2024 dated March 07, 2024.

[6]Substituted for "declared business capital" by SRO 644(I)/2024 dated May 07, 2024.

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*The apparently intended word is "manufacturer" and not "manufacture".

Substitution of sub- rule (1).- Before substitution by SRO 530(I)/2008, it read as follows:-

"(1) The registered persons, as noted below, instead of filing paper copies of the return or other statements prescribed under section 26 and 27 of the Act or any notification issued thereunder, shall file such returns and statements electronically, in the manner as specified by the Board through a general order, namely:–

(a) the registered persons falling in the jurisdiction of any of the Large Taxpayers Units; and

(b) the private and public limited companies:

Provided that a registered person, other than those mentioned above, may also opt for electronic filing of aforesaid sales tax returns and statements in the same manner."

Rule 18- Substitution.- Before substitution by SRO 49(I)/2008, it read as follows:-

"**18. Electronic filing of Sales Tax Return.**– (1) The registered persons, as noted below, instead of filing paper copies of the return as stipulated hereinbefore, shall file returns electronically, in the manner described hereinafter:

(a) the registered persons falling in the jurisdiction of the Large Taxpayers Units, Karachi and Lahore; and

(b) the private and public limited companies registered in other Collectorates of Sales Tax.

Provided that a registered person, other than those mentioned above, may also opt for electronic filing of sales tax return in the same manner.

(2) The aforesaid registered persons shall obtain NIFT Class 2 Digital Certificate from NIFT by downloading and filling the Digital Certificate Request Form from NIFT Website i.e. www.nift.com.pk.

(3) The NIFT certificate shall be installed by the registered person in his computer.

(4) registered person shall download the relevant electronic sales tax return, as set out in form from the Central Board of Revenue's website and fill the information about the purchases and supplies made during a tax period, the tax due and paid and other applicable information as stated in the filling instructions.

(5) Payment of the amount of sales tax, if any, shall be made in any of the designated online branches of the National Bank of Pakistan on the prescribed payment challan as specified in the STR- 11.

(6) Reference number of the Computerized Payment Receipt and other required information shall be duly mentioned in the relevant columns of the electronic sales tax return.

(7) The duly filled Electronic Sales Tax Return including a 'Nil return' shall be transmitted to the Central Board of Revenue's e- mail address i.e. salestax.returns@cbr.gov.pk, through a digitally signed e- mail [1][or in any other manner as required by the Board].

[1]Words inserted by SRO 470(I)/2007, dated June 09, 2007.

1-233-25-05-2024

[1][*Explanation*.- The electronic return designed in pursuance to the Change Request Form(s) (CRFs), and finally made available on web portal of the Board shall be deemed as prescribed return.]

[2][(2) The proviso to clause (i) of sub-section (2) of section 7 and clause (l) of sub-section (1) of section 8 of the Sales Tax Act, 1990 and sub-section (2A) of section 6 of the Federal Excise Act, 2005 shall be applicable for sales tax and federal excise returns for the tax periods from July, 2016 and onwards.]

[2][(3) A registered person shall enter data of supplies in Annexure-C and data of Debit or Credit Notes in Annexure-I and submit the said data by the 10th day of the month following the end of the tax period. As soon as, the registered person (supplier) submits partial or complete data of Annexure-C and Annexure-I, the said data shall be immediately available to the respective registered person (buyer) in his "Purchase Data" and "Debit or Credit Note Data". The registered person (buyer) shall load the data in his Annexure-A from "Purchase Data" and in his Annexure-I from "Debit or Credit Note Data" to prepare his return.

Provided that the data relating to purchases made from un-registered person or from such registered persons as allowed by the Board in this respect, shall be manually entered by the registered person in Annexure-A [3][:]]

[3][Provided further that the return filed by the buyer for a tax period shall be taken as provisional return in IRIS, until the respective seller files his return for the same tax period up to the last day of the month in which the due date of filing of return falls., and in case,-

(a) where the seller fails to file his return by the last day of the month in which the due date of filing of return falls, IRIS shall compute the sales tax liability of the buyer, after deleting the invoices issued by the non-filer seller and the corresponding input tax in the provisional return of the buyer, and such provisional return shall be taken as valid by IRIS, after payment of the sales tax liability, so computed; and

(b) where the seller files his return accompanied with payment of sales tax liability, by the last day of the month in which the due date of filing of return falls, the provisional return of the buyer shall be taken as valid by IRIS with the claim of invoices from the seller and corresponding input tax and after payment of the sales tax liability.]

[1]Inserted by SRO 776(I)/2020 dated August 25, 2020.

[2]Sub- rules (2) to (7) inserted by SRO 493(I)/2016 dated July 01, 2016.

[3]Full stop substituted and proviso inserted by SRO 350(I)/2024 dated March 07, 2024.

(8) The Electronic Sales Tax Return and its relevant attachments, if any, shall be kept in the electronic record of the registered person and shall be produced to the officer- in- charge on demand along with the supportive documents.

(9) The Board shall send a digitally signed e- mail acknowledging the receipt of Electronic Sales Tax Return.

[1][(10) The Board may, through a General Order, prescribe any other manner of filing returns electronically.]"

[1]Sub- rule (10) inserted by SRO 824(I)/2007, dated August 16, 2007. The amendment shall be deemed to have been made on July 1, 2007.

1-232-25-04-2024

[1][ ]

[2][(4A) in respect of claim of credit of sales tax withheld, where a registered person declares an amount of sales tax withheld by a withholding agent, but does not declare the corresponding sales to such withholding agent in his return, as the case may be, the amount of sales tax withheld and reduction in output tax shall not be allowed to such person.]

[3][(5) In case,--

[4][ ]

(ii) any buyer of the registered person has not declared sales tax withheld amount in the monthly sales tax and federal excise return till the filing of return by the supplier, the supplier shall be allowed provisional reduction in his output tax against the said amount but if the buyer fails to declare the said withheld amount of sales tax by the 10th day of the next month in the monthly sales tax and federal excise return, registered person's said reduction in output tax shall be adjusted or recovered. The registered person shall, therefore, be advised by the automated system of the Board to contact the said buyer and persuade him to declare the said withheld amount of sales tax in the monthly sales tax and federal excise return so that the registered person could get benefit of reduction of output tax. In case the registered person's buyer has declared withheld amount of sales tax for the same tax period in his sales tax and federal excise return, the objection raised, in this regard, shall stand settled and the registered person shall be informed accordingly;

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[1]Sub-rule (4) deleted by SRO 350(I)/2024 dated March 07, 2024. Earlier sub-rules (2) to (7) inserted by SRO 493(I)/2016 dated July 01, 2016.
[2]Sub-rule (4A) inserted by SRO 350(I)/2024 dated March 07, 2024.
[3]Sub- rules (2) to (7) inserted by SRO 493(I)/2016 dated July 01, 2016.
[4]Sub-rule (5)(i) deleted by SRO 350(I)/2024 dated March 07, 2024.

Rule 18(4)- Omission.- Before omission by SRO 350(I)/2024, it read as follows:-

"(4) In case registered person's all suppliers have declared their supplies made to him and have filed their monthly sales tax and federal excise returns for the same tax period, he shall be informed by the automated system of the Board that his all suppliers have filed their monthly sales tax and federal excise returns."

Rule 18(5)(i)- Omission.- Before omission by SRO 350(I)/2024, it read as follows:-

"(i) supplier of the registered person has not filed his monthly sales tax and federal excise return till the filing of his own return, he shall be communicated regarding his supplier who has not so far declared supplies made to him in sales tax and federal excise return. He shall, however, be allowed provisional adjustment of input tax against said invoices but if the supplier fails to file his return by the 10th day of the next month, registered person's said inadmissible input tax credit shall be adjusted or recovered in terms of clause (l) of sub-section (1) of section 8 read with proviso to clause (i) of sub-section (2) of section 7 of the Sales Tax Act, 1990 and sub-section (2A) of section 6 of the Federal Excise Act, 2005. He shall, therefore, be advised by the automated system of the Board to contact the supplier and persuade him to declare said supplies made to him and file return so that registered person could get input tax credit relating to said supplies. In case registered person's supplier declares said supplies and files monthly sales tax and federal excise return for the same tax period, he shall be informed that the objection raised by the automated system of the Board on the invoices of the said supplier stands settled;"

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(iii) any buyer of the registered person has not accepted a Credit Note issued by him, the supplier shall be allowed provisional reduction in his output tax against the said Credit Note but if the buyer fails to so accept such Credit Note in the sales tax and federal excise return by the 10th day of the next month, the registered person's said reduction in output tax shall be adjusted or recovered. The registered person shall, therefore, be advised by the automated system of the Board to contact the said buyer and persuade him to accept such Credit Note in the return so that the registered person could get benefit of reduction of output tax. In case registered person's buyer has accepted such Credit Note in his monthly sales tax and federal excise return for the same tax period, the objection raised, in this regard, shall stand settled and the registered person shall be informed accordingly; and

(iv) action required at para [1][ ], (ii) and (iii) is not done, the [2][ ] reduction in output tax in respect of withholding of sales tax or Credit Note shall be adjusted or recovered through column 7(a) in the next return of the registered person.]

[3][(6) In case,--

(i) registered person's supplier has declared his supplies made to him in his same monthly sales tax and federal excise return, the input tax credit relating to the said supplies shall be allowed to the registered person;

(ii) registered person's buyer has declared sales tax withheld amount in his same monthly sales tax and federal excise return, the reduction in output tax shall be allowed to the registered person;

(iii) registered person's buyer has accepted the Credit Note issued by him, the reduction in output tax shall be allowed to the registered person; and

(iv) the action required at para (i), (ii) and (iii) is done, the input tax credit and reduction of output tax in respect of withholding of sales tax or Credit Note shall be allowed to the registered person through column 7(b) in his next return.]

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[1]Expression "(i)" deleted by SRO 350(I)/2024 dated March 07, 2024.
[2]Words "inadmissible input tax credit in terms of clause (l) of sub-section (1) of section 8 read with proviso to clause (i) of sub-section (2) of section 7 of the Sales Tax Act, 1990 and sub-section (2A) of section 6 of the Federal Excise Act, 2005 and" deleted by SRO 350(I)/2024 dated March 07, 2024.
[3]Sub- rules (2) to (7) inserted by SRO 493(I)/2016 dated July 01, 2016.

[1][(7) The [2][ ] disallowed reduction of output tax in respect of withholding of sales tax or Credit Notes shall appear in column 7(c) of the monthly sales tax and federal excise return of the registered person with the advice to contact and persuade the respective [3][ ] buyer [4][ ] to accept relevant Credit Note or to declare sales tax withheld amount as the case may be.]

[5][(8)] A registered person filing returns electronically as stipulated above, shall make payment of the amount of sales tax due, if any, in any of the designated branches of the National Bank of Pakistan on the prescribed payment challan as specified in the STR- 11 or through electronic payment system devised for this purpose.]

[6][[5][(9)] In cases where due date has been prescribed as 15th of a month, the tax due shall be deposited by the 15th and the return shall be submitted electronically by 18th of the same month.]

[7][Provided that for the registered persons specified in column (2) of the Table below, the due dates shall be as indicated against the same in columns (3) and (4) in that Table, namely:−

TABLE

S. No.	Category of registered person	Due date	
		For payment	For filing
(1)	(2)	(3)	(4)
1	Electricity distribution companies	18th of the month following the tax period in which the bill or invoice has been issued for the supplies made during the billing period	21st day following the 18th day as specified in column (3)
2	Independent Power Producers	22nd day of the month following the tax period to which sales tax invoice relates	25th day following the 22nd day as specified in column (3)

[1]Sub- rules (2) to (7) inserted by SRO 493(I)/2016 dated July 01, 2016.
[2]Words "balance of earlier disallowed input tax credit in terms of clause (l) of sub-section (1) of section 8 read with proviso to clause (i) of sub-section (2) of section 7 of the Sales Tax Act, 1990 and sub-section (2A) of section 6 of the Federal Excise Act, 2005 and" deleted by SRO 350(I)/2024 dated March 07, 2024.
[3]Words "supplier or" deleted by SRO 350(I)/2024 dated March 07, 2024.
[4]Words to declare his supplies made to the registered person and file monthly sales tax and federal excise return or" deleted by SRO 350(I)/2024 dated March 07, 2024.
[5]Sub- rule (2) & (3) renumbered as (8) & (9) by SRO 493(I)/2016 dated July 01, 2016.
[6]Sub- rules (3) inserted by SRO 530(I)/2008 dated June 11, 2008.
[7]Proviso & Table inserted by SRO 819(I)/2019 dated August 07, 2019.

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3	Gas transmission and distribution companies	15th of the month following the tax period in which the bill or invoice has been issued for the supplies made during the billing period	18th day following the 15th day as specified in column (3)
4	Petroleum exploration and production companies	18th of the month following the tax period in which supplies were made	21st day following the 18th day as specified in column (3)
5	CNG dealers (on quarterly basis)	15th day of the month following the end of quarter of the financial year	18th day following the 15th day as specified in column (3)]
[1][6	Brick manufacturers (brick kilns paying tax under Tenth Schedule to the Act) (on quarterly basis)	15th day of the month following the end of quarter of the financial year	18th day following the 15th day as specified in column (3)]
[2][7	WAPDA Hydroelectric Power	18th day of the month following the tax period to which sales tax invoice relates	21st day following the 18th day as specified in column (3)]

[3][**18A**. The provisions of second proviso to sub-rule (3) of rule 18, shall not apply to the following namely:-

(a) invoices issued to the registered persons by the gas transmission and distribution companies with effect from the 7th day of March, 2024;

(b) invoices issued to the registered persons by the electricity distribution companies with effect from the 7th day of March, 2024;

(c) invoices issued to the registered persons by the independent power producers or WAPDA with effect from the 7th March, 2024, if the sales tax liability has been paid by the independent power producers or WAPDA;

(d) invoices to the extent of items, issued to a distributor, or a wholesaler, or a retailer, by a manufacturer or a trader of such items with effect from the 7th day of March, 2024, if-

(i) the sales tax liability has been paid by the manufacturer to the extent of items as per return; and

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[1]S. No. 6 inserted by SRO 1203(I)/2019 dated October 10, 2019.
[2]S. No. 7 inserted by SRO 169(I)/2022 dated January 31, 2022.
[3]Rule 18A inserted by SRO 1130(I)/2024 dated August 01, 2024.

(ii) none of the distributors, or wholesalers, or retailers, other than the manufacturers, have been the ultimate supplier of the items;

(e) invoices issued to the registered persons by the petroleum exploration and production companies with effect from the 7th day of March, 2024, if the sales tax liability has been paid by the petroleum exploration and production companies; and

(f) registered persons as buyers, if their suppliers have paid their sales tax liability as re-computed by application of the second proviso to sub-rule (3) of rule 18 after deletion of invoices along with corresponding input tax, within six days from the end of the month in which their returns were taken as provisional.

Explanation- It is clarified that the term items used in this rule shall mean "items pertaining to the Third Schedule to the Act."]

CHAPTER III
CREDIT AND DEBIT NOTE AND DESTRUCTION OF GOODS

19. Application.– The provisions of this chapter apply where a registered person has issued a tax invoice in respect of a supply made by him and as a result of any of the events specified in section 9 of the Sales Tax Act, 1990, the amount shown in the tax invoice or the return needs to be modified.

20. Cancellation or return of supply.– (1) Where a registered person has made a supply, and such supply or part thereof is cancelled or returned, the buyer or the recipient shall issue a Debit Note (in duplicate) in respect of such supply or part thereof, indicating the quantity being returned or the supply of which has been cancelled, its value determined on the basis of the value of supply as shown in the tax invoice issued by the supplier and the amount of related sales tax paid thereon, as well as the following, namely:-

(i) Name and [1][National Tax Number] of the recipient;

(ii) name and [1][National Tax Number] of the supplier;

(iii) number and date of the original sales tax invoice;

(iv) the reason of issuance of the Debit Note; and

(v) signature and seal of the authorized person issuing the note.

(2) The original copy of the debit note shall be sent to the [2][supplier] and the duplicate copy shall be retained for record.

(3) In the case of cancellation of supplies made to, or return of goods by, an unregistered person, the supplier shall issue a credit note providing the same particulars as are specified in sub- rule (1) and keep a copy for record [3][:]

[3][Provided that the credit note under this sub-rule shall only be issued with the prior approval of the Commissioner.]

21. Change in Value of Supply or amount of sales tax.- (1) Where for any valid reason the value of supply or the amount of sales tax mentioned in the invoice issued has increased, the supplier shall issue a Debit Note (in duplicate), with the following particulars, namely:–

(i) name and [1][National Tax Number] of the supplier;

(ii) name and [1][National Tax Number] of the recipient;

(iii) number and date of the original sales tax invoice;

(iv) the original value and sales tax as in original invoice;

(v) the revised value and sales tax;

(vi) the difference of value and sales tax adjustable;

(vii) the reason for revision of value; and

(viii) signature and seal of the authorized person issuing the note.

[1]Substituted for "registration number" by SRO 610(I)/2010 dated July 01, 2010.
[2]Substituted for "buyer" by SRO 530(I)/2008 dated June 11, 2008.
[3]Full stop substituted and proviso inserted by SRO 350(I)/2024 dated March 07, 2024.

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(2) Where, for any valid reason, the value of supply or the amount of sales tax mentioned in the invoice issued has decreased, the supplier shall issue a Credit Note (in duplicate), with the same particulars as specified in sub- rule (1).

(3) The original copy of the note as referred to in sub- rules (1) and (2), shall be sent to the recipient and the duplicate shall be retained for record. In respect of a case falling under sub- rule (2), the recipient shall issue a Debit Note with reference to the Credit Note issued by the suppliers as an acknowledgment of the receipt of the same providing therein the same details as in the corresponding Credit Note.

22. Adjustment of input and output tax.– (1) The buyer shall not be entitled to claim input tax in respect of the supply which has been cancelled or returned to the supplier or in respect of which the amount of tax was reduced.

(2) Where the buyer has already claimed input tax credit in respect of such supplies, he shall reduce or increase the amount of input tax by the corresponding amount as mentioned in the Debit Note or Credit Note, as the case may be, in the return for the period in which the respective note was issued.

(3) Where the supplier has already accounted for the output tax in the sales tax return for the supplies against which Debit Note was issued subsequently, he may increase or reduce the amount of output tax by the corresponding amount as mentioned in the Debit Note, in the return for the period in which the respective note was issued:

Provided that in case of return of supplies by an unregistered person, the adjustment as aforesaid can be made against the Credit Note issued by the supplier.

(4) The adjustments as hereinbefore noted which lead to reduction in output tax or increase in [1][input] tax can only be made if the corresponding Debit Note or Credit Note is issued within one hundred and eighty days of the relevant supply:

Provided that the Collector may, at the request of the supplier, in specific cases, by giving reasons in writing, extend the period of one hundred and eighty days by a further one hundred and eighty days.

[2][(4A) In case of companies manufacturing perishable food items having an expiry date, if such items are returned on account of becoming unfit for consumption and are then destroyed in accordance with the procedure as in rule 23, the corresponding credit notes may be issued within fifteen days of the return of such goods.]

(5) Where the goods relating to a returned or cancelled supply are subsequently supplied to the original buyer or some other person with or without carrying out any repairs, the supplier shall charge sales tax thereon in the normal manner and account for it in his return for the period in which these goods were supplied.

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[1]Substituted for "output" by SRO 530(I)/2008 dated June 11, 2008.
[2]Sub-rule (4) inserted by SRO 918(I)/2019 dated August 07, 2019.

[1][**22A. Change in value of supply of electricity or natural gas**.– In case of supply of electricity or natural gas by the distribution companies, if the value of supplies made in a previous tax period changes, leading to the change in amount of tax, such company, may instead of issuing separate debit or credit note, make necessary adjustment in the bill for a subsequent month, ensuring that due sales tax is paid on actual value of supply. The registered buyer shall not claim input tax credit in excess of the sales tax amount actually paid against such bills.]

23. Destruction of goods.–Where any goods are returned by the buyer on the ground that the same are unfit for consumption and are required to be destroyed by the supplier, the goods shall be destroyed after obtaining permission from the Collector of Sales Tax having jurisdiction, and under the supervision of an officer of Sales Tax not below the rank of an Assistant Collector as may be deputed by the Collector for the purpose [2][and the input tax credit in respect of goods so destroyed shall not be admissible.]

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[1]Rule 22A inserted by SRO 918(I)/2019 dated August 07, 2019.
[2]Words inserted by SRO 530(I)/2008 dated June 11, 2008.

CHAPTER IV

APPORTIONMENT OF INPUT TAX

24. Application.- The provisions of this chapter shall apply to the registered persons who make taxable and exempt supplies simultaneously.

25. Determination of input tax.- (1) Input tax paid on raw materials relating wholly to the taxable supplies shall be admissible under the law.

(2) Input tax paid on raw materials relating wholly to exempt supplies shall not be admissible.

(3) The amount of input tax incurred for making both exempt and taxable supplies shall be apportioned according to the following formula, namely:–

$$\text{Residual input tax credit on taxable supplies} = \frac{\text{Value of taxable supplies}}{\text{(Value of taxable + exempt supplies)}} \times \text{Residual input tax}$$

(4) Monthly adjustment of input tax claimed by a registered person under this chapter shall be treated as provisional adjustment and at the end of each financial year, the registered person shall make final adjustment on the basis of taxable and exempt supplies made during the course of that year.

(5) Any input tax adjustment claimed wrongfully on account of incorrect application of formula set out in sub- rule (3) shall be punishable under the respective provisions of law irrespective of the fact that the claim was provisional.

[1][CHAPTER IV-A

Sales Tax (Imposition of Restrictions) on Wastages of Inputs Rules, 2020

25A. Application.- The provisions of this Chapter shall apply for the purpose of determination of restriction on wastage of material on which input tax has been claimed in respect of goods or class of goods.

25B. Definitions.- Unless there is anything repugnant or contrary to the context, the following words and expressions shall have meanings assigned to them as under:-

(i) "**inputs**" mean inputs whether used as direct or indirect constituent of the corresponding outputs and include electricity, raw materials, processed, semi-finished or finished products countable either numerically, through measurement, or on weight basis or otherwise and useable in any industrial or similar process or processes for the manufacture or production of goods;

(ii) "**input-output ratios**" mean ratios expressed in any manner or mode at which any particular quantity of input or class of inputs is used or allowed to be used for the manufacture or production of any given or intended quantity of corresponding output goods regardless whether or not the allowed quantity of such input or inputs actually or otherwise differ from the quantity claimed to have been used or to be used for the manufacture or production of any particular quantity of output goods provided that nothing will bar the Board to determine or fix such general standards of such ratios as it may deem fit either on the basis of averages or otherwise;

(iii) "**IOCO**" means Input Output Co-Efficient Organization established by the Board for Inland Revenue purposes and includes the officer in charge thereof;

(iv) "**Subject Specialist**" means a person either from the employees of IOCO, Board or any field formation of Board or from the academia or from any public sector department or organization or from professionals whose academically-qualified or experience-based specialized services are or can be used for the purposes of these rules; and

(v) "**wastage**" means part of any given quantity of any input or class of inputs, unfit or unable for use as such for the manufacture or production of the corresponding output goods provided that extent of wastages in any case or class of cases may be determined either through the calculation of input-output ratios or through any other method or manner deemed proper under these rules.

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[1]Chapter IV-A rules 25A to 25K inserted by SRO 938(I)/2020 dated October 01, 2020.

(2) The words and expressions not defined hereinbefore but used in these rules shall have the same meanings as have been assigned to them under the Act or rules made there-under.

25C. Determination of wastages.- The purpose of determination of wastages shall be to determine the restriction on inputs on account of wastages and to resolve disputes about the input tax adjustment suspected or believed to be above the actual entitlement by showing use or consumption of inputs higher or more than the inputs actually used in the manufacture or production of any goods, or to fix the extent of wastages of inputs beyond which input tax adjustment shall not be admissible.

25D. Action for determination of wastages.- Action for determination of wastages may be initiated either by the Board at its own level or on a reference received from the Chief Commissioner of Inland Revenue or the Director General of Intelligence and Investigation (Inland Revenue) or on the recommendations of any Government agency or organization or industrial or business association.

25E. Process for determination of wastages.- (1) Where Board has decided to determine wastages, it shall cause to conduct such preliminary study or analyses through any of its field formations to ascertain the kind and description including specifications of full range of the inputs, corresponding output or outputs, details of the manufacturing or production process or processes, type, description, specifications and range of the plant and machinery used in such process or processes, general or special standards of wastages, known input-output ratios and all matters allied or ancillary thereto. Once report of such preliminary study or analyses is available to the Board, it may refer the case or class of cases to the IOCO (Inland Revenue or Customs) for determination of extent of wastages of each input by ascertaining input-output ratios. The Board shall afterwards notify the extent of wastages beyond which no registered person or class of registered person shall be entitled to claim any input tax adjustment on such inputs.

(2) Where any case or class of cases for determination of wastages is intended to be referred to the Board by the Chief Commissioner or the Director General of Intelligence and Investigation-IR, the preliminary study or analyses shall be arranged to be conducted by such Chief Commissioner or as the case may be, such Director General and the outcome of such study or analyses shall be furnished to the Board as part of a reference. On receipt of such reference, the Board shall follow the course of action specified in sub-rule (1) except the step relating to the study or analyses.

25F. Actions in the IOCO.- (1) On receipt of reference from the Board, the IOCO shall chalk out a complete plan for the conduct of necessary analyses and complete the exercise of determining the input-output ratios and wastages covering, inter alia, following components within the timeframe given by the Boardr, namely,-

(i) ascertainment of the exact description and specifications of the inputs and outputs;

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(ii) details of the manufacturing and production processes and the plant and machinery (including equipments) used in the manufacturing and production processes;

(iii) collection of relevant literature required to be consulted before, during or for the assigned work;

(iv) identification and availability and engagement of the subject specialists including their payable or likely to be payable financial compensation or remuneration;

(v) identification of industrial units required to be visited to physically examine the manufacturing and production process or processes with a view to ascertain the input-output ratios or wastages;

(vi) details of the office bearers (or their nominees) of the concerned industrial or business association likely to be consulted during or for the exercise;

(vii) estimate of the financial and other resources required to be made available for the targeted assignment; and

(viii) timelines for the completion of the assignment including the preparation of the report of findings.

(2) The plan prepared under sub-rule (1) shall form a permanent record of IOCO and may be called for by the Board at any stage after its preparation.

25G. Restriction on extent of wastages and resultant input tax adjustment.- Where the extent of wastages has been fixed and notified by the Board under these rules, no registered person shall be entitled to take input tax adjustment in respect of wasted inputs over and above the extent so fixed and notified by the Board.

25H. External expert opinion.- The Board or IOCO may at any stage of the process of fixation and notification of wastages enlist scientific, technical or other opinion from any expert not in the employment of the Board or IOCO or not engaged as subject specialist under these rules in such manner as may be deemed proper provided that no such opinion shall be treated as conclusive or binding for the purposes of fixation of wastages under these rules.

25I. Non-relevance of the status of supplies.- Unless otherwise directed by the Board, the wastages determined and fixed under these rules shall apply to the relevant output goods in respect of which wastages have been so determined and fixed regardless of the status of supplies of such goods as taxable supplies, zero-rated supplies, domestic supplies, exports or otherwise and where goods have been zero-rated, no refund shall be claimed or paid on wastages over and above the limit, scale, extent or level determined and fixed under these rules.

25J. Fixation to be construed as restriction.- The wastages over and above the quantum of wastages fixed under these rules shall be treated as having been restricted and not relevant for the purposes of assessment, declaration and payment of sales tax under the Act.

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25K. Review and revision of fixed wastages.- The Board on its own or on a representation by any aggrieved person may review and revise the extent of wastages fixed under these rules provided that nothing shall restrict the Board from periodically reviewing, revising and re-fixing any such wastages in view new information received or gathered, research conducted or done in the relevant scientific field, technological and scientific developments made, changes or improvements in industrial processes or for any other reasons.]

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CHAPTER V
REFUND

26. Application.– [1][(1)] This chapter shall apply to all refund claims filed by–

[2][ ]

(b) registered persons who acquire tax paid inputs for use [3][thereof in the manufacture of goods chargeable to sales tax] at the rate of zero per cent under the Act or a notification issued there- under;

[4][ ]

[5][(c) registered persons claiming refund of the excess amount of input tax as referred to in sub- section (2) of section 8B and first proviso to section 10 of the Act;]

[6][ ]

(e) persons claiming refund of sales tax under section 66 of the Act [7][;]

[8][(f) diplomats, diplomatic missions and privileged persons and organizations who purchase goods or services on payment of tax and are otherwise entitled to receive zero- rated supply as provided under [9]*[*Chapter VIII*]* of these rules.]

[10][(2) The provisions of this chapter shall apply, mutatis mutandis, to refund of federal excise duty payable in sales tax mode under the Federal Excise Act, 2005.]

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[1]Rule 26 renumbered as 26(1) by SRO 918(I)/2019 dated August 07, 2019.
[2]Clause (a) omitted by SRO 1507(I)/2024 dated September 24, 2024.
[3]Substituted for "in the manufacture of goods which are supplied to registered persons" by SRO 907(I)/2007 dated September 07, 2007. The amendment shall be deemed to have been made on July 1, 2007. Earlier the wording was substituted for "thereof in the manufacture of goods chargeable to sales tax" by SRO 470(I)/2007 dated June 09, 2007.
[4]Proviso omitted by SRO 907(I)/2007 dated September 07, 2007. The amendment shall be deemed to have been made on July 1, 2007.
[5]Clause (c) substituted by SRO 307(I)/2008 dated March 24, 2008.
[6]Clause (d) omitted by SRO 1507(I)/2024 dated September 24, 2024.
[7]Semi- colon substituted for full stop by SRO 307(I)/2008 dated March 24, 2008.
[8]Clause (f) inserted by SRO 307(I)/2008 dated March 24, 2008.
[9]Substituted for "Chapter X" by SRO 918(I)/2019 dated August 07, 2019.
[10]Rule 26(2) inserted by SRO 918(I)/2019 dated August 07, 2019.

Rule 26(a).- Before omission, it read as follows:-

"(a) registered manufacturer- cum- exporters and commercial exporters who zero rate all or part of their supplies under section 4 of the Act [1][, excluding the claims referred to in Chapter V-A;]"

[1]Substituted for semi colon by SRO 918(I)/2019 dated August 07, 2019.

Rule 26(b)Proviso.- Before omission, the Proviso read as follows:-

"Provided that the registered manufacturers of zero- rated stationery and dairy products shall be entitled to refund of input tax paid on the raw materials and other inputs used in the manufacture of goods supplied to registered as well as unregistered persons;"

[1]Inserted by SRO 831(I)/2007, dated August 18, 2007. The amendment shall be deemed to have been made on July 1, 2007.

Rule 26(c).- Before substitution clause (c) read as follows:-

"(c) registered persons claiming refund of the excess amount of input tax which could not be consumed within three months;"

Rule 26(d).- Before omission, it read as follows:-

"(d) registered persons who acquire tax paid inputs used in the export of goods, local supply of which is exempt under the Act or any notification issued there- under; [1][ ]"

[1]Word "and" omitted by SRO 307(I)/2008 dated March 24, 2008.

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[1][**27. Establishment of CSTRO, Refund Division and posting of officers**.- (1) There shall be established a CSTRO under the Federal Board of Revenue for centralized payment of all refund amounts as due under the Act.

(2) There shall be established a Refund Division, headed by an officer, not below the rank of Assistant Commissioner, herein after referred to as officer-in-charge, duly supported by audit staff referred to as processing officers, to examine, process and settle the refund claims filed under these rules.

(3) There shall be established a Post Refund Division in each RTO or LTU headed by an officer not below the rank of an Assistant Commissioner to audit the refund claims processed and sanctioned by the Refund Division.

28. Filing and processing of refund claims.- (1) For all the refund claims under section 10 and 8B of the Act, for the tax period July, 2019 and onwards, the data provided in the monthly return shall be treated as data in support of refund claim and no separate electronic data shall be required. The amount specified in column 29 of the return, as prescribed in the form STR-7, shall be considered as amount claimed for the purposes of claim under section 10 of the Act, once the return has been submitted along with all prescribed annexures thereof:

Provided that, in case of claims arising from zero-rated supplies [2][ ], the claimant shall be able to submit his return without Annex-H and the same may be filed separately at any time but not later than one hundred and twenty days of submission of the return without Annex-H. The date of submission of Annex-H shall be considered as the date of filing of refund claim. In other cases of refund, the date of submission of form STR-7A shall be considered as date of submission of refund claim and the same shall be filed within one hundred and twenty days of submission of relevant return:

[3][ ]

(2) The registered person claiming refund in the aforesaid manner shall maintain and keep all the paper documents relating to the refund claim, such as invoices, credit notes, debit notes, goods declarations, bank credit advice, banking instruments etc. in his office and may not submit the same along with the refund to the concerned Regional Tax Office or Large Taxpayers' Unit. The same shall be presented to the said offices if so required by the officer-in-charge for processing of the refund claim or post-refund scrutiny.]

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[1]Rules 26A to 31 substituted by SRO 918(I)/2019 dated August 07, 2019. Earlier Rule 26A inserted by SRO 211(I)/2010 dated March 29, 2010.

[2]Words "including experts" omitted by SRO 1507(I)/2024 dated September 24, 2024.

[3]Provisos omitted by SRO 1507(I)/2024 dated September 24, 2024. Earlier 4th proviso was inserted by SRO 1172(I)/2020 dated November 04, 2020.

Rule 28(1)-Provisos.- Before omission, these read as follows:-

"Provided further that in case of a commercial exporter, the claim shall be filed in the aforesaid manner within one hundred and twenty days, either after submission of the return without Annex-H, or after the date of issuance of BCA, whichever is later:

Provided also that the period of one hundred and twenty days, as aforesaid, may be extended for a period not more than sixty days, by the Commissioner having jurisdiction, if the claimant so requests, thereby providing reasons justifying the delay in submission of claim.

Provided also that if a claimant is registered as commercial exporter and exporting same state goods, the period of one hundred and eighty days shall be reckoned from date of filing of return or the date of issuance of BCA, whichever is later"

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[1][**29. Risk management system (RMS)**.- (1) After submission of refund claim, in the aforesaid manner, the same shall be processed by Risk Management System (RMS) of FBR's Computerized System. Based on the parameters in RMS, a refund claim shall be routed to any of the following [2][two] channels as described below, namely:−

(a) Fully Automated Sales Tax e-Refund System (FASTER), The provisions related to this channel are prescribed in Chapter V-A.

[3][ ]

[4][(c) Sales Tax Automated Refund Repository (STARR), the claims that do not fulfill criteria for FASTER Channel shall be processed through STARR in the manner as provided in rule 30.]

(2) For the refund claims processed through FASTER [5][ ], the part of the refund claim that is not verified or not found admissible shall be subjected to system validation checks every week and RPO shall be generated for the amount found valid during each validation check. After every validation process, the information regarding RPO generated, if any, as well as the objections shall be communicated by the system to the refund claimant and also to the concerned RTO or LTU for information. RPO so generated shall be communicated to the State Bank of Pakistan for payment in the aforesaid manner. [6][After eight validation checks, including the initial one. amount that remains uncleared or unverified shall be subjected to four additional validation checks or cycles, once every week, by the system in respect of such uncleared or unverified amount. If, alter completion of the said four additional validation checks or cycles, any amount still remains uncleared or unverified, the same shall thereafter be processed under the STARR module as referred to in Chapter V.]

30. Processing through STARR channel.- (1) For the claims or part of claims, as routed to STARR channel, the Computerized System shall cross match the data on soft copy with the data available in the system and process the claim by applying the risk parameters and generate analysis report indicating the admissible amount as well as the amount not validated along-with the objections raised by the system.

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[1]Rules 26A to 31 substituted by SRO 918(I)/2019 dated August 07, 2019.
[2]Substituted for "three" by SRO 1507(I)/2024 dated September 24, 2024.
[3]Rule 29(1)(b) omitted by SRO 1507(I)/2024 dated September 24, 2024.
[4]Rule 29(1)(c) substituted by SRO 1507(I)/2024 dated September 24, 2024.
[5]Words "or ERS" omitted by SRO 1507(I)/2024 dated September 24, 2024.
[6]Substituted for "After eight validation checks, including the initial one, if any amount still remains un-cleared, the same shall then be processed under STARR channel" by SRO 1498(I)/2026 dated September 04, 2026.

Rule 29(1)(b)-Omission.- Before omission, it read as follows:-

"(b) Expeditious Refund System (ERS), The claims filed by the manufacturer-cum-exporters under section 10 of the Act that do not fulfil parameters of FASTER channel and the same are considered as involving medium risk by RMS shall be routed to ERS. The RPO for verified amount shall be generated and forwarded to CSTRO for payment."

Rule 29(1)(c)-Substitution.- Before substitution, it read as follows:-

"(c) Sales Tax Automated Refund Repository (STARR), The claims that do not fulfil criteria for both FASTER and ERS channels shall be processed through STARR in the manner as provided in rule 29."

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(2) The processing officer shall forward the claim file along-with the analysis report referred to in sub-rule (2) to the officer-in-charge for further necessary action along with his recommendations.

(3) Where the Processing Officer or the officer-in-charge is of the opinion that any further inquiry or audit is required in respect of amount not cleared by the STARR channel or for any other reason to establish genuineness and admissibility of the claim, he may make or cause to be made such inquiry or audit as deemed appropriate, after seeking approval from the concerned Additional Commissioner and inform the refund claimant accordingly.

(4) On receipt of analysis Report and refund payment order for the amount verified by the system and found admissible by the processing officer, the officer incharge shall sanction the amount so determined and issue the Refund Payment Order (RPO) electronically as well as a paper copy thereof to be signed and kept on record.

(5) The RPO shall be electronically forwarded to CSTRO for payment.

[1][**31. Payment by CSTRO**.- (1) For RPOs, received electronically, through [2][ ] STARR channels, the officer in-charge of CSTRO and the treasury officer in CSTRO, as designated by the Board, shall sign the crossed cheque in favour of the claimant as signatory and co-signatory. CSTRO shall issue the cheque for the sanctioned amount as mentioned in the RPO and shall mail the same through courier to the registered address of the claimant.

(2) The CSTRO shall also prepare a statement of payment advice of all cheques, for each day on which a cheque or cheques are issued, indicating the declared bank account of the claimant and the same shall be sent to the State Bank of Pakistan duly signed by the signatory and co-signatory.

(3) Where any cheque is returned back by the State Bank of Pakistan or the claimant due to any reason, the treasury officer shall cancel such cheque, if required, and attach such cancelled cheque with the respective counter-foil of the cheque-book.

(4) In lieu of procedure stated in sub-rules (1) to (3) above, the CSTRO may electronically transfer the details of approved RPO or RPOs to State Bank of Pakistan for direct credit to the declared bank account of the claimant and intimation of such advice shall be given to the claimant.] [2][Further, a claimant-wise bank advice duly signed by the signatory and cosignatory indicating the amount payable and the declared bank account of the claimant shall also be sent to the State Bank of Pakistan.]

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[1]Rules 26A to 31 substituted by SRO 918(I)/2019 dated August 07, 2019.
[2]Words "ERS or" omitted by SRO 1507(I)/2024 dated September 24, 2024.
[3]Inserted by SRO 1203(I)/2019 dated October 10, 2019.

Rules 26A to 31-Substituted.- Before substitution by SRO 918(I)/2019, read as follows:-

"26A. Expeditious processing and payment of refunds.– (1) The refund claims as provided in this rule shall be processed and paid in the manner as provided and all other claims shall be processed and paid in the manner as prescribed in this chapter after rule 26A.

(2) Refunds under this rule shall be allowed to the registered manufacturers- *cum*- exporters of RTO, Lahore from tax period April, 2010. From tax period July, 2010 all registered manufacturer- cum- exporters of other RTOs/LTUs will be allowed refund under this rule.

(3) Refunds under this rule shall be allowed to the Active Taxpayers, at the time of processing by the IT System of FBR, as per Active Taxpayers List displayed at FBR's website.

[1][(4) From the first November, 2010 onwards, registered persons claiming refund under this rule shall submit refund claim only electronically in requisite data in RCPS format through FBR web portal by using the user- id, password and pin code allotted to them at the time of e- Enrollment.]

(5) The registered person claiming refund under this rule shall maintain and keep all the paper documents relating to the refund claim, such as invoices, credit notes, debit notes, goods declarations, bank credit advice, etc. in his office instead of submitting to the concerned Regional Tax Office or Large Taxpayers' Unit.

[2][(6) Refund claims under this rule shall be processed by Risk Management System (RMS) of FBR IT system within two working days of electronic submission of refund claim in the RCPS format. The system will automatically clear the amount under no objection. Electronic advice will be issued to the CSTRO and the registered person about the refund amount cleared by the RMS for payment. The objections detected by the system will be communicated to the refund claimant and the concerned RTO/LTU for information. The refund claimant will have upto eight weeks, from the date of aforesaid communication by the system, to get these objections cleared. The system validation checks will be re- run on all claims on every Tuesday of the week and any portion will be cleared on which the objections have been removed (mainly due to receipt of updated information). Each claim will be re- processed 7 times after its first process. After ever run (1 initial and 7 re- runs) the claimant will be e- mailed regarding the objections and remaining deferred amount on the claim. After each run, RMS will generate the refund payment order (RPO) of the cleared amount. After being so processed if any amount still remains un- cleared, the same shall then be processed under the other rules of this Chapter.]

(7) Concerned RTO/LTU will arrange issuance of cheque for the amount cleared by RMS within seven working days of the receipt of electronic advice.

[2][(8) Post refund audit of refund claims processed through RMS will be the responsibility of the Audit Divisions of respective RTO/LTU [3]*[:]*]

[4][Provided that scrutiny of the refund claims processed or sanctioned after the 30th June, 2014 shall be carried out on the basis of risk- based selection through computerized Post Refund Scrutiny (PRS):]

[5][Provided further that where the Commissioner Inland Revenue has reason to believe, on the basis of some information, pre-determined criteria or otherwise, that a registered person, whose refund claim was processed or sanctioned after the 30th June, 2014, has been paid refund which was not admissible, he may direct through order in writing to conduct manual post-refund scrutiny of such claim.]"

[1]Sub- rule (4) substituted by SRO 1042(I)/2010 dated November 15, 2010.

[2]Sub- rules (6) & (8) substituted by SRO 82(I)/2011 dated January 28, 2011. Earlier sub- rule (6) was substituted by SRO 1042(I)/2010 dated November 15, 2010.

[3]Substituted for full stop by SRO 494(I)/2015 dated June 30, 2015.

[4]Provisos inserted by SRO 494(I)/2015 dated June 30, 2015.

[5]Second proviso substituted by SRO 1320(I)/2018 dated November 02, 2018. Earlier it was inserted by SRO 494(I)/2015 dated June 30, 2015.

Rule 28(1A)- Before substitution by SRO 810(I)/2010, it read as follows:-

"(1A) The manufacturer- *cum*- exporters, who are registered as limited companies, having annual turnover more than one hundred million rupees and whose refund claim on inputs consumed in zero- rated supplies excluding building material and utilities is less than one per cent of the value of exports and local zero- rated sales, shall have the option to file refund claim electronically provided their suppliers are also filing return along with details of sale and purchases electronically."

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Rules 26A(4) and (6).- Before substitution by SRO 1042(I)/2010 sub- rules (4) and (6) read as follows:-

"(4) Registered persons claiming refund under this rule will electronically submit refund claim in requisite data in RCPS format through FBR web portal by using the user- id, password and pin code allotted to them at the time of e- Enrollment."

"(6) Refund claims under this rule will be processed by Risk Management System (RMS) of FBR IT System within two working days of electronic submission of refund claim in the RCPS format and take further action as follows:

(a) In case the refund claim is cleared fully or partially, electronic advice will be issued to the concerned RTO/LTU and the registered person about the refund amount cleared by the RMS for payment; and

(b) In case the refund claim is not cleared by RMS, an electronic intimation will be issued to the registered person in this regard and his case will be processed in the manner as prescribed in this chapter after rule 26A."

Rules 26A(6) and (8).- Before substitution by SRO 82(I)/2011 sub- rules (6) and (8) read as follows:-

"(6) Refund claims under this rule shall be processed by Risk Management System (RMS) of FBR IT system within two working days of electronic submission of refund claim in the RCPS format. The system will automatically clear the amount under no objection. Electronic advice will be issued to the CSTRO and the registered person about the refund amount cleared by the RMS for payment. The objections detected by the system will be communicated to the refund claimant and the concerned RTO/LTU for information. The refund claimant will have upto eight weeks, from the date of aforesaid communication by the system, to get upto eight weeks, from the date of aforesaid communication by the system, to get these objections cleared. The system will reprocess these claims after eight weeks or receipt of reply by the refund claimant, whichever is earlier, and clear any portion on which the objections have been removed (mainly due to receipt of updated information). After being so processed if any amount still remains un-cleared, the same shall then be processed under the other rules of this Chapter."

"(8) After issuance of cheque for the amount cleared by RMS, the electronic copy of refund claim will be forwarded for post refund audit [1][/Post refund desk audit will be conducted of all refund claims. Comprehensive audit will be conducted of those claims which are found risky*]"*

[1]Words inserted by SRO 1042(I)/2010 dated November 15, 2010.

Rule 26A(8)-2nd Proviso substitution- Before substitution by SRO 1320(I)/2018, it read as follows:-

"Provided further that where the Commissioner Inland Revenue has reasons to believe that a registered person, whose refund claim was processed or sanctioned after the 30th June, 2014, has been paid refund which was not admissible to him, he may direct through order in writing to conduct computerized Post Refund Scrutiny (PRS) of such claim."

Rules 26A to 31-Substituted.- Before substitution by SRO 918(I)/2019, read as follows:-

"27. Establishment of Refund Division and posting of officers.- (1) There shall be established a CSTRO under the Central Board of Revenue for centralized payment of refund amount to such claimants and from such date as the Board may specify.

(2) There shall be established a Refund Division in each Collectorate of Sales Tax to receive, process and settle the refund claims filed under these rules.

(3) There shall be posted an officer not below the rank of an Assistant Collector of Sales Tax, as nominated by the Collector to be the officer- in- charge of the Refund Division, herein after referred to as the officer- in- charge in this chapter.

(4) There shall be established a Post Refund Division in each Collectorate of Sales Tax headed by an officer not below the rank of an Assistant Collector of Sales Tax to audit the refund claims processed and sanctioned by the Refund Division."

"28. Filing of refund claim.- (1) Monthly sales tax return filed by a claimant shall be treated as a refund claim once all the supportive documents including the requisite data in the format or software (RCPS), has been received:

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Provided that no refund claim shall be entertained if the claimant fails to furnish the claim on the prescribed software (RCPS) along- with the supportive documents within [1][one hundred and twenty] days of the filing of return.

Provided further that the period of [1][one hundred and twenty] days as aforesaid, in case of a commercial exporter, shall be reckoned from the date when the BCA is issued to him by the concerned bank [2][:]

[3][Provided also that if a claimant is exporting goods manufactured by him as well as the goods purchased in the same state, in the same tax period, the period of [4][one hundred and twenty] days shall be reckoned from date of filing of return or the date of issuance of BCA, whichever is later.]

[5][(1A) Any registered person claiming refund under this Chapter shall have the option to electronically file refund claim through FBR web portal by using the user- id, password and pin code allotted to him at the time of e-Enrollment.]

(2) In cases where such supportive documents are not submitted to the officer in- charge within the time specified under sub- rule (1), the Collector of Sales Tax having jurisdiction may, on a written request from the claimant justifying the reasons for delay in submission of such documents or data on RCPS, extend the time limit for a further [6][sixty] days.

(3) The Board may, through a General Order or otherwise, prescribe the date, manner and procedure for electronic filing of sales tax refund claims by the registered persons filing their monthly returns electronically.

[1]Substituted for "sixty" by SRO 530(1)/2008 dated June 11, 2008.

[2]Colon substituted for full stop and proviso inserted by SRO 307(1)/2008, dated March 24, 2008.

[3]Colon substituted for full stop and proviso inserted by SRO 307(1)/2008, dated March 24, 2008.

[4]Substituted for "sixty" by SRO 761(1)/2008 dated July 19, 2008.

[5]Sub- rule (1A) substituted by SRO 810(I)/201 dated August 13, 2010. Earlier it was inserted by SRO 530(1)/2008 dated June 11, 2008.

[6]Substituted for "thirty" by SRO 530(1)/2008 dated June 11, 2008.

"29. Scrutiny and processing of refund claim.- (1) On submission of a refund claim, the Refund Receipt Section shall confirm that the claim is complete in all respects, after which it shall be loaded in the system for assigning the claim a unique identification number.

(2) After assigning the unique identification number, the [1][CREST] shall crossmatch the data on soft copy with the data available in the system and process the claim by applying the risk parameters and generate analysis report indicating the admissible amount as well as the amount not validated on the basis of automated risk criterion along- with the objections raised by the system.

(3) The processing officer shall forward the claim file along- with the analysis report referred to in sub- rule (2) to the officer in- charge for further necessary action.

(4) Where the Processing Officer or the officer- in- charge is of the opinion that any further inquiry or audit is required in respect of amount not cleared by the [2][CREST] or for any other reason to establish genuineness and admissibility of the claim, he may make or cause to be made such inquiry or audit as deemed appropriate, after seeking approval from the concerned Additional Collector and inform the refund claimant accordingly.

[3][ ]

[1]Substituted for "RRAS" by SRO 470(I)/2007, dated June 09, 2007.

[2]Substituted for "RRAS" by SRO 307(I)/2008, dated March 24, 2008.

[3]Sub- rule (5) omitted by SRO 530(I)/2008 dated June 11, 2008.

Omission of Rule 29(5).- Before omission it read as follows:-

"[1][(5) CREST shall generate refund payment order for admissible amount in respect of refund claimed by manufacturers for export in zero rated sectors.]"

[1]Substituted by SRO 470(I)/2007, dated June 09, 2007. Before this substitution it read as follows:

"(5) Where a claim is filed electronically, initial scrutiny shall also be conducted by the RRAS on the basis of data already available in the system."

30. Sanction and payment of refund claim.- [1][(1) On receipt of analysis Report and refund payment order for the amount verified by CREST and found admissible by the processing officer, the officer in- charge shall sanction the amount so determined and issue the Refund Payment Order (RPO) [2][:]

[2][Provided that in case of refund claims filed for their zero rated exports, by the registered persons of Most Affected Areas and Moderately Affected Areas, specified in Sales Tax General Order No. 01/2010, dated 20th January, 2010, the Refund Payment Order (RPO) shall be issued by the officer in- charge within three days of filing of refund claim for the amount verified by the CREST and found admissible by the Processing Officer.]

(2) The officer in- charge shall transmit the Refund Payment Order electronically and [3][in respect of claim filed manually,] forward the original copy thereof to the treasury officer of the Collectorate. The treasury officer shall make payment of refund through a cross cheque in favour of the refund claimant indicating his declared account number and bank name. The crossed cheque shall also be counter signed by an authorized co- signatory.

(3) The Additional Collector shall reconcile the refund cheques issued by the treasury officer of the Collectorate during a month with the bank scrolls received from State Bank of Pakistan and record the outcome of such reconciliation in the system.

(4) Where any cheque is returned back by the State Bank of Pakistan due to any reason, the treasury officer shall cancel such cheque, if required, and attach such cancelled cheque with the respective counter- foil of the cheque-book.

(5) From such date to be notified by the Board, the officer in- charge shall electronically transmit the RPO to the treasury officer in the CSTRO under his digital signatures, and retain a copy thereof in the Refund Division for record.

(6) The treasury officer in CSTRO and the co- signatory designated by the Board in this regard shall issue the cheque for the sanctioned amount as mentioned in the RPO.

[4][(7) The CSTRO shall also prepare a statement of payment advice for all cheques issued on the day and the same shall be sent to State Bank of Pakistan (SBP) duly signed by the signatory and co-signatory.]

[5][(8) In lieu of the procedure stated in sub-rules (6) and (7), the CSTRO may electronically transfer the details of approved Refund Payment Order to the State Bank of Pakistan SBP for direct credit to the declared bank account of the claimant and the intimation of such advice shall be given to the claimant.]

[1]Sub- rule (1) substituted by SRO 530(I)/2008 dated June 11, 2008.

[2]Colon substituted for full stop and proviso inserted by SRO 371(I)/2010 dated June 02, 2010.

[3]Substituted for "also" by SRO 470(I)/2007, dated June 09, 2007.

[4]Sub-rule (7) substituted by SRO 1031(I)/2016 dated November 03, 2016.

[5]Sub-rule (8) inserted by SRO 1031(I)/2016 dated November 03, 2016.

Substitution of Rule 30(1).- Before substitution it read as follows:-

"[1][(1) On receipt of analysis Report or RPO as specified at sub rule 5 of rule 29 above the officer in- charge shall sanction the validated amount and issue the Refund Payment Order (RPO) accordingly after issuing the show cause notice for the amount found not admissible.]"

[1]Substituted by SRO 470(I)/2007, dated June 09, 2007. Before this substitution it read as follows: "(1) On receipt of analysis report, the officer in- charge shall sanction the validated amount and issue the Refund Payment Order (RPO) accordingly.

Substitution of Rule 30(7).- Before substitution it read as follows:-

"(7) The CSTRO shall also prepare a statement of payment advice for the concerned bank on a daily basis, for direct transfer of the refund amount to the declared bank account of the claimant, under intimation to the CSTRO, the concerned Collectorate of Sales Tax as well as the claimant."

"31. Scrutiny and processing of refund claims filed by manufacturers of specified goods.– (1) Notwithstanding anything in rule 29, refund of sales tax paid inputs used in the manufacture of goods, local supply of which has been zero- rated, shall be processed and sanctioned through the Fast Track Channel within fifteen days from the date of filing of refund claim.

(2) The refund of sales tax paid on utilities and the goods imported directly by the claimant and the input tax incurred on acquiring furnace oil from Oil and Gas Marketing Companies for power generation and consumption thereof in the manufacture of zero- rated goods, shall be sanctioned upon validation by the automated system. Refund of input tax paid in respect of other inputs, if validated by the [1][CREST], shall also be sanctioned in the same manner.

[1]Substituted for "RRAS" by SRO 470(I)/2007 dated June 09, 2007.

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[1][ ]

[2][**33. Refund against goods supplied at zero-rate.-** Refund in respect of goods supplied at zero-rate shall be paid to the extent of input tax paid on purchases or imports that are actually consumed in such goods as supplied.]

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[1]Rule 32 deleted by SRO 918(I)/2019 dated August 07, 2019.

[2]Rule 33 substituted by SRO 1507(I)/2024 dated September 24, 2024. Earlier it was substituted by SRO 918(I)/2019 dated August 07, 2019.

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(3) Subject to validation by the [1][CREST], refund of tax paid verifiable inputs used in the export of goods, local supply of which is exempt under the Act or any notification issued there- under, shall be paid."

[1]Substituted for "RRAS" by SRO 470(I)/2007 dated June 09, 2007.

Rule 32-Omission.- Before omission by SRO 918(I)/2019, read as follows:-

"32. Scrutiny and processing of refund claims relating to commercial exporters.- Notwithstanding anything in rule 29, refund of sales tax paid inputs used in the exports made by commercial exporters, shall be sanctioned only after [1][verification of supportive documents and approval through CREST.]"

[1]Substituted for "processing through the RRAS and after verification of input tax payment on the basis of risk profiling and targeting of the claimant" by SRO 470(I)/2007 dated June 09, 2007.

Rule 33-Substituted.- Before substitution by SRO 1507(I)/2024, read as follows:-

"**33. Extent of payment of refund claim.-** Refund in respect of goods exported or supplied at zero-rate shall be paid to the extent of the input tax paid on purchases or imports that are actually consumed in such goods as exported or supplied, both in respect of claim by a manufacturer-cum-exporter or a commercial exporter."

Rule 33-Substituted.- Before substitution by SRO 918(I)/2019, read as follows:-

"33. Extent of payment of refund claim.- Refund to the claimants under these rules shall be paid to the extent of the input tax paid on purchases or imports that are actually consumed in the manufacture of goods which have been exported or supplied at the rate of zero *per cent* [1][or at reduced rates under Notification No. S.R.O. 1125(I)/2011, dated the 31st December, 2011]."

[1]Words etc inserted by SRO 494(I)/2015 dated June 30, 2015.

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[1][**34. Refund of excess input tax not relating to zero- rated supplies.-** (1) The refund of excess unadjusted input tax relating to supplies other than zero- rated shall be claimed and sanctioned in the cases mentioned below, namely:-

(a) the [2][ ] [3][gas transmission and distribution companies,] manufacturers of fertilizers [4][, cotton ginners], electric power producers and electric power distribution companies may claim refund of excess input tax over output tax in any tax period;

[5][ ]

(c) registered persons who are not able to adjust input tax in excess of 90% of output tax in view of restriction in section 8B of the Act, may file refund claim as under,-

(i) in case of registered persons whose accounts are subject to audit under the Companies Ordinance, 1984, after the end of their accounting year; and

(ii) in case of other registered persons, after the end of financial year;

(d) all other registered persons, not covered by clauses (a) to (c) above, may claim refund of excess input tax, if the same is not adjusted within a minimum consecutive period of twelve months:

Provided that the amount of refund claim in all such cases shall not exceed the excess of total input tax over the total output tax, as declared in the relevant returns, for the period in respect of which the claim has been filed and shall not include any excess input tax declared prior to the said period.

[6][(2) The registered person, after submission of return in which refund is claimed, shall file refund claim electronically in the form STR-7A, within the period as specified in rule 28:

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[1]Rule 34 substituted by SRO 307(I)/2008 dated March 24, 2008.
[2]Words "persons making supplies under Notification No. S.R.O. 1125(I)/2011, dated the 31st December, 2011," deleted by SRO 918(I)/2019 dated August 07, 2019. Earlier it was inserted by SRO 494(I)/2015 dated June 30, 2015.
[3]Words inserted by SRO 748(I)/2010 dated August 05, 2010.
[4]Words inserted by SRO 1203(I)/2019 dated October 10, 2019.
[5]Clause (b) deleted by SRO 918(I)/2019 dated August 07, 2019.
[6]Sub-rule (2) substituted by SRO 918(I)/2019 dated August 07, 2019.

Rule 34(1)(b)-Omission.- Before omission it read as follows:-

"(b) registered persons in plastic, paper and steel sectors whose inputs are subject to sales tax at 20% or 17.5% ad valorem and their final product is subject to tax at 15% ad valorem may claim refund of excess input tax if the same is not adjusted within a minimum consecutive period of three months;"

Rule 34(2)-Substitution.- Before substitution it read as follows:-

"(2) The registered person shall file application for refund claim along with data prepared through RCPS, providing the following information, namely:-

(i) name and [1][National Tax Number] of the claimant;

(ii) period of claim;

(iii) amount of claim; and

(iv) a statement along with annual audited accounts as envisaged in clause (i) of sub- section (2) of section 8B of the Act, if applicable:

Provided that the application for claim shall be filed within the period specified in rule 28 after the filing of return for the last month in the period of claim."

[1]Substituted for "registration number" by SRO 610(I)/2010 dated July 01, 2010.

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Provided that, if applicable, a statement along with annual audited accounts as envisaged in clause (i) of sub-section of (2) of section 8B of the Act shall also be uploaded.]

(3) The refund of excess input tax under this [1][rule] shall be [2][processed, sanctioned and paid] in the manner as provided in rules 29 and 30.

(4) The refund of excess input tax provided in clauses (c) and (d) of sub- rule (1), excluding the cases of claims by registered persons, whose accounts are subject to audit under the [3][Companies Act, 2017 (XIX of 2017)], as referred to in section (2) of section 8B of the Act, shall be sanctioned as found admissible after a departmental audit of records maintained by the registered person and after a certificate is recorded by the [4][Inland Revenue officers] auditing the records that actual value addition during the period involved was not found sufficient to require a net payment of tax for the reasons mentioned in the audit report:

Provided that in case of refund claim falling in clause (b) of sub- rule (1), post- refund audit shall be conducted after the close of financial year and the auditors shall report on the aspect of value addition in their audit report.

(5) The refund claimant shall ensure that the input tax involved in the refund claim is not shown as outstanding credit in the returns for the tax periods subsequent to the period of claim.

(6) The refund of excess input tax under this rule shall not be claimed where the same has already been claimed or paid under any other notification issued by the Federal Government or the Board.]

[5][**34A. Sanction of refund claims of import-related sales tax by the collectorates of customs**.- (1) Sales Tax refund filed by an importer for import-related sales tax paid in excess due to inadvertence, error or misconception, or as result of a competent adjudication or appellate authority, claimed within the period as prescribed under section 66 of the Act, may be decided and allowed by the concerned officer of Customs, not below the rank of an Assistant Collector subject to sub-rules (2) and (3) below.

(2) In the case of registered person while applying for refund to the concerned Customs Collectorate, the applicant must endorse a copy of the refund application to the Refund Division of the concerned RTO or LTU. The concerned Collectorate of Customs shall not process the claim unless a confirmation from such Inland Revenue office, that no adjustment or payment of the amount claimed in refund has been made, has been received. The concerned RTO or LTU on receipt of a reference from Collectorate of Customs shall communicate such confirmation, or otherwise, within thirty days of receipt of the reference.

(3) In case of an unregistered importer, the refund shall be processed by the concerned Customs Collectorate without prior reference to RTO or LTU.

[1]Substituted for "chapter" by SRO 918(I)/2019 dated August 07, 2019.
[2]Substituted for "filed, processed and sanctioned" by SRO 918(I)/2019 dated August 07, 2019.
[3]Substituted for "Companies Ordinance, 1984 (XLVII of 1984)" by SRO 918(I)/2019 dated August 07, 2019.
[4]Substituted for "sales tax officers" by SRO 918(I)/2019 dated August 07, 2019.
[5]Rule 34A inserted by SRO 918(I)/2019 dated August 07, 2019.

(4) The sales tax refund files after issuance of refund payment order by the relevant Customs officer shall be sent through proper channel, in the case of registered person to the RTO or LTU concerned, and in the case of unregistered person to the nearest RTO where the customs station is located. The refund sanctioning authority of the Customs Collectorate shall mention the number and date, etc. of RTO's or LTU's confirmation of regarding non-adjustment of tax involved or non-payment of refund, if applicable, in his sanction order.

(5) On receipt of such sanction order from Customs Collectorate by the concerned officer-in-charge in RTO or LTU, he shall make the entry of the sanction order in the Computerized System, and after obtaining permission of the Commissioner concerned, generate RPO of the sanctioned amount for electronic transmission to CSTRO. The amount of such sales tax refund shall be debited from the head of sales tax (on imports).]

35. Responsibility of the claimant.- The automated processing of refund claims shall be conducted on the basis of supportive documents [1][if required,] and data on prescribed electronic format provided by the claimant. The claimant shall be responsible for any mis-declaration or submission of incorrect information and shall be liable for penal action besides recovery of the amount erroneously refunded along with default surcharge under the relevant provisions of the Act.

[1]Words inserted by SRO 918(I)/2019 dated August 07, 2019.

Rule 34.- Before substitution Rule 34 read as follows:-

"34. Refund of excess input tax.- - (1) A registered person claiming refund of excess input mentioned in the adjustment advice and which could not be consumed or adjusted within the stipulated time, shall furnish copy of relevant adjustment advice(s) and a consolidated month- wise stock statement in respect of taxable inputs for the last three months in the following format:

Tax Paid Inputs			**Inputs Consumed in Tax Paid Supplies**		
Opening Balance	Purchases During the Month	Total	From Opening Balance	From Purchases During the Current Month	Total
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**

Remaining Inputs To Be Carried Forward For Consumption In the Next Tax Period			
From Opening Balance	From Purchased During the Current Month	Total	Refund of Unconsumed Taxable Input Tax Carried Forward From Preceding Three Months.
(7)	**(8)**	**(9)**	**(10)**

(2) Refund of such excess input tax shall be sanctioned only to the extent of amount validated by the [1][CREST]."

[1]Substituted for "RRAS" by SRO 470(I)/2007, dated June 09, 2007.

36. Post-sanction audit of refund claims.- (1) After disposing of the refund claim, the officer In- charge shall forward the relevant file to the Post Refund Audit Division for post-sanction audit and scrutiny, which shall, *inter alia,* include verification of input tax payment by respective suppliers and compliance of section 73 of the Act [1][:]

[1][Provided that scrutiny of the refund claims processed or sanctioned after the 30th June, 2014 shall be carried out on the basis of risk- based selection through computerized Post Refund Scrutiny (PRS):]

[2][Provided further that where the Commissioner Inland Revenue has reason to believe, on the basis of some information, pre-determined criteria or otherwise, that a registered person, whose refund claim was processed or sanctioned after the 30th June, 2014, has been paid refund which was not admissible, he may direct through order in writing to conduct manual post-refund scrutiny of such claim.]

(2) The officer in- charge of Post Refund Audit Division shall send his findings to the concerned Refund Division for further necessary action, as required under the law.

37. Action on inadmissible claims.- Where the claim or any part thereof is found inadmissible [3][or unverified], the officer in- charge shall, at the time of issuing RPO, issue a notice requiring the claimant to show cause as to why the claim or as the case may be, part thereof should not be rejected and as to why the claimant should not be proceeded against under the relevant provisions of the Act.

38. Supportive documents.- [4][(1) In case of refund claims processed through STARR channel, the claimant shall provide any or all of the following supportive documents, as the officer-in-charge may require, namely:--

(a) input tax invoices or as the case may be, goods declaration for import in respect of which refund is being Claimed;

(b) output tax invoices and summary of invoices for local zero-rated goods;

[5][ ]

(d) copy of House and Master bill of lading and airway bill or as the case may be, railway receipt in token of verification of the goods taken out of Pakistan; and

(e) any other statement as deemed necessary for processing of the refund claim.]

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[1]Full stop substituted and Provisos inserted by SRO 494(I)/2015 dated June 30, 2015.

[2]Second proviso substituted by SRO 1320(I)/2018 dated November 02, 2018. Earlier Provisos inserted by SRO 494(I)/2015 dated June 30, 2015.

[3]Substituted for "on account of discrepancies pointed out by the RRAS" by SRO 530(I)/2008 dated June 11, 2008.

[4]Rule 38(1) substituted by SRO 918(I)/2019 dated August 07, 2019.

[5]Rule 38(1)(c) omitted by SRO 1507(I)/2024 dated September 24, 2024.

Rule 36(1)-2nd Proviso substitution- Before substitution by SRO 1320(I)/2018, it read as follows:-

"Provided further that where the Commissioner Inland Revenue has reasons to believe that a registered person whose refund claim was processed or sanctioned after the 30th June, 2014 has been paid such refund, which was not admissible to him, he may direct through order in writing to conduct computerized Post Refund Scrutiny (PRS) of such claim."

Rule 38(1)(c)-Omission- Before omission by SRO 1507(I)/2024, it read as follows:-

"(c) goods declaration for export;"

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[1][ ]

(3) Where the refund claim is filed under section 66 of the Act, the claimant shall submit an application for refund indicating his name, address, [2][National Tax Number], the amount of sales tax refund claimed and reasons for seeking such refund along- with following documents, namely:-

(a) input tax invoices in respect of which refund is claimed;

(b) proof of payment of input tax claimed as refund; and

(c) copy of the relevant order on the basis of which refund is claimed.

(4) The refund claimed under section 66 of the Act shall be sanctioned after verifying that no adjustment or refund of input tax has been claimed earlier and that the goods have been duly accounted for in the inventory records and the invoices claimed are validated by the [3][STRIVe System].

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[1]Rule 38(2) omitted by SRO 1507(I)/2024 dated September 24, 2024.

[2]Substituted for "registration number" by SRO 610(I)/2010 dated July 01, 2010.

[3]Substituted for "CREST" by SRO 918(I)/2019 dated August 07, 2019. Earlier it was substituted for "RRAS" by SRO 470(I)/2007, dated June 09, 2007.

Rule 38(1)-Substitution- Before substitution by SRO 918(I)/2019, it read as follows:-

"(1) The refund claimant shall submit the refund claim in computer diskette in the prescribed format or software along- with the following documents [1][on need basis], namely:-

(a) Input tax invoices or as the case may be, goods declaration for import in respect of which refund is being claimed;

(b) output tax invoices excluding [2][and summary of invoices for local zero- rated goods];

(c) goods declaration for export (quadruplicate copy) indicating Mate Receipt number with date or airway bill or railway receipt or postal receipt besides the examination report endorsed on the reverse side thereof by the customs officers [3][in case of claims by persons other than manufacturer-cum- exporters of goods zero- rated in a notification issued under section 4 of the Act]:

Provided that in case of imports or exports processed through PACCS, submission of goods declaration shall not be required and verification regarding import, or as the case may be export, in such cases shall be carried out by cross- matching of the declarations with the data available in the system.

(d) copy of House and Master bill of lading and airway bill or as the case may be, railway receipt in token of verification of the goods taken out of Pakistan; and

(e) statement of the tax paid inputs, in respect of which refund is claimed [3][by the claimants other than the manufacturers of goods zero- rated for local supplies], in the format set out below:

Description of input goods	Opening balance	Purchased during the month	Total available for consumption	Consumed for export / zero- rating	Consumed in local supplies	Total consumption	Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)"

[1]Words inserted by SRO 971(I)/2010 dated October 15, 2010.

[2]Substituted for "zero- rated invoices" by SRO 470(I)/2007, dated June 09, 2007.

[3]Words inserted by SRO 470(I)/2007, dated June 09, 2007.

Rule 38(2)-Omission- Before omission by SRO 1507(I)/2024, it read as follows:-

"(2) In addition to the documents specified in sub- rule (1), a commercial exporter shall submit bank credit advice issued by the concerned bank and copy of the duty drawback order, if issued by the customs authorities."

[1][(5) In case of claims by diplomats, diplomatic missions and privileged persons and organizations, they shall submit original exemption order or certificate or CBR Booklet as referred to in Chapter [2][VIII] and original sales tax invoice. The refund shall be sanctioned after making necessary endorsements on these documents to the effect that the refund has been paid against the same.]

39. Miscellaneous and savings.- (1) In cases where refund has been found to have been paid in excess of the amount due, such excess paid refund shall be recovered along with default surcharge besides any other penal action that may be taken under the Act.

(2) The refund claims of a registered person, who is found to have committed tax fraud, shall be finalized after detailed scrutiny of all partners in the supply chain to establish the forward and backward linkages and after verifying input tax payment by them.

[3][(3) The refund claims based on the returns for the tax period June, 2019,and earlier, shall be processed and sanctioned in accordance with the provisions of this Chapter as were in force on the 30th June, 2019.]

[4][ ]

[5][ ]

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[1]Sub- rule (5) inserted by SRO 307(I)/2008 dated March 24, 2008.

[2]Substituted for "X" by SRO 530(I)/2008 dated June 11, 2008.

[3]Rule 39(3) substituted by SRO 918(I)/2019 dated August 07, 2019.

[4]Rule 39(4) deleted by SRO 918(I)/2019 dated August 07, 2019.

[5]Rule 39A deleted by SRO 918(I)/2019 dated August 07, 2019. Earlier it was substituted by SRO 76(I)/2009 dated January 28, 2009. Earlier it was inserted by SRO 530(I)/2008 dated June 11, 2008.

Rule 39(3)- Substitution.- Before substitution it read as follows:-

"(3) The existing Sales Tax Treasury Offices functioning in the Collectorates shall continue to pay sales tax refund till such time the CSTRO is established and, accordingly, any reference to CSTRO, in this chapter, shall be construed as a reference to such existing Treasury Offices."

Rule 39(4)- Omission.- Before omission it read as follows:-

"(4) The admissible refund claims received with supportive documents up to the date of commencement of these rules shall be sanctioned and paid in accordance with the provisions of the Sales Tax Refund Rules, 2002, or the Chapter V of the Sales Tax Rules, 2005, or the Sales Tax Refund on Zero- Rated Supply Rules, 2006, whichever is applicable."

Rule 39A-Omission.- Before omission it read as follows:-

"**39A. Processing of refund claims in LTUs,–** (1) The refund claimant registered in a Large Taxpayer Unit, desirous of availing facility under this rule, shall file a refund application to the Collector of Sales Tax having jurisdiction along with the following documents, namely:-

(a) an undertaking affirming the accuracy and genuineness of refund; and

(b) a revolving bank guarantee, valid for at least one hundred and twenty days issued by a scheduled bank, to the satisfaction of Collector of Sales Tax (Large Taxpayers Unit), of an amount not less than amount of the refund claimed.

(2) The refund claim shall be processed as follows:-

(a) where the claimant has filed documents under sub- rule (1), the Collector shall process and allow fifty percent of the refund of input tax within five working days of receipt thereof";

(b) within fifteen days after the sanctioning of the claim as at (a) the claimant shall file a complete refund claim along with the supportive documents and soft copy on the prescribed format, which shall be scrutinized in the Large Taxpayer Unit, and objections, if any, related to the refund claim shall be conveyed to the claimant within seven days of the receipt of the claim;

(c) subject to the provisions of this rule, the refund claim shall be finalized by the LTU within fifteen days of the filing of complete refund claim under clause (b) of sub- rule (2); and

(d) where an amount of refund on account of input credit document or otherwise is unverified, the Collector may require extension in bank guarantee covering such amount as deemed fit.

(3) In case any amount already sanctioned and paid is found inadmissible or remains unverified after six months of the bank guarantee, the same shall be recovered within seven days by encashment of the bank guarantee to the extent of inadmissible amount besides other legal action under the relevant provisions of the Act and rules made thereunder.

(4) The collector of Sales Tax shall notify an officer, not below the rank of an Assistant Collector, as focal person in the LTU to liaise with other Collectorates regarding the problems or objections encountered on account of purchases and supplies of the refund claimant for speedy solution thereof."

Rule 39A- Substitution.- Before substitution by SRO 76(I)/2009, it read as follows:-

"39A. Processing of refund claims in LTUs,– (1) The refund claimant registered in a Large Taxpayer Unit, desirous of availing facility under this rule, shall file a refund application to the Collector of Sales Tax having jurisdiction along with the following documents, namely:─

(a) an undertaking affirming the accuracy and genuineness of refund; and

(b) a revolving bank guarantee valid for at least one hundred and twenty days issued by a scheduled bank, to the satisfaction of Collector of Sales Tax (Large Taxpayers Unit), of an amount not less than amount of refund claimed.

(2) Where the claimant has filed documents under sub- rule (1), the Collector shall allow the refund of input tax within three days of receipt thereof.

(3) Within fifteen days of the sanctioning of refund, the claimant shall file a complete refund claim along with the supportive documents and soft copy on the prescribed format, which shall be scrutinized in the Large Taxpayer Unit and the objections, if any, related to the refund claim shall be conveyed to the claimant within seven days of the receipt of claim.

(4) In case any amount already sanctioned and paid is found inadmissible or remains unverified after six month of payment of refund, the same shall be recovered within seven days by encashing the bank guarantee to the extent of inadmissible amount besides other legal action under the relevant provisions of the Act and rules made thereunder.

(5) The Collector of Sales Tax shall notify an officer, not below the rank of an Assistant Collector, as focal person in the LTU to liaise with other Collectorates regarding the problems or objections encountered on account of purchases and supplies of the refund claimant for speedy solution thereof."

Relief for refund claimed prior to July 2006.– Following is the text of CBR's press release dated November 25, 2006:–

"The Sales Tax Rules, 2006, as effective from 1st July, 2006, require that no refund claim shall be entertained if the claimant fails to furnish the claim on the prescribed software (RCPS) along with the supportive documents within sixty days of the filing of the relevant return. The queries have been raised regarding the applicability of the said proviso to the refunds claimed on the returns filed prior to 1st July, 2006.

2. The issue has been examined in the Central Board of Revenue. The sub- rule (4) of rule 39 of the said rules clearly stipulates that the admissible refund claims received with the supportive documents up to the date of commencement of above rules shall be sanctioned and paid in accordance with the provisions of previous rules which remained in force up to the 30th June 2006. This implies that all the provisions of the new rules, including the above cited proviso requiring the submission of the documents within sixty days, shall be applicable to all claims for which supportive documents are provided on or after 1st July 2006. However, in cases where refunds have been claimed on the returns filed prior to the said date, the period of sixty days shall be reckoned prospectively i.e. from the date of the commencement of the new rules i.e. 1st July, 2006.

3. However, in consideration of the problems being faced by genuine exporters on this account as well as keeping in view Board's policy to liquidate refund pendency and minimize frivolous litigations and further that the new measures were not specifically publicised, the Board, in exercise of the powers conferred under section 74 of the Sales Tax Act, 1990, is pleased to grant condonation, thereby allowing processing of all such refund claims filed prior to 1st July, 2006, subject to the furnishing of supportive documents along with the prescribed RCPS data latest by the 31st December, 2006. It is emphasized that this condonation is being allowed on one- time basis and no request for further extension will be entertained on grounds whatsoever.

4. The field formations have been directed to publicise this condonation and inform all trade bodies within their respective jurisdictions so as to ensure that the facility being provided is availed by all claimants in respect of their due and admissible refunds."

[1][Chapter V-A

[2][REFUND TO EXPORTERS]

39B. Application.- [3][(1) This chapter shall apply to refund claims for the tax period from July, 2019 and onwards, as filed by the exporters of five exports-oriented sectors, namely textile, carpets, leather, sports goods and surgical instruments and also apply to refund claims filed from the 1st day of October, 2024 onwards by all the exporters on account of export of goods]

[4][(2) The refund claims of [5][sectors namely textile, carpets, leather, sports goods and surgical instruments] for the tax periods prior to July, 2019 shall be processed in accordance with the provisions of Chapter V as were in force on the 30th June, 2019.]

39C. Extent of payment of refund claim.- The total amount of refund paid against the claims filed and processed under this Chapter shall not exceed the [6][the* lower of the two amounts, namely, the amount of input tax actually consumed in goods as exported or supplied at zero-rated rate, or the, amount as per ceiling, if any,] determined by the Board, in terms of percentage of value, or amount per unit of quantity, of goods exported, as deemed appropriate.

39D. Filing and Processing of refund claims.- The data provided in the monthly return shall be treated as data in support of refund claim and no separate electronic data shall be required to be provided. The amount specified in column 29 of the return, as prescribed in the form STR-7, shall be considered as amount claimed, once the return has been submitted along with all prescribed annexes thereof:

[7][Provided that the claimant may submit his return without Annex-H and the same may be filed separately at any time but not later than one hundred and twenty days or as the case may be not later than one hundred and eighty days for commercial exporters of submission of the return without Annex-H. The date of submission of Annex-H shall be considered as the date of filing of refund claim.]

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[1]Chapter V-A Rules 39B to 39G inserted by SRO 918(I)/2019 dated August 07, 2019.
[2]Substituted for "REFUND TO FIVE EXPORT-ORIENTED SECTORS" by SRO 1507(I)/2024 dated September 24, 2024.
[3]Rule 39B(1) substituted by SRO 1507(I)/2024 dated September 24, 2024.
[4]Rule 39B(2) substituted by SRO 1203(I)/2019 dated October 10, 2019.
[5]Substituted for "aforesaid claimants" by SRO 1507(I)/2024 dated September 24, 2024.
[6]Substituted for "ceiling" by SRO 1203(I)/2019 dated October 10, 2019. *after the amendment word "the" become superfluous.
[7]Proviso substituted by SRO 1172(I)/2020 dated November 04, 2020.

Rule 39B(1)-Substitution.- Before substitution read as follows:-

"(1) This Chapter shall apply to refund claims for the tax period July, 2019, and onwards, as filed by the exporters of five export-oriented sectors namely textile, carpets, leather, sports goods and surgical instruments on account of export of goods."

Rule 39B(2)-Substitution.- Before substitution read as follows:-

"(2) The refund claims of aforesaid claimants for the tax periods prior to July, 2019, shall be processed under these rules."

Rule 39D-Proviso.- Before substitution read as follows:-

"Provided that the claimant will be able to submit his return without Annex-H and the same may be filed separately at any time but not later than one hundred and twenty days of submission of the return without Annex-H. The date of submission of Annex-H shall be considered as the date of filing of refund claim."

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Provided further that the period of one hundred and twenty days, as aforesaid, may be extended for a period not exceeding sixty days, by the Commissioner having jurisdiction, for reasons to be recorded in writing on the basis of an application made by the claimant.

39E. Risk management in refund processing.- After submission of refund claim, in the aforesaid manner, the same shall be processed by Risk Management System (RMS). Based on the parameters in RMS, a refund claim shall be routed to the processing module referred to as Fully Automated Sales Tax e-Refund (FASTER). The claims that do not fulfil RMS parameters for processing through FASTER module shall be routed for processing under Chapter V.

39F. Processing in FASTER module.- The claims routed to FASTER module shall be electronically processed. The data in the refund claim shall be scrutinized and verified by the system and the payable refund amount shall be determined on the basis of input consumed in exports or supplies. The refund payment order (RPO) of the amount found admissible shall be generated and the same shall be electronically communicated direct to the State Bank of Pakistan, within seventy-two hours of submission of claim, for onward advice to the respective banks for credit into the notified account of the claimant:

Provided that in case of refund claim of a commercial exporter, the payment of such refund shall be made after the realization of export proceeds:

Provided further that the part of the refund claim that is not verified or not found admissible shall be subjected to system validation checks every week and RPO shall be generated for the amount found valid during each validation check. After every validation process, the information regarding RPO generated, if any, as well as the objections shall be communicated by the system to the refund claimant and also to the concerned RTO or LTU for information. RPO so generated shall be communicated to the State Bank of Pakistan for payment in the aforesaid manner. [1][After eight validation checks, including the initial one, any amount that remains uncleared or unverified shall be subjected to four additional validation checks or cycles, once every week, by the system in respect of such uncleared or unverified amount. If, after completion of the said four additional validation checks or cycles, any amount still remains uncleared or unverified, the same shall thereafter be processed under the STARR module as referred to in Chapter V].

39G. Miscellaneous.- The provisions relating to [2][transmission of bank advice to State Bank,] post-refund scrutiny, supportive documents, responsibility of claimants and action in respect of inadmissible claims, as in Chapter V, shall, mutatis mutandis, be applicable to refund claims filed and processed under this Chapter:

Provided, however, that supportive documents shall only be presented by the claimant, if so required by the officer in-charge of post-refund scrutiny, with the approval of Commissioner concerned [3]*[:/]*]

[3][Provided further that refunds of commercial exporters shall be processed on receipt of export proceeds realization certificate or bank credit advice:

[1]Substituted for "After eight validation checks, including the initial one, if any amount still remains un-cleared, the same shall then be processed under STARR module as referred to in Chapter V" by SRO 1498(I)/2026 dated September 04, 2026.
[2]Words etc. inserted by SRO 1203(I)/2019 dated October 10, 2019.
[3]Full stop substituted and Provisos inserted by SRO 1507(I)/2024 dated September 24, 2024.
[*]Chapter V-A rules 39B to 39G inserted by SRO 918(I)/2019 dated August 07, 2019.

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Provided also that the Board may direct that any refund claim or the claims as the case may be, shall be processed through STARR.]

[1][Chapter V-B

REFUND TO PHARMACEUTICAL SECTOR

39H. Application.- (1) This Chapter shall apply to refund claims for the period commencing from 15th day of January, 2022 onwards, as filed by the registered persons engaged in import or supply of zero rated drugs as registered under the Drugs Act, 1976 (XXXI of 1976), or medicaments as classified under Chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969) except PCT heading 3005.0000.

391. Extent of payment of refund claim.- The total amount of refund paid against the claims filed and processed under this Chapter shall not exceed the lower of the two amounts, namely, the amount of input tax actually consumed in goods as supplied at zero-rated rate, or the amount as per ceiling, if any, determined by the Board, in terms of percentage of value or amount per unit of the quantity as deemed appropriate.

39J. Filing and processing of refund claims.- The data provided in the monthly national sales tax return shall be treated as data in support of refund claim and no separate electronic data shall be required to be provided. The amount specified in column 29 of the return, as prescribed in the form STR-7, shall be considered as amount claimed, once the return has been submitted along with all prescribed annexures thereof:

Provided that the claimant may submit his return without Annex-H and the same may be filed separately at any time but not later than one hundred and twenty days. The date of submission of Annex-H shall be considered as the date of filing of refund claim:

Provided further that the period of one hundred and twenty days, as aforesaid, may be extended for a period not exceeding sixty days, by the Commissioner having jurisdiction, for reasons to be recorded in writing on the basis of an application made by the claimant.

39K. Risk management in refund processing.- After submission of refund claim, in the aforesaid manner, the same shall be processed by risk management system (RMS). Based on the parameters in RMS, a refund claim shall be routed to the processing module referred to as fully automated sales tax e-refund pharma (FASTER Pharma). The claims that do not fulfil RMS parameters for processing through FASTER Pharma module shall be routed for processing under Chapter V.

39L. Processing in FASTER PHARMA module.- The claims routed to FASTER Pharma module shall be electronically processed. The data in the refund claim shall be scrutinized and verified by the system and the payable refund amount shall be determined on the basis of RMS quality check of input consumed in supplies. The refund payment order (RPO) of the amount found admissible shall be generated and the same shall be electronically communicated direct to the State Bank of Pakistan, within seventy-two hours of submission of claim, for onward advice to the respective banks for credit into the notified account of the claimant.

1-246-15-09-2026

[1]Chapter V-B Rules 39H to 39N inserted by SRO 383(I)/2022 dated March 07, 2022.

39M. Processing in STARR module.- The part of the refund claim that is not verified or not found admissible shall be subjected to system validation checks every week and RPO shall be generated for the amount found valid during each validation check. After every validation process, the information regarding RPO generated, if any, as well as the objections shall be communicated by the system to the refund claimant and also to the concerned IRS field formation for information. RPO so generated shall be communicated to the State Bank of Pakistan for payment in the aforesaid manner. After eight validation checks, including the initial one, if any amount still remains un-cleared, the same shall then be processed under STARR module as referred to in Chapter V.

39N. Miscellaneous.- The provisions relating to transmission of bank advice to State Bank post-refund scrutiny, supportive documents, responsibility of claimants and action in respect of inadmissible claims, as specified in Chapter V, shall, mutatis mutandis, be applicable to refund claims filed and processed under this Chapter:

Provided, however, that supportive documents shall only be presented by the claimant, if so required by the officer-in-charge of post-refund scrutiny, with the approval of Commissioner concerned.]

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[1]Chapter V-B Rules 39H to 39N inserted by SRO 383(I)/2022 dated March 07, 2022.

1-246-15-09-2026

[1][ ]

[1]Chapter V-C Rules 39O to 39Z rescinded by SRO 1644(I)/2024 dated October 23, 2024. Earlier these were inserted by SRO 563(I)/2022 dated April 29, 2022. Before rescind these read as follows:-

"Chapter V-C

REFUND TO AGRICULTURE TRACTOR MANUFACTURERS

39O. Application.- (1) This Chapter shall apply to existing and future refund claims as filed by the registered agricultural tractor manufacturers engaged in supply of agricultural tractors.

(2) The provisions of these rules shall apply only if the incidence of tax sought to be refunded has not been passed on to the consumers.

39P. Definition.- In this chapter, unless there is anything repugnant in the subject or context,-

(a) **"agricultural tractor"** means a tractor used by farmers or growers engaged in production of agricultural produce through tractor; and

(b) **"eligible person"** means manufacturer of agricultural tractors who supplies tractors to a person holding a valid proof of land holding such as agriculture pass book and copy of record of rights of agricultural land duly verified from Provincial Land Revenue Authorities.

39Q. Condition on supplies of agricultural tractors.- Only eligible persons shall qualify for availing reduced rate under the Sr. No. 25 of Table-1 of the eighth schedule to the Sales Tax Act, 1990.

39R. Filing of refund application.- The eligible person shall file a refund claim through STARR/RCPS system and refund application to the Commissioner Inland Revenue having jurisdiction, along with the following documents, namely:-

(a) a copy of tax paid and e-filed sales tax return;

(b) an undertaking affirming the genuineness of refund as per Sales Tax Act, 1990 and relevant rules made thereunder;

(c) a revolving bank guarantee valid for at least one hundred and twenty days issued by a scheduled bank, to the satisfaction of the Commissioner Inland Revenue having jurisdiction of an amount not less than the average monthly refund claim during last twelve months; and

(d) name, CNIC of buyers along with valid proof of land holding, ledger of already purchased agricultural tractors against each buyer.

39S. Pre-refund audit.- Where the processing officer or the officer-in-charge is of the opinion that any further inquiry or audit is required in respect of refund claim or for any other reason to establish genuineness and admissibility of the claim, he may make or cause to make such inquiry or audit as deemed appropriate, after seeking approval from the concerned Additional Commissioner and inform the refund claimant accordingly. Audit under this rule shall be completed within thirty days of initiation of the proceedings.

39T. Refund of input tax.- The refund of admissible excess input tax shall be allowed and issued within seven days of the completion of proceedings initiated under rule 39S and in case no pre-refund audit is conducted, within fifteen days of filing of the refund claim. In any case the refund of admissible excess input tax under these rules shall not be processed through FASTER module.

39U. Filing of complete refund claim.- Within fifteen days of the sanctioning of refund, the eligible person shall file a complete refund claim along with the requisite supportive documents prescribed under Chapter V of the Sales Tax Rules, 2006.

39V. Post Refund Audit.- Post refund audit of the refund claims processed under these rules shall be carried out by the concerned division based on the documents submitted by the eligible person and any other relevant documents called by the concerned officer to ascertain the admissibility and genuineness of the refund processed and issued under rule 39T. The proceedings under this rule shall be concluded within sixty days of filing of a complete refund claim by the refund claimant under rule 39U.

39W. Cost Audit.- In order to determine that the incidence of excess input tax claimed as refund under these rules by an eligible person has not been passed on to the consumers,

(a) annual cost audit will be conducted by a Cost Accountant authorised by the Board; and

(b) cost audit for a tax year shall be conducted on the basis of twelve sales tax returns for the tax year, documents filed for refund under these rules, and any other documents called by the Cost Accountant.

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39X. Amount if found inadmissible.- In case any amount already sanctioned and paid is found inadmissible, the same shall be recovered within seven days of completion of proceedings initiated under rule 39V by encashing the bank guarantee to the extent of adjudged liabilities.

39Y. Section 8B not applicable.- The provisions of sub section (1) of section 8B of the Sales Tax Act, 1990 shall not be applicable on refund claims of admissible excess input tax filed under these rules.

39Z. Repeal.- The refund claims of Recognized Agricultural Tractor Manufacturers Rules, 2012 are hereby repealed."

1-326-05-11-2024

CHAPTER VI
SPECIAL AUDIT

40. Application.- The provisions of this chapter shall apply to the registered persons who are subject to special audit in terms of section 32A of the Act.

41. Special Audit.- The Board may cause special audit by a special auditor, of the records, tax invoices and monthly returns required to be maintained, issued or furnished by any registered person, or class or classes of registered persons under sections 22, 23 and 26 of the Act.

42. Scope of special audit.- The scope of the special audit shall be the expression of professional opinion with respect to the following, namely:-

(a) whether the records, tax invoices and monthly returns have been maintained, issued or furnished correctly by the registered person; and

(b) whether the monthly returns furnished by the registered person correctly reflect that-

(i) all taxable supplies in the tax period as revealed by the records and tax invoices; and

(ii) all input tax, output tax and the net amount of sales tax payable or refundable, as the case may be, are in accordance with the provisions of the Act and are duly substantiated by the records required to be maintained for the purpose.

43. Form of audit report.- The special auditor shall submit his audit report in the form as specified in the terms of reference.

44. Penalty.- (1) In case of violation of this chapter or any clause of the terms of reference, the payment of fee as specified therein shall be withheld forthwith, without prejudice to any action that may be taken under the provisions of the Chartered Accountant Ordinance, 1961 (X of 1961), the Cost and Management Accountants Act, 1966 (XIV of 1966) and bye- laws made thereunder, or the Act.

(2) In case the payment has already been made in full or part thereof, to the special auditor, the same shall be returned within one week of issuance, by the Board, of a demand notice in this regard.

1-201-15-10-2020

[1][CHAPTER VIA

Audit Selection and Conduct

44A. Selection and conduct of audit.- (1) This rule shall apply to selection of cases for audit by the FBR under section 72B of me Sales Tax Act, 1990.

(2) This following steps shall be followed for selection of cases for audit through a computer ballot on random and parametric selection basis for lax periods mentioned therein, namely:-

(a) data of all returns (e-filed and manually filed) shall be utilized as a basic data;

(b) the Board shall decide the cases of persons or classes of persons which are to be excluded from audit selection and such exclusions shall be publicized each year through FBR's web-portal for information, prior to the process of balloting or selection;

(c) cases falling under exclusions shall be identified and such cases shall be excluded from the data to be used for balloting;

(d) the data of the remaining cases shall be utilized for computer ballot for audit selection;

(e) for each tax period cases for audit shall be selected in accordance with the predetermined percentage, to be publicized through FBR's web-portal, and prior to the balloting process, each year;

(f) immediately after computer ballot, the lists of selected case shall be generated and placed on FBR's web-portal;

(g) the whole balloting system for audit selection shall be based only on the NTNs/ CNICs of the filers;

(h) the NTNs and CNICs of the cases selected for audit shall be communicated to concerned RTOs and LTUs as per their respective jurisdictions;

(i) for the purpose of selection of cases on parametric basis, risk parameters for persons or classes of persons to be used for balloting, wherever necessary, shall be determined by the Board, as under:-

(I) risk parameters for persons or classes of persons to be used for balloting shall be determined by the Board;

(II) audit selection parameters may be based upon the following:-

(A) financial ratios for the year viz a viz the history of the case;

(B) financial ratios viz a viz industrial, sectoral or national ratios;

(C) industrial comparisons or bench marts;

(D) quantum of losses or refunds beyond certain thresholds;

(E) compliance history; and

j) computer balloting process in both categories of se lection for audit shall be held in the presence of representatives from Chambers of Commerce and Industries and representatives of Tax Bar Associations.

[1]Chapter VIA inserted by SRO 54(I)/2016 dated January 28, 2016.

1-201-15-10-2020

1-163-20-02-16

(3) The cases selected for audit by the Board shall be processed as per the procedures given below:-

(I) Commissioner Inland Revenue concerned shall issue intimation letter to the taxpayer about the selection of his case for audit with the following details:-

(A) section under which selection has been made;

(B) tax period for which the case has been selected for audit;

(C) mode of selection whether random or parametric;

(D) compliance requirements on the part of taxpayer e,g.-

(a) provision of prescribed books of accounts;

(b) supporting information and documents etc;

(c) computerized data, access to computerized data or pmvi.ion of attested hard copies of computerized data.

(4) On completion of examination of books of accounts, data or information under this rule the discrepancies, if found, shall be intimated to the taxpayer for obtaining taxpayers' explanation, in the form of audit report, seeking taxpayer's explanation on these points.

(5) Explanations of the taxpayer, where found not acceptable, shall be intimated to the taxpayer, through a notice under section 11(5) of the Sales Tax Act, 1990 about the assessment of tax alongwith the rationale or basis of such amendment and necessary tax assessment order shall be passed under section 11 of the said Act, after affording adequate opportunity of hearing to the taxpayer.]

1-201-15-10-2020

[1][CHAPTER VIB

Procedure for E-Audit

44AA. Application.- The provisions of this chapter shall apply for the conduct of e-audit proceedings under sub-section (2A) of section 25 of the Sales Tax Act, 1990.

44AB. Definitions.- (1) In this Chapter, unless there is anything repugnant in subject or context,-

(a) "Adjudicating Officer" means an officer of Inland Revenue to whom a case is assigned for assessment on the basis of audit report referred to in rule-44AC(e);

(b) "Audit Officer" means an officer of Inland Revenue to whom a case is assigned for conducting e-audit under these rules;

(c) "Competent Authority" means the Board in case of selection of audit under section 72B and Commissioner Inland Revenue having jurisdiction in case of selection under section 25 of the Act;

(d) "e-audit" means the audit proceedings of registered person conducted through electronic means including video links, or any other facility as may be specified by the Board from time to time; and

(e) "IRIS" means a web based computer programme for operation and management of Inland Revenue taxes and laws administered by the Board.

(2) Words or expressions used but not defined here shall have the same meanings as are assigned to them in the Act.

44AC. Procedure for e-audit.- Where a case has been selected under section 25 or section 72B of the Act, as the case may be, and the competent authority issues directions to conduct e-audit, the following procedure shall be adopted, namely:-

(a) the concerned Commissioner Inland Revenue shall serve a notice under sub-section (1) of section 25 of the Act to the registered person specifying the reasons for selection of his case for audit;

(b) the Commissioner Inland Revenue having jurisdiction shall assign the case to an Audit Officer to conduct e-audit;

(c) a registered person shall produce the record as required to be maintained under section 22 of the Act through IRIS or an electronic data carrier as notified by the Board;

(d) a registered person shall not be required to appear either personally or through authorized representative in connection with any proceedings under e-audit before the Audit Officer:

[1]Chapter VIB inserted by SRO 1338(I)/2020 dated December 16, 2020.

Provided that a registered person may request for an opportunity of personal hearing through IRIS and such hearings shall be conducted, exclusively through video links from personal computer system or any of the nearest Tax Facilitation Centre situated at the premises of field formations.

(e) the Audit Officer after considering all the information, documents or evidence, if the Audit Officer finds no discrepancy and have no conclusive proof against registered person, he may close the audit in IRIS under intimation to the Commissioner Inland Revenue having jurisdiction;

(f) after completion of audit, examination of record and obtaining registered person's explanation on all the issues raised, if the Audit Officer does not agree with the declared version, he shall prepare an audit report, containing audit observations and finding. The Audit Officer shall forward the report to the Commissioner Inland Revenue having jurisdiction and also send a copy of it to the registered person through IRIS;

(g) the Commissioner Inland Revenue having jurisdiction shall assign the case to an Adjudicating Officer to make an order for assessment of tax under section 11, including imposition of penalty and default surcharge in accordance with section 33 and 34 of the Act;

(h) on the basis of the audit report referred to in sub-rule (e), the Adjudicating Officer shall issue a show cause notice through IRIS to the registered person; and

(i) the Adjudicating Officer may, if considered necessary, after obtaining the registered person's explanation on all the issues raised in the audit report, pass an order under section 11 of the Act.]

1-203-31-12-2020

[1][CHAPTER VIAB

Real-Time Electronic Access for Audit & Survey

44B. Application.- The provisions of this Chapter shall apply for the purpose of real-time electronic access to the premises, stocks, accounts and record of the registered person or survey of person liable to be registered.

44C. Definitions.- In this Chapter, unless there is anything repugnant in subject or context,-

(a) "authorized officer" means an officer of Inland Revenue duly authorized under sub-section (1) of section 38 of the Act;

(b) "real-time electronic access" includes-

(i) real-time electronic exchange of data including through SAF-T; or

(ii) access through video link;

(c) "SAF-T" (Standard Audit File for Tax) means electronic exchange of reliable accounting data in XML (eXtensible Markup Language) format, as approved by the Board, available on its website with complete technical instructions; and

(d) "video link" means connection enabling communication audio-visually from a remote location.

44D. Real-time electronic access to stocks, accounts and record.- (1) The registered person shall provide continuous and full real-time electronic access to the premises, stocks, record, accounts and data, whether maintained electronically or otherwise, as and when required by an authorized officer as provided under section 38 of the Act. The authorized officer shall have real-time electronic access to-

(a) the operation of any computer system which stores, generates or receives data related to taxable activity;

(b) supporting documentation including file structures, etc., operational and technical manuals, audit trail, controls, safe keeping and information on how the accounting system of the registered person is organized; and

(c) any premises or place specified in sub-section (1) of section 38 of the Act

(2) An officer of Inland Revenue, duly authorized by the Board or the Commissioner IR having jurisdiction in this behalf, shall have full and continuous real-time electronic access to the premises, stocks, record, accounts and data for the purpose of survey of person or class of persons liable to be registered.

44E. Standard Audit File for Tax (SAF-T).- (1) The registered person shall, as and when required, provide data on SAF-T files on XML format, as approved by the Board.

(2) The SAF-T files shall be transferred through a website or electronic data carriers, as notified by the Board.

1-203-31-12-2020

[1]Chapter VIAB inserted by SRO 888(I)/2020 dated September 21, 2020.

(3) The basic structure of SAF-T shall, inter alia, include the following, namely:-

(a) account books, including journals and ledgers;

(b) bank details and bank statement;

(c) inventory record;

(d) record of sales of goods;

(e) record of purchases, including exempt purchases against which no input claimed; and

(f) detailed record of invoices, including sale invoices, purchase invoices, invoices for advance sale and debit/credit notes.

(4) The registered person shall ensure the authenticity and integrity of the data and use all electronic or procedural means to prevent loss and corruption of data during transmission or storage.

(5) The registered person shall invariably maintain a back-up data to overcome any possible system failure or loss or corruption of data.

44F. Access through video link.- The registered person shall, as and when required, provide full and continuous access through video link to the business or manufacturing premises, registered office or any other place where any stocks, business records or documents required under the Act are kept or maintained.

44G. Responsibility of the registered person.- The registered person shall, at his own expense, implement changes, if required, in his computerized system, and shall install such equipment and systems to enable the authorized officer to have continuous real-time electronic access in terms of the provisions of this chapter read with section 38 of the Act.

44H. Failure to provide real-time electronic access.- In case a registered person fails to comply with the provisions of this chapter, he shall be liable to penal action as provided in the Act.]

1-203-31-12-2020

[1][ ]

[1]Chapter VII and Rules 45 to 50 deleted by SRO 494(I)/2015 dated June 30, 2015.

Chapter VII & Rules 45 to 50, Omission.- Before omission by these read as follows:-

"CHAPTER VII

ZERO- RATING OF SUPPLIES AGAINST INTERNATIONAL TENDER FOR AFGHAN REFUGEES

45. Application.-The provisions of this chapter shall apply to supplies of taxable goods made by registered persons against international tender to UNICEF, UNDP, WHO, WFP, UNHCR, EuronAid and ICRC for Afghan refugees.

46. Procedure and conditions for making zero- rated supplies.– [1][ ] supplies against international tender for Afghan refugees shall be charged to tax at the rate of zero percent subject to the following procedure and conditions, namely:-

(i) the supply shall be made against international tender issued by UNICEF, UNDP, WHO, WFP, UNHCR, EuronAid or ICRC. The contract signed with the concerned organisation shall be retained by the supplier in his record along with a copy of the tender notice;

(ii) payment for the supply shall be received in foreign currency which shall be surrendered to the State Bank and the supplier shall receive payment in Pak rupees as per State Bank procedure and foreign exchange regulations. A certificate from the respective bank or authorised dealer in foreign exchange to this effect shall be retained by the supplier in his record;

(iii) a zero- rated invoice shall be issued for each supply, mentioning the full particulars of the buyer and the contract number, besides the particulars required in section 23 of the Act; and

(iv) the goods shall be duly received by the organisation which signed the contract and a certificate to this effect shall be issued by the organisation which shall be duly attested by the Chief Commissioner or Commissioner of Afghan Refugees or as the case may be, by the ICRC Kabul or Herat, in which case ICRC Pakistan will also furnish relevant copies of Bill- of- Export.

47. Maintenance of records.– (1) The supplier shall maintain separate records of supplies of zero- rated goods and receipt of foreign currency under this chapter, indicating the number and date of the international tender, number and date of the contract, name of the organisation to whom goods were supplied, value of the goods, amount of foreign currency involved, and number and date of the certificates obtained under clauses (ii) and (iv) of rule 46.

(2) The supplier shall retain the documents specified in rule 46 in his record in addition to those mentioned in section 22 of the Act.

48. Refund.-When filing a claim for refund of sales tax against supplies made under this chapter, in addition to the relevant supporting documents specified in chapter V of these rules, the claimant shall furnish the documents specified in rule 46 in original along with one set of legible photocopies. The original documents shall be returned to the claimant after comparing the same with copies thereof and endorsement of verification on the photocopies by a Deputy Collector or an Assistant Collector of the Refund Division.

49. Penalty.-In case the goods are found not to be supplied to the organisation specified in rule 48, or foreign exchange is not received within one hundred and twenty days of making the supply, the sales tax involved on such goods shall be recoverable from the supplier, besides legal or penal action under appropriate provisions of the Act.

50. Other International Tenders.- The provisions of rules 45 to 49 shall, *mutatis mutandis,* apply in case of supplies made against other international tenders subject to the condition that a certificate of the receipt and delivery of goods issued by the competent officer or authority of the organization, institution or department who has floated international tender shall be treated as a final proof of the supply having been made against such tender."

[1]Words "In terms of clause (a) of section 4 read with serial No. 4 of the Fifth Schedule to the Act," omitted by SRO 589(I)/2012 dated June 01, 2012, effective from June 02, 2012.

1-203-31-12-2020

1-136-12-06-13

[1][ ]

[1]Chapter VIIA deleted by SRO 506(I)/2013 dated June 12, 2013, effective July 1, 2013. Earlier it was inserted by SRO 167(I)/2012 dated February 22, 2012.

Chapter VIIA, Omission.- Before omission by these read as follows:-

"CHAPTER VIIA

SUPPLIES AGAINST INTERNATIONAL TENDER

[2][**50A. Application**.- The provisions of this Chapter shall apply to supply of locally produced taxable goods by sales tax registered persons against international tender contracts awarded by the Federal and Provincial departments, local governments, autonomous and semi- autonomous bodies and public sector organizations.

50B. Procedure and conditions for making exempt supplies.- In terms of sub- section (1) of section 13 of the Act read with serial No. 12 of Table- II of the Sixth Schedule thereto, supplies of locally produced goods against international tender contracts shall be exempt from sales tax subject to the following procedure and conditions, namely:-

(a) the supply shall be made against international tender issued by the Federal and Provincial departments, local governments, autonomous and semi- autonomous bodies and public sector organizations (hereinafter referred to as 'the contract awarding person");

(b) the exempt supply of goods against international tender shall be to the extent of foreign grant, aid or loan component of the tender. The foreign component of the international tender shall be received in foreign currency which shall be surrendered by the contract awarding person to the State Bank of Pakistan as per State Bank of Pakistan's procedure and foreign exchange regulations;

(c) the invitation of bids for international tender shall be published in reputed newspapers or journals of international circulation and on website of the contract awarding person for international competitive bidding;

(d) the contract awarding person or the successful bidder shall apply to the Board to avail the benefit of exemption to supplies against the international tender alongwith the following documents, namely:-

(i) application giving full particulars of the applicant *viz* name, address, telephone numbers, e- mail address, [3][NTN], if applicable, and any other information that he wants to submit;

(ii) a certificate from the contract awarding person that Public Procurement Regulatory Authority Rules, 2006 have been complied with during the process of international competitive bidding or international tender;

(iii) a certificate from the respective bank or authorized dealer of foreign exchange in proof of deposit of foreign exchange with the State Bank of Pakistan;

(iv) tender amount of foreign exchange and equivalence in Pak rupees;

(v) tentative list of goods required for the execution of tender and particulars of the supplier in the following format:-

S.No.	[3][NTN] of Supplier	Name and Address of Supplier	Description of goods to be supplied	Value of goods to be supplied	Applicable rate of sales tax	Sales Tax involved
(1)	(2)	(3)	(4)	(5)	(6)	(7)

(vi) the facility of exemption from sales tax shall only be available to the goods which actually become part of the project to be completed or goods to be supplied against international tender and shall not be available to consumables, POL used in vehicles, office furniture etc; and

(vii) any other document that may be required by the Board;

[1]Chapert VIIA inserted by SRO 167(I)/2012 dated February 22, 2012.

[2]Rules 50A to 50C substituted by SRO 589(I)/2012 dated June 01, 2012, effective from June 02, 2012.

[3]Substituted for "NTN, STRN" & "STRN" respectively by SRO 610(I)/2010 dated July 01, 2010.

(e) the contract awarding person or the bidder may submit revised list of goods as required under sub-clause (v) of clause (d) anytime during the currency of the execution of the project;

(f) the Board, subject to satisfaction, shall issue a provisional authorization for exempt supply of goods and shall endorse one copy of such authorization to each supplier and to the respective RTOs or LTUs;

(g) after having provisional authorization of the Board, the supplier shall issue exempt invoice for each supply, mentioning full particulars of the buyer and a contract number, besides particulars required in section 23 of the Act;

(h) after conclusion of the contract, the contract awarding person or the bidder shall submit a complete and final list of goods in the format prescribed in sub- clause (v) of clause (d). Subject to satisfaction, the Board shall issue final authorization certificate for exempt supply of goods and shall endorse one copy to each supplier and to the respective RTO or LTU;

(i) each registered person shall keep the copy of final authorization certificate as a lawful authorization of supply of exempt goods to the extent given in the final certificate; and

(j) in case, the goods are found not to be supplied against international tender, the sales tax involved on such goods shall be recoverable from the supplier, besides legal or penal action under appropriate provisions of the Act.

50C. Miscellaneous.- Any future supply of locally produced goods against international tender shall be governed under the provisions of this Chapter and the contract awarding person or the successful bidder shall apply afresh for provisional authorization of exempt supply under this Chapter."

Rules 50A to 50C substitution.- Before substitution these read as follows:-

"50A. Application.-The provisions of this chapter shall apply to supply of locally produced taxable goods by sales tax registered persons against International Tender contracts awarded by the Federal and Provincial Departments, Local Governments, autonomous and semi- autonomous bodies and public sector organizations.

50B. Procedure and conditions for making zero- rated supplies.-In terms of clause (a) of section 4 read with serial No. 4 of Fifth Schedule to the Act, supplies of locally produced goods against international tender contracts shall be charged to tax at the rate of zero per cent subject to the following procedure and conditions, namely:-

(a) the supply shall be made against International Tender issued by the Federal and Provincial Departments, Local Governments, autonomous and semi- autonomous bodies and public sector organizations (hereinafter referred to as 'the contract awarding person');

(b) the zero rated supply of goods against International Tender shall be to the extent of foreign grant, aid or loan component of the tender. The foreign component of the International Tender shall be received in foreign currency which shall be surrendered by the contract awarding person to the State Bank as per State Bank procedure and foreign exchange regulations;

(c) the invitation of bids for International Tender shall be published in reputed newspapers or journals of international circulation and on website of the contract awarding person for International Competitive Bidding;

(d) the contract awarding person or the successful bidder shall apply to the Board to avail the benefit of zero- rating of supplies against the International Tender along with the following documents, namely:-

(i) application giving full particulars of the applicant viz name, address, telephone numbers, e- mail address, [1][NTN] (if applicable) and any other information that he wants to submit;

(ii) a certificate from the contract awarding person that Public Procurement Regulatory Authority Rules, 2006 have been complied with during the process of International Competitive Bidding of International Tender;

(iii) a certificate from the respective bank or authorized dealer of foreign exchange in proof of deposit of foreign exchange with the State Bank of Pakistan;

(iv) tender amount of foreign exchange and equivalence in Pak rupees;

[1]Substituted for "NTN, STRN" by SRO 610(I)/2010 dated July 01, 2010.

(v) tentative list of goods required for the execution of tender and particulars of the supplier in the following format:-

S.No.	[1][NTN] of Supplier	Name and Address of Supplier	Description of goods to be supplied	Value of goods to be supplied	Applicable rate of sales tax	Sales Tax involved
(1)	(2)	(3)	(4)	(5)	(6)	(7)

; and

(vi) any other document that may be required by the Board;

(e) the contract awarding person or the bidder may submit revised list of goods as required under clause (d)(v) anytime during the currency of the execution of the project;

(f) the Board, subject to satisfaction, shall issue a provisional authorization for zero- rated supply of goods and shall endorse one copy of such authorization in each supplier and to the respective RTOs or LTUs;

(g) after having provisional authorization of the Board, the supplier shall issue zero- rated invoice for each supply, mentioning full particulars of the buyer, a contract number, besides particulars required in section 23 of the Act;

(h) after conclusion of the contract, the contract awarding person or the bidder shall submit a complete and final list of goods in the format prescribed in clause (d)(v). Subject to satisfaction, the Board shall issue final authorization certificate for zero- rated supply of goods and shall endorse one copy to each supplier and to the respective RTO or LTU;

(i) each registered person shall keep the copy of final authorization certificate as a lawful authorization of supply of zero- rated goods to the extent given in the final certificate; and

(j) in case, the goods are found not to be supplied against International Tender, the sales tax involved on such goods shall be recoverable from the supplier, besides legal or penal action under appropriate provisions of the Act.

50C. Miscellaneous.-In cases, where authorization for zero- rated supplies has already been granted, any future supply of locally produced goods against International Tender shall be governed under the provisions of this Chapter, and the contract awarding person or the successful bidder shall apply afresh for provisional authorization of zero- rated supply under this Chapter."

[1]Substituted for "STRN" by SRO 610(I)/2010 dated July 01, 2010.

CHAPTER VIII

SUPPLY OF ZERO- RATED GOODS TO DIPLOMATS, DIPLOMATIC MISSIONS, PRIVILEGED PERSONS AND PRIVILEGED ORGANISATIONS

51. Application.- The provisions of this chapter shall apply to supplies of zero- rated goods and any other facility on the basis of reciprocity to diplomats, diplomatic missions, privileged persons and privileged organisations.

52. Supplies to diplomats and diplomatic missions.- (1) Any diplomat or diplomatic mission desirous of taking a zero- rated supply from a registered person shall apply to the Assistant Collector or Deputy Collector having jurisdiction for permission to this effect along with the exemption certificate, in original, issued by the Ministry of Foreign Affairs in this behalf.

(2) The Ministry of Foreign Affairs shall issue such exemption certificates on the following basis, namely:-

(a) reciprocity shall be observed; and

(b) minimum value of purchases for a transaction is ten thousand rupees or more.

Provided that in case sales tax has been paid by a diplomat or diplomatic mission, the Ministry of Foreign Affairs shall forward such claims to the Board for refund, which fulfil the aforesaid conditions.

(3) The Assistant Collector or Deputy Collector shall make entry of the goods being purchased by the diplomat or diplomatic mission on the original exemption certificate, keep the same for office record, and issue an "Authorization for Zero- Rated Supplies" in the form as in STR- 12 to these rules, in the name of the said registered person.

(4) The registered person shall make the zero- rated supply and shall keep record of the same for presentation to the sales tax department as and when required to do so.

[1][**52A. Supplies to diplomats and diplomatic missions by tier-1 retailers and refund of tax**.- (1) In case the supplies are made by a tier-1 retailer to diplomats and diplomatic missions, the same shall be charged to sales tax at zero rate subject to the condition that an exemption certificate issued by Ministry of Foreign Affairs is provided mentioning the description and quantity of goods to be purchased.

(2) The invoice issued against zero-rated supplies as aforesaid shall mention the reference number and date of the exemption certificate.

(3) In case the supplies to a diplomat or diplomatic mission have been charged to sales tax at a rate other than zero, the tier-1 retailer may refund the amount charged after preparation of a credit note mentioning the particulars of the invoice and the exemption certificate as aforesaid.]

1-193-15-09-19

[1]Rule 52A inserted by SRO 918(I)/2019 dated August 07, 2019.

53. Supplies to privileged persons.- (1) A privileged person desirous of taking zero-rated supply from a registered person shall apply to the Assistant Collector or Deputy Collector having jurisdiction for permission to this effect along with the "CBR Booklet" issued in his name.

(2) The Assistant Collector or Deputy Collector shall make entries of the goods intended to be purchased by the privileged person in the CBR booklet, keep a photocopy of the same for office record and issue an "Authorization for Zero- Rated Supply", as aforesaid, in the name of the said registered person.

(3) The Assistant Collector or Deputy Collector shall ensure that the value of the goods to be purchased does not exceed the limit specified in the Model Rules as referred to in clause 0 of sub- rule (1) of rule 2.

(4) The registered person shall make the zero- rated supply and keep record of the same for presentation to the sales tax department as and when required to do so.

54. Supply of POL products to privileged persons.– (1) Zero- rated sales tax invoices shall be issued by the registered oil companies for each supply of POL, products to the privileged person, mentioning that the said invoice is being issued under this rule, besides the particulars required in section 23 of the Act.

(2) A monthly statement summarizing all the particulars of the supplies made in the month against invoices issued under rub- rule (1) shall be prepared in triplicate by the registered oil company making the zero- rated supplies and shall be signed by the authorized person of the registered oil company. All three copies of the said signed monthly statement shall be got verified by the registered oil company from the person authorized to receive the supplies in the secretariat of the privileged person, confirming that supplies mentioned in the monthly statement have been duly received.

(3) After verification from the secretariat of the privileged person, original copy of the monthly statement will be retained by the registered oil company, duplicate copy will be retained by the secretariat of the privileged person and the triplicate copy shall be provided by the registered oil company to the Collector of Sales Tax having jurisdiction, by fifteenth day of the month following the month in which zero- rated supplies under rub- rule (1) were made.

(4) The registered oil company shall make the zero- rated supply and keep record of the same for presentation to the sales tax department as and when required to do so.

55. Refund.– When filing a refund of input tax paid by the registered oil companies against the supplies made under rule 54 in addition to the relevant supportive documents specified in Chapter V of these rules, the claimant shall furnish the duly verified original copy of the monthly statement specified in sub- rule (2) of rule 54 along with one set of legible photocopies.

56. Supplies to the United Nations and organisations working under it.– (1) The United Nations or organisations working under it, desirous of taking a zero- rated supply from a registered person shall apply to the Assistant Collector or Deputy Collector having jurisdiction for permission to this effect along with an exemption order, in original, issued by the Ministry of Foreign Affairs in this behalf.

1-193-15-09-19

(2) The Assistant Collector or Deputy Collector shall make entries of the goods intended to be purchased on the original exemption order, keep the same for official record and issue an "Authorization for Zero- rated Supply", as aforesaid, in the name of the said registered person.

(3) The registered person shall make the zero- rated supply and keep record of the same for presentation to the sales tax department as and when required to do so.

57. Supplies to Privileged Organisations other than the United Nations.– (1) Any privileged organisation desirous of taking a zero- rated supply from a registered person shall apply to the Assistant Collector or Deputy Collector having jurisdiction for permission to take delivery of goods along with an exemption order, in original, duly issued by the Economic Affairs Division of the Government of Pakistan.

(2) The Assistant Collector or Deputy Collector shall make entries of the goods intended to be purchased by the privileged organisation on the original letter of the Economic Affairs Division, keep the same for office record and issue an "Authorization for Zero- Rated Supply", as aforesaid, in the name of the said registered person.

(3) The registered person shall make the zero- rated supply and keep record of the same for presentation to the sales tax department as and when required to do so.

[1][CHAPTER VIII-A

IMPORT OR SUPPLY OF EXEMPT GOODS TO ORGANIZATIONS OR AGENCIES UNDER GRANTS- IN- AID

57A. Application.- The provisions of this Chapter shall apply to goods imported or supplied in terms of Serial No. 48 of the Sixth Schedule to the Act.

57B. Procedure for availing exemption.- (1) Any entitled organization or agency desirous of making exempt import or taking exempt supply from a registered person shall make application to the officer of Inland Revenue having jurisdiction for issuance of exemption certificate to this effect, provided that the application shall be accompanied by an exemption order in original issued by Economic Affairs Division on the format specified by the Board in the name of the organization or agency entitled for such exemption, specifying and certifying-

(a) the exact description, along with specifications of the goods and their bonafide use;

(b) their quantity and value; and

[2][(c) the reference number and date of the consent of the Board as stipulated in the aforesaid serial number 48 under rule 57A.]

(2) The officer of Inland Revenue shall keep the original exemption order of the Economic Affairs Division for office record and after satisfying himself that the intended purchase by the organization or agency is bonafide, shall [3][, within fifteen days of the receipt of the application referred to in sub-rule (1),] issue an "Authorization for Exempt Supply" in the name of the importer of registered supplier, as the case may be, clearly mentioning that only the sales tax levied on the last transaction shall be exempt:

Provided that the officer of Inland Revenue may deny exemption to any goods or class of goods, as the case may be, for reasons to be recorded in writing, if he has grounds to believe that the intended import or purchase is not under or for grant- in- aid.

(3) On receiving "Authorization for Exempt Supply", the concerned Collector of Customs or registered supplier, as the case may be, shall allow exempt import or make exempt supply respectively and keep a record of the same for presentation to the Inland Revenue department.

(4) In case an entitled organization or agency has made imports or purchases without obtaining "Authorization for Exempt Supply", the Economic Affairs Division shall forward claims for refund of sales tax paid, fulfilling the conditions in sub-rule (1), to the Board, for processing in terms of the relevant provisions of law.]

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[1]Chapter VIII-A, Rules 57A & 57B inserted by SRO 494(I)/2015 dated June 30, 2015.

[2]Clause (c) substituted by SRO 918(I)/2019 dated August 07, 2019.

[3]Words inserted by SRO 918(I)/2019 dated August 07, 2019.

Rule 57B(1)(c)-Substitution.- Before substitution it read as follows:-

"(c) relevance of the intended purchase under grant-in-aid."

CHAPTER IX
TAXPAYER'S AUTHORIZED REPRESENTATIVES

58. Application.- The provisions of this chapter shall apply to persons authorized by a taxpayer to represent him or appear on his behalf before the Appellate Tribunal, [1][Board] or any other adjudicating authority.

59. Persons authorized to represent a taxpayer.- For the purpose of this chapter, only the following persons are authorized to represent a taxpayer before the adjudicating authority and Appellate Tribunal, namely:-

(a) a person in the employment of the taxpayer working on a full- time basis and holding at least a bachelor's degree in any discipline from a university recognized by the Higher Education Commission provided that such person shall represent only the taxpayer in whose employment he is working on full-time basis;

(b) an advocate entered in any rolls, and practicing as such, under the Legal Practitioners and Bar Councils Act, 1973 (XXXV of 1973);

(c) a person holding a Bachelor or Masters degree in Commerce;

(d) a person who has retired or resigned after putting in satisfactory service in the Sales Tax Department or Customs Department or Federal Excise Department for a period of not less than ten years in a post or posts not inferior to that of an Assistant Collector:

Provided that no such person shall be entitled to represent a taxpayer for a period of one year from the date of his retirement or resignation, or in a case in which he had made, or approved, as the case may be, any order under the relevant Acts; and

(e) an accountant.

60. Disqualifications.- The following persons shall not be entitled to represent a taxpayer under this chapter, namely:–

(a) any person who has been convicted as a result of any criminal proceedings under any law for the time being in force in Pakistan;

(b) a person who has been dismissed or compulsorily retired from service;

(c) a person who is an undischarged insolvent; and

(d) a person who has been found guilty of misconduct as defined in clause (xxxi) of sub- rule (1) of rule 2.

61. Procedure to appoint authorized representative.- To appoint his authorized representative, a taxpayer shall issue a Letter of Authorization, in the form specified in STR-13, duly signed by proprietor, partner or director of the company or business concern, which shall be submitted by the authorized representative before the adjudicating authority or Appellate Tribunal. The authorized representative will use the Letter of Authorization for a single hearing, or till final decision of the case, by the adjudicating authority or the Appellate Tribunal as the case may be.

62. Power to disqualify.- On receipt of a complaint against any authorized representative for misconduct from the Appellate Tribunal [1][, any officer of the Board] or, as the case may be, an adjudicating authority, the Board may, after affording such representative an opportunity of being heard, disqualify him from representing the taxpayer.

1-159-10-07-15

[1]Words etc. inserted by SRO 589(I)/2012 dated June 01, 2012, effective from June 02, 2012.

[1][CHAPTER IX-A

Independent Case Scrutiny Committees for Sales Tax

62A. Independent Case Scrutiny Committees.- (1) These rules 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 define under clause (5) of section 2 of the sales tax act, 1990.

(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 law;

(e) "reference" means a reference filed under section 47 of the Act;

(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 & Jurisdiction
(1)	(2)	(3)	(4)
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;

[1]Chapter IX-A, Rule 62A inserted by SRO 1169(I)/2026 dated July 27, 2026.

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	(iii) To maintain a database of settled legal questions and relevant precedents to guide future litigation decisions and ensure consistency; and (iv) To identity 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, [1][ ] RTO Islamabad. RTO Peshawar, RTO Abbottabad DG I&I Islamabad and its Directorates.
3	A senior serving or retired officer of the IRS of BS 20 or above	Member	
Committee No. 2			
S. No.	Member	Status	Functions & Jurisdiction
(1)	(2)	(3)	(4)
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. **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, [2][RTO-I Lahore, RTO-II Lahore,] RTO Rawalpindi, RTO Gujranwala RTO Faisalabad, RTO Multan, RTO Bahawalpur, RTO Sialkot, RTO Sargodha and RTO Sahiwal.
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	
3	A senior serving or retired officer of the IRS of BS 20 or above	Member	
Committee No. 3			
S. No.	Member	Status	Functions & Jurisdiction
(1)	(2)	(3)	(4)

[1]Words etc. "CTO Islamabad," omitted by SRO 1237(I)/2026 dated July 30, 2026.
[2]Substituted for "RTO Lahore," by SRO 1237(I)/2026 dated July 30, 2026.

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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. **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, [2][CTO-I Karachi, CTO-II Karachi,] RTO-I Karachi, RTO-II Karachi, RTO Sukkur, RTO Hyderabad and RTO Quetta.
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	
3	A senior serving or retired officer of the IRS of BS 20 or above	Member	

(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.

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[1]Substituted for "CTO Karachi," by SRO 1237(I)/2026 dated July 30, 2026.

(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 presidents 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

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(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, anonymised 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 cases per month;

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(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 2l 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 unfavourable 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.]

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CHAPTER X

ALTERNATIVE DISPUTE RESOLUTION

[1][**63. Application**.- (1) This chapter shall apply to all cases of disputes brought or specified for resolution under section 47A of the Act.

64. Definitions.– In this chapter, unless there is anything repugnant in the subject or context,-

(a) "applicant" means an aggrieved person or a class of persons [2][in case identical issues are involved] who has brought a dispute for resolution under section 47A of the Act;

(b) "Committee" means a Committee constituted under sub-section (2) of section 47A of the Act; and

(c) "dispute" means any grievance of the applicant pertaining to matter specified in sub-section (1) of section 47A of the Act.

65. Application for alternative dispute resolution and appointment of Committee. – (1) Any person interested for resolution of any dispute under section 47A shall make a written application for alternative dispute resolution to the Board in the Form as set out in STR-27.

(2) The Board, after examination of contents of the application made under sub-rule (1) and facts stated therein and on satisfaction that the application may be referred to a Committee for the resolution of the hardship or dispute, shall appoint and notify a Committee, within a period of sixty days from receipt of the application consisting of persons as specified under sub-section (2) of section 47A of the Act.

(3) [3][Chief Commissioner Inland Revenue having jurisdiction over the case] shall be Chairperson of the Committee.

[4][ ]

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[1]Rules 63 to 69 substituted by SRO 488(I)/2019 dated April 25, 2019.
[2]Words inserted by SRO 793(I)/2020 dated August 28, 2020.
[3]Substituted for "A retired judge not below the rank of District & Sessions Judge, appointed in a manner as aforesaid," by SRO 793(I)/2020 dated August 28, 2020.
[4]Sub-rules (4) & (5) deleted by SRO 793(I)/2020 dated August 28, 2020.

Rules 63 to 69-Substitution.- Before substitution these read as follows:- *(See on next page)*

Rule 65(4) & (5)-Omission.- Before Omission these read as follows:-

(4) After notification of the Committee under sub-rule (2), the applicant or the Commissioner or both, as the case may be, shall withdraw appeal pending before any court of law or an appellate authority relating to the hardship or dispute stated in the application filed under sub-rule (1).

(5) Subject to the proviso to sub-section (4) of section 47A of the Act, the Committee appointed and notified under sub-rule (2) shall commence proceedings after receipt of order of withdrawal of appeal from the Board.

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Rules 63 to 69-Substitution.- Before substitution these read as follows:-

"63. Application.- The provisions of this Chapter shall apply to all cases of dispute brought or specified for resolution under section 47A of the Act.

64. Application for alternative dispute resolution.- Any registered person interested for resolution of any dispute under section 47A may submit a written application for alternative dispute resolution to the Board, stating *inter alia*, the following namely:–

(a) the Collectorate of Sales Tax and the office of the Sales Tax with whom a dispute has arisen.

(b) the particulars of the case;

(c) the grounds on the basis of which a resolution of a dispute is being sought by the applicant duly supported with relevant documents;

(d) the extent or the amount of sales tax, default surcharge and penalties, which the applicant agrees to pay, if any;

(e) details of amounts already paid, if any; and

(f) the particulars of any person who will represent the applicant.

65. Appointment of Alternative Dispute Resolution Committee.- (1) The Board, after examination of the contents of an application by a registered person and facts stated therein and on satisfaction that a dispute deserves consideration for resolution for the removal of hardship under section 47A of the Act, may constitute a committee for examination of the issues involved in the dispute and for taking other actions as provided under sub- section (3) of section 47A of the Act.

(2) The Board may appoint one of the members of the committee, other than a public servant, to be its chairman.

(3) The Board shall require the committee to submit its report within [1][ninety] days of its appointment.

Provided that the time so specified may, if requested by the Chairman of the committee for reasons to be recorded in writing, be extended by the Board to such extent and subject to such conditions and limitations as it may deem proper.

[1]Substituted for "sixty" by SRO 487(I)/2011 dated June 03, 2011, effective from June 04, 2011. Earlier it was substituted for "forty- five" by SRO 470(I)/2007, dated June 09, 2007.

66. Working of the Committee.- The committee shall hold all its meeting in the office of the Collectorate of Sales Tax. The Collectorate shall be responsible to provide the requisite staff and material for the smooth functions of the Alternative Dispute Resolution Secretariat in the Collectorate. The Chairman of the Committee shall be responsible for deciding the procedure to be followed by the committee which may, *inter alia*, include the following, namely:-

(a) to specify date and time for conducting proceedings by the committee;

(b) to supervise the proceedings and ensure maintenance of record of proceedings of the committee;

(c) to issue notices by courier, registered post or electronic mail to the applicant;

(d) to requisition and procure relevant records or witnesses from the Collectorate or other concerned quarters;

(e) to ensure attendance of all concerned;

(f) to co- opt any other technical, professional or legal expert or tax consultant;

(g) to consolidate recommendations of the committee and submission of the conclusive report to the Board; and

(h) for any other matter covered under this chapter.

67. Recommendations of the Committee.- (1) The committee may determine the issue and may thereafter seek further information or data or expert opinion or make or cause to be made such inquiries or audit as it may deem fit. The committee shall formulate its recommendations in respect of any matter mentioned in the sub- section (1) of section 47A of the Act.

(2) The Chairman of the committee shall send a copy of the recommendations of the committee to the Board, applicant and the concerned Collector simultaneously.

68. Reconsideration by the committee.- (1) The Board of its own motion, or on the request of the applicant, may refer back the recommendations of the committee for rectification of any obvious error or for reconsideration of the facts not considered earlier.

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66. Procedure to be followed.– The Chairperson of the Committee shall be responsible for deciding the procedure to be followed by the Committee which may, inter-alia, include the following, namely:-

(a) to decide about the place of sitting of the Committee [1][ ];

(b) to specify date and time for conducting proceedings by the Committee;

[2][(c) to conduct the proceedings of the Committee as he thinks appropriate;]

(d) to issue notices by courier or registered post or electronic mail to the applicant;

(e) to requisition and produce relevant records or witnesses from the Commissioner or other concerned quarters;

(f) to ensure attendance of the applicant for hearing either in person or through an advocate, representative or a tax consultant;

(g) to consolidate decision of the Committee and communicate it to the Board, the Commissioner and the applicant; and

(h) for any other matter covered under these rules.

67. Working of the Committee.– (1) The Committee may conduct inquiry, seek expert opinion, direct any officer of Inland Revenue or any other person to conduct an audit and make recommendations to the Committee in respect of dispute or hardship.

(2) The Committee may determine the issue and may thereafter seek further information or data or expert opinion or make or cause to be made such inquiries or audit as it may deem fit, to decide the matter specified in sub-section (1) of section 47A of the Act.

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[1]Words ", in consultation with the Chief Commissioner having jurisdiction over the applicant" deleted by SRO 793(I)/2020 dated August 28, 2020.

[2]Clause (c) substituted by SRO 793(I)/2020 dated August 28, 2020.

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(2) The committee after rectification of the error or reconsideration of the facts as aforesaid shall furnish to the Board its fresh or amended recommendations within such period, as may be specified by the Board.

69. Decision of the Board.- (1) The Board, after examining the recommendations of the committee, shall finally decide the dispute and make such orders, as it may deem fit for the resolution of the dispute under intimation to the applicant, the Chairman of the committee and the concerned Collectorate.

(2) On receipt of the Board's order as aforesaid, the concerned Collectorate shall implement the order issued by the Board in the manner provided for in sub- section (5) of section 47A of the Act.

(3) A complete record of all proceedings of the cases dealt with under the alternate dispute resolution scheme shall be maintained by the concerned Collectorate and the concerned Collector shall ensure that proper arrangements are made for the purpose of maintaining such records in appropriate manner."

Rule 66(c)-Substitution.- Before substitution it read as follows:-

(c) to supervise the proceedings of the Committee;

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68. Decision of the Committee.– [1][(1) The Committee shall decide the dispute within one hundred and twenty days from the date of its appointment by the Board, through consensus. The Committee shall communicate its decision to the Board, the Commissioner having jurisdiction and the applicant.]

(2) The decision of the Committee under sub-rule (1) shall be binding on the Commissioner [2][where the aggrieved person, or class of persons, have withdrawn the appeal pending before any appellate authority or the court of law and have communicated the order of withdrawal to the Commissioner:

Provided that if the order of withdrawal is not communicated to the Commissioner within sixty days of the service of decision of the committee upon the aggrieved person, the decision of the committee shall not be binding on the Commissioner].

(3) On receipt of the Committee's decision, the applicant shall make payment of sales tax and other taxes as specified by the Committee in its decision and the Commissioner shall modify order as per decision of the Committee.

69. Remuneration.– [3][ ]

(2) A member of the Committee appointed under clause [4][(b)] of sub-section (2) of section 47A of the Act shall be paid a lump sum one time remuneration of one hundred thousand rupees for his services.

(3) The remuneration specified in [5][sub-rule] (2) shall be paid by the Board from its budget allocation within fifteen days of the receipt of the decision of the Committee under sub-rule (1) of rule 68.]

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[1]Rule 68(1) substituted by SRO 793(I)/2020 dated August 28, 2020.
[2]Substituted for "and the aggrieved person" by SRO 793(I)/2020 dated August 28, 2020.
[3]Rule 69(1) deleted by SRO 793(I)/2020 dated August 28, 2020.
[4]Substituted for "(ii)" by SRO 793(I)/2020 dated August 28, 2020.
[5]Substituted for "sub-rules (1) and" by SRO 793(I)/2020 dated August 28, 2020.

Rule 68(1)-Substitution.- Before substitution it read as follows:-

"(1) The Committee shall decide the dispute within one hundred and twenty days from the date of receipt of order of withdrawal from the Board mentioned in sub-rule (5) of rule 65. Decision of majority members of the Committee shall be construed decision of the Committee which shall be communicated by the Committee to the Board, the Commissioner having jurisdiction and the applicant."

Rule 69(1)-Omission.- Before omission it read as follows:-

"(1) The Chairperson of the Committee appointed under sub-rule (3) of rule 65 shall be paid a lump sum one-time remuneration of two hundred thousand rupees for his services."

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[1][CHAPTER X-A

SUPPLY FROM TAX EXEMPT AREAS

69A. Application.- The provisions of this Chapter shall apply to the supplies of taxable goods brought from tax-exempt areas into taxable areas.

69B. Definitions.- (1) In this Chapter, unless there is anything repugnant in subject or context,

(a) "adjudicating authority" means an officer of Inland Revenue not below the rank of Assistant Commissioner Inland Revenue having territorial jurisdiction over the check- post and relevant land route.

(b) "authorized officer" means an officer of Inland Revenue not below the rank of Inspector Inland Revenue, duly authorized by the concerned Commissioner, Inland Revenue, for the purpose of this Chapter;

(c) "authorized signatory" means registered person or his manager or accountant;

(d) "check-post" means a place where goods are examined along with the documents related thereto under the provisions of this Chapter and includes a mobile team designated for the purpose of examining the goods and documents related thereto at any point on the route from tax exempt areas to taxable areas;

(e) "prescribed documents" means documents prescribed under rule 69E to be accompanied by the conveyance carrying taxable goods supplied from the tax exempt areas into the taxable areas;

(f) "tax exempt area" means areas specified in sub-section (5) of section 40D of the Act;

(g) "taxable area" means areas other than tax exempt areas; and

(h) "taxable goods" means all goods other than those which has been exempted under section 13 of the Act.

(2) Other words or expressions used but not defined herein shall have the same meanings as are assigned to them in the Act.

69C. Registration and liability of person bringing taxable goods from tax-exempt areas.- (1) The person bringing, or causing to bring, taxable goods from tax exempt area shall be required to be registered under the Act or, as the case may be, the Sales Tax Act, 1990 as adopted in Azad Jammu and Kashmir and all the provisions of the Acts ibid shall apply accordingly.

(2) The liability of payment of tax or taxes and furnishing of prescribed documents shall be on the person bringing, or causing to bring, taxable goods from tax exempt area and supplying the same in taxable area in the course and furtherance of taxable activity.

(3) Subject to the applicable provisions of the Act and the rules made thereunder, a registered person shall be entitled to the adjustment of any input tax paid under the Sales Tax Act, 1990 as adopted in Azad Jammu and Kashmir.

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[1]Chapter X-A Rules 69A to 69H inserted by SRO 96(I)/2021 dated January 26, 2021.

69D. E-transport advice.- (1) Every registered person bringing, or causing to bring, taxable goods from tax-exempt areas into taxable area, in the course and furtherance of taxable activity, shall login to FBR computerized system and electronically generate e-transport advice, with a unique identification number, in the form specified in STR 32. The e-transport advice shall be issued prior to entry of the taxable goods in to the taxable area.

Provided that a registered person shall only be allowed to generate e-transport advice if he is not blacklisted or suspended in terms of section 21 of the Act and he has filed return under section 26 thereof by the due date for the last two immediately preceding tax periods.

(2) Where an e-transport advice has been generated under this rule, but goods are either not transported or are not transported as per the details furnished, the e-transport advice may be canceled within twelve hours of its issuance:

Provided that the e-transport advice shall not be canceled after it has been examined by an authorized officer on any of the check-posts including the designated mobile teams.

(3) E-transport advice shall be valid for a period of up to one day for distances of up to 100 km in the taxable areas and one additional day for every 100 km or part thereof thereafter.

(4) Where due to unavoidable circumstances, the taxable goods cannot be transported within the validity period of the e-transport advice, the concerned Commissioner Inland Revenue, upon receiving application from the registered person, may extend the validity period.

(5) The details of e-transport advice shall be made available to the recipient of the supply who shall convey his acceptance or rejection of the supply of goods through the FBR computerized system:

Provided that where no acceptance or rejection has been communicated by the recipient within forty-eight hours of such intimation or before the delivery of the goods, whichever is earlier, it shall be deemed that he has accepted the supply of the goods:

Provided further that the provisions of this sub-rule shall not apply where the taxable goods are brought in to the taxable area by manufacturer or importer to be sold at self-own, self-managed, self-administrated or self-operated distribution, wholesale or retail outlet.

(6) The registered person may update the particulars of vehicle while the goods are in transit after duly intimating the concerned Commissioner Inland Revenue and providing reasons for the updating.

(7) Only one e-transport advice may be generated against a single invoice or, as the case may be, a stock advice and one conveyance may carry multiple e-transport advices in case it is transporting taxable goods relating to multiple invoices or stock advices:

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Provided where e-transport advice has been canceled under sub-rule (2), fresh e-transport advice may be generated against the same invoice or, as the case may be, stock advice.

69E. Prescribed documents.- (1) Every conveyance carrying taxable goods originating from tax-exempt areas and entering taxable area shall carry the following documents at the time of entering into taxable areas namely:-

(i) sales tax invoice, in original, as prescribed under section 23 of the Act or as the case may be, under the Sales Tax Act, 1990 as adopted in Azad Jammu and Kashmir:

Provided that where any taxable goods are exempt under the Sales Tax Act, 1990 as adopted in Azad Jammu and Kashmir or any notification issued thereunder, such goods shall be accompanied by a serially number invoice containing all particulars as specified in section 23 of the Act excluding the amount of sales tax and mentioning the legal provision under which exemption is claimed.:

Provided further that where the taxable goods are brought in to the taxable area by a manufacturer or importer to be sold at his self-owned, self-managed, self-administered or self-operated distribution, wholesale or retail outlet or outlets, duly declared in his STR-1 Form, such goods shall be accompanied by serially numbered stock advice in the form specified in STR-33 along with copy of STR-1 Form.

(ii) goods declaration in case of imported goods; and

(iii) e-transport advice as specified under rule 69D.

(2) The prescribed documents shall accompany the conveyance up to the destination mentioned in the relevant e-transport advice.

69F. Check-posts.- (1) The Board may specify the location and other necessary particulars of check-posts, including mobile teams, if any, through a notification in the Official Gazette.

(2) The Chief Commissioners Inland Revenue of RTO Peshawar, RTO Abbottabad, RTO Rawalpindi, RTO Sialkot and RTO Quetta or any other RTO having jurisdiction over areas adjoining tax exempt areas, shall establish check-post or check-posts, as notified by the Board under sub-rule (1), within the relevant regional territorial jurisdiction.

(3) At the check-posts every conveyance entering into taxable area from tax exempt areas and carrying any taxable goods (including such goods as are prima facie deemed or suspected to be taxable) shall be subjected to scrutiny by the authorized officer.

(4) On the basis of credible information, mobile teams may proceed to intercept, examine and search any conveyance on the routes emanating from tax exempt areas and all the relevant provisions of the Act and these rules shall apply accordingly.

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(5) A summary report of examination of taxable goods under sub-rule (3) or as the case may be under sub-rule (4), shall be recorded online by authorized officer mentioning the unique identification number of the e-transport advice in respect of the goods examined.

69G. Powers of the authorized officer.- Any taxable goods in respect of which any of the provisions of Act or these rules have been contravened shall be liable to be seized along with the conveyance, if any, in which such goods are laden or have been laden or which has been used for movement, carriage or transportation of such goods.

69H. Confiscation.- (1) The adjudicating authority, by passing an order in writing, shall have powers and authority to confiscate taxable goods which are brought in to taxable areas in violation of the Act and these rules.

(2) When any goods are confiscated under these rules, such goods shall thereupon vest in the Federal Government.

(3) The adjudicating authority after confiscation shall take and hold possession of the goods confiscated, and every officer of Inland Revenue, if required, shall assist him in taking and holding such possession.

(4) Goods in respect of which order under sub-rule (1) has been passed, and in respect of which the option of paying a fine in lieu of confiscation has not been exercised, shall be disposed of in such manner as the Chief Commissioner Inland Revenue, having jurisdiction may direct.]

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CHAPTER XI
RECOVERY
PART - I

70. Application.- The provisions of this chapter shall apply to recoveries made under section 48 of the Act.

71. Initiation of recovery action.- (1) On expiry of thirty days from the date on which the Government dues are adjudged, the referring authority shall deduct the amount from any money owing to the person from whom such amount is recoverable and which may be at the disposal or in the control of such officer.

(2) In case the government dues are not fully recovered under sub- rule (1), the referring authority may,-

(a) serve a notice to the Sales Tax, Customs, Federal Excise and Income Tax officers in the form as set out in STR- 16 to deduct the Government dues from any money owing to the defaulter which may be under their control; and a copy of such notice shall be endorsed to the defaulter;

(b) require by notice in writing, any person or organization who holds, or may subsequently hold, any money for or on account of the defaulter, to pay to such officer the amount specified in the notice;

(c) require, by notice in writing, the customs officers to stop the clearance of any goods imported by the defaulter; and

(d) attach the bank accounts of the defaulter:

Provided that either before or after the initiation of recovery proceedings, the Collector may, if so requested by the person concerned, recover the dues in such instalments as he may deem proper.

Provided further that in case a registered person pays the amount of tax less than the due tax as indicated in his return, the referring authority may directly proceed to recover the short- paid amount by attachment of the bank accounts of the defaulter or through stoppage of clearances from the business premises, as provided in the following rule, after serving a notice for payment of the short- paid amount in three days.

72. Stoppage of clearances and sealing of business premises.- (1) In case the government dues are not recovered in the manner prescribed in rule 71, the referring authority shall serve upon the defaulter a notice as set out in STR- 17, informing him that removal of any goods from his business premises shall be stopped with effect from the date specified in the notice till such time the dues are paid or recovered in full:

Provided that if the government dues still remain unpaid, the referring authority shall seal the business premises of the defaulter till such time the dues are paid or recovered in full.

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(2) If the referring authority is satisfied that the defaulter is likely to conceal, remove or dispose of the whole or any part of such of his movable or immovable property, as shall be liable to attachment in the process of recovery, and that the realization of government dues in consequence be delayed or obstructed, he may at any time after the issue of the notice under sub- rule (1), direct, for reasons to be recorded in writing, execution of the notice by ignoring the specified time limit.

(3) The referring authority may, if he deems fit, publish such notice as mentioned in sub- rule (1), in one or more newspapers circulated in the district of normal residence of the defaulter.

73. Demand note.- In the event of failure of recovery measures taken by the referring authority under rules 71 and 72, the referring authority, shall issue a demand note, in the form set out in STR- 14, to the Recovery Officer, specifying therein the details of Government dues meant for recovery and shall also certify that the formalities under clauses (a), (b), (c), (ca), (d) and (f) of sub- section (1) of section 48 of the Act have been completed and there exists no bar or stay order against the proposed recovery.

74. Attachment and sale of property.- The Recovery Officer, on receipt of the demand note, shall serve upon the defaulter a notice as set out in STR- 18 and his movable and immovable property shall stand attached and subsequently shall be sold if the recovery is not otherwise effected.

75. Master registers to be maintained by the referring authority and the Recovery Officer.- (1) The referring authority and the Recovery Officer shall maintain master registers in the form set out in STR- 15 and every notice, order and demand note shall be entered in this register serially, and they shall authenticate all entries by affixing their signatures and seal thereon.

(2) The referring authority and the Recovery Officer shall exchange their information for completion of corresponding entries in the master registers of both offices in the form of a monthly return which shall be the exact replica of STR- 15, after filling the respective columns by the concerned office.

76. Power to require information to be furnished.- The referring authority or the Recovery Officer may, by requisition in writing, require any person or organisation, whether registered under the Act or otherwise, to furnish any information, required for the proceedings under this chapter.

77. Mode of service of notice.- All notices or orders served under this chapter, unless otherwise specifically provided, shall be served-

(a) by tendering the notices or orders or sending by registered post or courier service, to the person for whom these are intended or to his agent, at his last known address; or

(b) if the notice cannot be served in the manner as provided in clause (a), by affixing it on the notice board in the office of the Recovery Officer.

78. Disposal of proceeds of execution.- (1) Whenever Government dues are realized, by sale or otherwise, in execution of a notice of recovery, they shall be applied to the following purposes in their respective order, namely:-

(a) first to pay the expenses of the sales;

(b) then to pay the freight or other charges, if any, payable in respect of goods, if notice of such charges has been given to the person holding the goods in custody;

(c) then to pay the Government dues; and

(d) then to pay the charges due to the person holding such goods in custody.

(2) After making all payments under sub- rule (1), the balance, if any, shall be paid to the owner of the goods, provided that he applies for it within six months of the sale of the goods or shows sufficient cause for not doing so.

79. Ruling regarding disputed matters.- Save as otherwise expressly provided in the Act or this chapter, any question arising between the referring authority and the defaulter or their representatives, relating to the execution of a notice or discharge or satisfaction of a demand note duly issued under this chapter, or relating to the confirmation or setting aside by an order under this chapter of a sale held in execution of such notice, shall be determined by the Recovery Officer, before whom such question arises.

80. Property liable to attachment and sale in execution.- The following is liable to attachment and sale in execution of a notice, namely: lands, houses or other buildings, goods, bank notes, Government securities, bonds or other securities for money, cheques, bills of exchange, *hundies*, promissory notes, shares in corporation and, save as hereinafter mentioned, all other saleable property, movable or immovable, belonging to the defaulter, or over which, or the profits of which, he has a disposing power which he may exercise for his own benefit, whether the same be held in the name of the defaulter or by another person in trust for him or on his behalf:

Provided that the following particulars shall not be liable to attachment or sale, namely:-

(i) the necessary wearing apparel, cooking vessels, beds and bedding of the defaulter, his wife and children, and such personal ornaments, as, in accordance with religious usage, cannot be parted with by any woman;

(ii) tools of artisan, and, where the defaulter is an agriculturist, his implements of husbandry and such cattle and seed grain as may, in the opinion of the Recovery Officer, be necessary to enable him to earn his livelihood as such;

(iii) stipends and gratuities allowed to a pensioner of a Government or payable out of any service or family pension fund notified in the official Gazette by the Federal Government or the Provincial Government in this behalf, and political pensions;

(iv) the wages of labourers and domestic servants, whether payable in money or in kind;

(v) salary to the extent of first hundred rupees and one half of the remainder;

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(vi) all compulsory deposits and other sources in or derived from any fund to which the Provident Funds Act, 1925 (XIX of 1925), for the time being applies, in so far as they are declared by the said Act not to be liable to attachment;

(vii) any allowance forming part of the emoluments of any servant of the Government or local authority which the Federal Government or Provincial Government may, by notification in the official Gazette, declare to be exempt from attachment, and any subsistence grant or allowance made to any such servant while under suspension;

(viii) any expectancy of succession by survivor- ship or other merely contingent or possible right or interest; and

(ix) a right to future maintenance.

81. Objections and investigations, thereof.- (1) When any objection is raised to the attachment or sale of any property in execution of a notice, on the ground that such property is not liable to such attachment or sales, the Recovery Officer shall proceed to investigate into it.

(2) If the Recovery Officer is satisfied that the objection is raised to delay the proceedings, he shall reject the objection summarily.

(3) Pending investigation, the Recovery Officer may adjourn recovery proceedings, upon such terms as to security or otherwise as he may deem fit.

(4) The objector shall produce evidence to prove the legitimacy of the objection, failing which the Recovery Officer shall reject the objection.

82. Removal of attachment on satisfaction of cancellation of a demand note.- When the Government dues are paid to the Recovery Officer or the demand note is cancelled, the attachment shall be deemed to be withdrawn and the withdrawal shall, if the defaulter so desires, be proclaimed at his expense, and a copy of the proclamation shall be affixed in the manner provided by this chapter for a proclamation of sale of immovable property.

83. Officer entitled to attach and sell.- The attachment and sale of movable and immovable property may be made by such officer as the Recovery Officer may direct in each case of recovery.

84. Adjournment or stoppage of sale.- (1) The Recovery Officer may adjourn any sale proceedings to a specified day and hour, and an officer conducting any sale may adjourn any sale hereunder to a specified day and hour by recording his reasons for such adjournment.

(2) Every sale shall be stopped if, before the lot is knocked down, the amount due is tendered to the officer conducting the sale or proof is given to his satisfaction that the amount has been paid to the Recovery Officer, who ordered the sale.

85. Defaulter not to interfere with attached property.- Where a notice has been served on a defaulter under rule 74, the defaulter or his representative in interest shall not sell, mortgage, charge, lease or otherwise deal with any property belonging to him except with the permission of the Recovery Officer.

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86. Prohibition against bidding or purchase by officer.- No officer or other person having any duty to perform in connection with any sale under this chapter shall, either directly or indirectly, bid for, acquire or attempt to acquire any interest in the property being sold.

87. Assistance for action.- (1) An officer authorised to attach or sell any property or charged with any duty to be performed may take along with him a contingent of sales tax staff and sepoys, armed or otherwise, for any assistance he may require in the performance of his duties.

(2) In addition to sub- rule (1), such officer may apply to the officer in charge of the nearest police station for such assistance as may be necessary in the discharge of his duties.

PART - II

ATTACHMENT AND SALE OF MOVABLE PROPERTY

88. Warrant of attachment.- Where any movable property is to be attached, the Recovery Officer shall furnish a warrant, in the form prescribed in the form STR- 19, to the attachment officer, in writing and signed with his name along with official seal, specifying therein the name of the defaulter and the Government dues to be realized.

89. Service of copy of warrant.- (1) The attachment officer shall cause a copy of the warrant to be served on defaulter or his agent in person.

(2) If service of a copy of warrant in terms of sub- rule (1) is not immediately possible, the same shall be considered to be served when affixed on the notice board in the office of the Recovery Officer.

90. Attachment.- If, after service of copy of the warrant, the amount is not paid forthwith, the officer shall proceed to attach the movable property of the defaulter:

Provided that the standing crops or the agricultural produce lying in the field or stored in or near the dwelling house of the defaulter or stored on the land owned, leased or cultivated by the defaulter, which represent the agricultural produce of the land owned, leased or cultivated by the defaulter, shall not be attached.

91. Property attached how to be dealt with.- (1) Whether the property to be attached is movable property in the possession of the defaulter or in the possession of any other person on behalf of the defaulter, the attachment shall be made by actual seizure.

(2) When anything is seized, the attachment officer, as soon as may be, inform in writing the person from whose possession the things are seized, of the grounds of such seizure.

92. Search how to be made.- All searches shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (Act V of 1898).

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93. Seizure after search of a building or premises.- (1) The attachment officer, if he has reasons to believe that any movable property liable to seizure is hidden, concealed or stored in any building or premises, he may break open any inner or outer door or window of the building or premises in order to seize such movable property:

Provided that the officer shall notify his authority and intention of breaking open if admission is not given. He shall, however, give all reasonable opportunity to women to withdraw.

(2) The attachment officer shall, after seizure of moveable property, prepare an inventory of the property in the presence of two or more persons who shall witness the process and sign the inventory.

94. Seizure between sunrise and sunset.- The attachment by seizures shall be made after sunrise and before sunset and not otherwise.

95. Seizure not to be excessive.- The attachment by seizure shall not be excessive, that is to say, the property attached shall be as nearly as possible, proportionate to the recoverable Government dues.

96. Attachment of movable property which cannot be removed due to certain reasons.- Where it is not practicable to seize any movable property, the attachment officer may serve on the owner of goods or any person holding them in his possession or charge an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission in writing of the Recovery Officer:

Provided that the attachment officer shall inform the Recovery Officer, in writing, of the reasons due to which the movable property could not be seized.

97. Storage of seized movable property.- (1) All things seized for the purposes of attachment under this chapter shall, without unnecessary delay, be delivered into the care of the officer of sales tax authorised to receive the same, unless otherwise specifically provided by the Act or rules made thereunder.

(2) If there be no such officer at hand, such things shall be carried to and deposited at the Custom House nearest to the place of seizure.

98. Attachment of negotiable instrument.- When the property to be attached is a negotiable instrument not deposited in a court, nor in the custody of a public officer, the attachment shall be made by actual seizure, and the instrument shall be brought before the Recovery Officer and held subject to his orders.

99. Attachment of property in custody of public officer.- When the property to be attached is in the custody of any public officer, the attachment shall be made by a notice to such officer requesting that such property and any interest or dividend becoming payable thereon, may be held subject to the further orders of the Recovery Officer by whom the notice is issued.

100. Attachment of share in movable property.- (1) Where the property to be attached consists of an interest of the defaulter in movable property belonging to him and others as co- owners, the attachment shall be made by a notice to the defaulter prohibiting him from transferring such share or interest or subjecting the same to a charge in any manner.

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101. Attachment of property in partnership.- (1) Where the property be attached consists of an interest of the defaulter, being a partner, in the partnership property, the Recovery Officer may make an order charging the share of such partner in the partnership property and profits, with payment of the amount due under the notice, and may by the same or subsequent order, appoint a receiver of the share of such partner in the profits, whether already declared or accruing, and of any other money which may become due to him in respect of the partnership, and direct maintenance of accounts and enquiries and make an order for the sale of such interest or may make such other order as the circumstances of the case may require.

(2) The other partners shall be at liberty at any time to redeem the interest charged or, in the case of a sale being directed, to purchase the same.

102. Sale.- (1) The Recovery Officer may direct that any movable property attached under this chapter or such portion thereof as may seem necessary to satisfy the notice shall be sold.

(2) The sale shall be made in one or more lots, as the Recovery Officer may consider desirable and, if the Government dues to be realized by sale are satisfied by the sale of a portion of the property, the sale shall be only with respect to that portion of the property and the sale of the remaining property shall be stopped.

103. Proclamation of sale.- (1) When any sale of movable property is ordered by the Recovery Officer, he shall issue a proclamation of the intended sale, specifying therein the time, place and whether the sales is subject to confirmation or not.

(2) The proclamation shall be made in writing in Urdu, English and language of the Province where sale is intended and shall be publicized by –

(a) affixing a copy thereof at the notice board in the office of the Recovery Officer;

(b) affixing copy thereof at such places as the Recovery Officer may direct; and

(c) publishing in one or more newspapers through auctioneer appointed under the Act and rules made thereunder.

104. Sale after fifteen days.- Except where the property is perishable or if the expenses of keeping it in custody is likely to exceed its value, no sale of movable property under this chapter shall be ordered without the consent, in writing, of the defaulter, until after the expiry of at least fifteen days from the date on which a copy of proclamation of sale was affixed in the office of the Recovery Officer.

105. Sale by public auction.- Sale by public auction shall be governed by the provisions of Chapter V of the Customs Rules, 2001.

106. Sale by tender or sealed bids.- The Recovery Officer may, if he deems fit, order sale by tender or sealed bids.

107. Preference for the co- owner.- Where the movable property to be sold is share belonging to the defaulter and one or more co- owners, and the bid of such co- owner and some other person is the same, the bid of co- owner shall have preference.

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108. Transfer of title.- On completion of sale proceedings the Recovery Officer shall grant to the purchaser a certificate specifying therein the property purchased, the price paid and the name of the purchaser, and the sale shall thereupon become absolute.

109. Irregularity not to vitiate sale.- Any error or irregularity in publishing or conducting the sale of movable property shall not vitiate the sale if the provisions of this chapter have been substantially complied with.

110. Negotiable instrument or share in a corporation.- Notwithstanding anything contained in this chapter, where the property to be sold is a negotiable instrument or a share in a Corporation, the Recovery Officer may, instead of directing the sale to be made by public auction, authorise the sale of such instrument or share through a broker.

111. Order for payment of coin or currency notes to the Referring Authority.- Where the property attached is coins or currency notes, the Recovery Officer may, at any time during the continuance of the attachment, direct that such coins or notes, or part thereof, sufficient to satisfy the demand note, to be paid over to the referring authority.

[1][**111A. Exemption from attachment**:- [2][(1)] Following shall not be liable to attachment and sale under these rules, namely:-

(a) the necessary wearing apparel, cooking vessels, beds and bedding of the defaulter, his wife and children, and such personal ornaments, as, in accordance with religious usage, cannot be parted with by any women;

(b) tools of artisans, and, where the defaulter is an agriculturist, his implements of husbandry and such cattle and seed grain as may, in the opinion of the Commissioner, be necessary to enable him to earn his livelihood as such;

(c) houses and other buildings (with the materials and the sites thereof and the land immediately appurtenant thereto and necessary for their enjoyment) belonging to an agriculturist and occupied by him;

(d) books of account;

(e) a mere right to sue for damages;

(f) any right of personal service;

(g) stipends and gratuities allowed to a pensioner of the Government, or payable out of any service family pension fund notified in official Gazette by the Federal Government or the Provincial Government in this behalf, and political pensions;

(h) all compulsory deposits and other sums in or derived from fund to which the Provident Funds Act, 1925 (XIX of 1925), for the time being applies in so far as they are declared by the Act not to be liable to attachment;

[1]Rule 111A inserted by SRO 353(I)/2020 dated May 05, 2020.
[2]Inserted by SRO 234(I)/2021 dated February 22, 2021.

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(i) any allowance forming part of the emoluments of any servant of Government or of any servant of a railway or local authority which the appropriate Government may, by notification in the official Gazette, declare to be exempt from attachment, and any subsistence grant or allowance made to any such servant while under suspension;

(j) any expectancy of succession by survivorship or other merely contingent or possible right or interest; and

(k) a right to future maintenance.

Explanation 1.- The particulars mentioned in clauses (g) and (i) are exempt from attachment or sale whether before or after they are actually payable, and in the case of salary other than salary of a servant of the Government or a servant of railway local authority the attachable portion thereof is exempt from attachment until it is actually payable.

Explanation 2.- In clause (i), "appropriate Government" means (i) in respects of any person in the service of the Federal Government, or any servant of Railway Board, a cantonment Authority or of the port authority or a major port, the Federal Government; (ii) and in respect of any person in the service of a Provincial Government or a servant of any local authority, the Provincial Government.]

[1][(2) The provisions of rules 210A to 210I of the Income Tax Rules, 2002 shall, *mutatis mutandis*, apply to Chapter XI of the Sales Tax Rules, 2006, for the purpose of recovery of sales tax arrears through bank account attachment.]

[1]Inserted by SRO 234(I)/2021 dated February 22, 2021.

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PART III

ATTACHMENT AND SALE OF IMMOVABLE PROPERTY

112. Attachment of immovable property.- Attachment of the immovable property of the defaulter shall be made, by the Recovery Officer, by an order prohibiting the defaulter from transferring or subjecting the property to a charge in any manner and prohibiting all persons from taking any benefit under such transfer or charge.

113. Service of order.- A copy of the order of attachment shall be served on the defaulter in the same manner as of service of notices laid down in this chapter.

114. Proclamation of attachment.- The order of attachment shall be proclaimed on or adjacent to the property attached by affixing a copy of order of attachment at a conspicuous place and a copy of the same shall also be affixed at the notice board in the office of the Recovery Officer.

115. Sale and proclamation of sale.- (1) The Recovery Officer may direct that any immovable property, which has been attached, or such portion thereof, as may be necessary to satisfy the demand note, shall be sold if the amount due is not otherwise recoverable.

(2) Where an immovable property is ordered to be sold, the Recovery Officer shall cause a proclamation to be made in the same manner as provided in rule 104.

116. Contents of proclamation of sale.- (1) A proclamation of sale of immovable property shall be drawn after proclamation of attachment and shall specify therein the time and place of sale and also specify-

(a) the location of property to be sold;

(b) as fairly and accurately as possible, the revenue or rent, if any, assessed upon the property or any part thereof; and

(c) the Government due for the recovery of which the sale is ordered.

(2) The proclamation may also specify any other thing which the Recovery Officer considers material for a purchaser to know in order to judge the nature and value of the property.

117. Time of sale.- No sale of immovable property under this chapter shall, without the consent in writing of the defaulter, take place until after the expiration of thirty days from the date on which copy of the proclamation of sale was affixed on the property or in the office of the Recovery Officer, whichever is later.

118. Sale to be by public auction or tender.- The sale shall be made by public auction or tender and shall be subject to confirmation by the Recovery Officer.

119. Deposit by purchaser and re- sale in default.- (1) On every sale of immovable property, the person declared to be the purchaser shall pay immediately, after the declaration, a deposit of twenty- five per cent of the amount of his purchase money to the officer conducting the sale; and in default of such deposit the property shall forthwith be re- sold.

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(2) The full amount of purchase money payable shall be paid by the purchaser on or before the fifteenth day from the date of sale of the property.

120. Procedure in default of payment.- (1) In default of payment within the time mentioned in sub- rule (2) of rule 119, deposit made vide sub- rule (1) thereof shall be kept as deposit to be dealt with as mentioned in rule 122.

(2) The immovable property shall be re- sold and the defaulting purchaser shall forfeit all claims to the property or to any part of the sum for which it may be subsequently sold.

121. Amount recoverable from purchaser in default.- Any deficiency of price which may happen on a re- sale by reason of a purchaser's default including all expenses attending such re- sale, shall be recoverable from defaulting purchaser up to the maximum of deposit money and if there is any surplus, after meeting the deficiency, the same shall be refunded to the defaulting purchaser.

122. Authority to bid.- All persons bidding at a sale shall be required to declare if they are bidding on their own behalf, or on behalf of their principals and, in the later case, they shall be required to deposit their authority to bid and in default their bid shall be rejected.

123. Application to set aside sale of immovable property.- (1) Where immovable property has been sold in execution of a notice, the defaulter, or any person whose interests are affected by the sale may, at any time within thirty days from the date of sale, apply to the Recovery Officer to set aside the sale on his depositing-

(a) for payment to the Referring Authority, the Government dues specified in the proclamation of sale as that for the recovery of which sale was ordered with a surcharge thereon at the rate of ten per cent per annum, calculated from the date of the proclamation of sale to the date when deposit is made; and

(b) for payment to purchaser, a sum equal to ten per cent of the purchase money.

(2) Where a person makes an application under rule 124 for setting aside sale of his immovable property, he shall not, unless he withdraws that application, be entitled to make an application under sub- rule (1).

124. Application to set aside sale of immovable property on ground of non- service of proclamation or irregularity.- Where immovable property has been sold in execution of a demand note, the referring authority, the defaulter, or any other person whose interests are affected by the sale, may, at any time within thirty days from the date of sale, apply to the Recovery Officer to set aside the sale on the ground that proclamation of attachment or proclamation of sale was not made in the prescribed manner and he could not pay the Government dues or on ground of a material irregularity in publishing or conducting the same:

Provided that -

(a) no sale shall be set aside on any such ground unless the Recovery Officer is satisfied on the basis of evidence produced before him that the applicant has sustained losses by such reasons; and

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(b) an application made by defaulter under this rule shall be disallowed unless he deposits the amount recoverable from him in execution of demand note.

125. Setting aside of sale where defaulter has no saleable interest.- At any time within thirty days of the sale, the purchaser may apply to the Recovery Officer to set aside the sale on the ground that the defaulter had no saleable interest in the property sold.

126. Confirmation of sale.- (1) Where no application is made for setting aside the sale under this chapter or where such an application is made and disallowed, the Recovery Officer shall, if the full amount of purchase money is paid, make an order confirming the sale and there upon the sale shall become absolute.

(2) Where such application, is made and allowed or in case of an application to set aside the sale on deposit of amount and penalty and surcharge the deposit is made within thirty days of sale, the Recovery Officer shall set aside the sale:

Provided that no such order shall be made unless notice of the application has been given to the persons affected thereby.

127. Return of purchase money in certain cases.- Where a sale of immovable property is set aside, any money paid or deposited by the purchaser on account of the purchase, together with the penalty, if any, deposited by him, shall be paid to the purchaser.

128. Sale Certificate.- (1) Where a sale of immovable property has become absolute, the Recovery Officer shall grant a certificate specifying therein the property sold and the name of the person who at the time of sale was declared to be the purchaser.

(2) Such certificate shall state the date on which the sale became absolute.

129. Postponement of sale to enable defaulter to raise amount due under notice.- (1) Where an order or proclamation of sale of immovable property has been made and the defaulter satisfies the Recovery Officer that there are reasons to believe that amount of the note can be raised by mortgage or lease or private sale of such property, or some part thereof, or of any other movable or immovable property, the Recovery Officer may, on the application of the defaulter, postpone the sale on such terms and for such period as he thinks proper, to enable defaulter to raise the amount.

(2) In such case, the Recovery Officer shall grant a certificate to defaulter authorizing him, within a period to be mentioned therein and notwithstanding any thing contained in this chapter, to make the proposed mortgage, lease or sale:

Provided that all money payable under such mortgage, lease or sale shall be paid not to the defaulter but to the Recovery Officer:

Provided further that no mortgage, lease or sale under this rule shall become absolute until it has been confirmed by the Recovery Officer.

130. Issue of fresh proclamation before re- sale.- Every re- sale of immovable property, in default of payment of purchase money within the period allowed for such payment, shall be made after the issue of a fresh proclamation in the same manner as provided for the proclamation of sale.

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131. Bid of co- owner to have preference.- Where the property sold is a share of undivided immovable property of two or more persons, of whom defaulter is a co- sharer and the bid of the co- sharer and some other person is the same, the bid of the co- sharer shall have preference.

PART - IV

APPOINTMENT OF RECEIVER

132. Appointment of receiver for business.- (1) Where the property of defaulter consist of a running business, the Recovery Officer may attach the business and appoint a person as receiver to manage the business.

(2) Attachment of a business under this rule shall be made by an order prohibiting the defaulter from transferring or subjecting the business to a charge in any manner and prohibiting all persons from taking any benefit under such transfer or charge and intimating that the business has been attached under this rule.

(3) Proclamation of attachment under this rule shall be made in the same manner as provided for proclamation of sale under rule 103.

(4) Where the Recovery Officer so directs, such order shall also be published in newspapers.

133. Appointment of receiver for immovable property.- Where immovable property is attached, the Recovery Officer may, instead of directing a sale of the property, appoint a person as receiver to manage such property.

134. Qualification for receiver.- (1) Any person from the general public can be appointed as receiver upon having sufficient knowledge of the kind of business or the property for which he is to be appointed as receiver.

(2) Notwithstanding anything contained in sub- rule (1), any officer of Customs, Federal Excise or Sales Tax, not below the rank of Principal Appraiser or Superintendent or Senior Auditor, may be appointed as receiver of the attached business and property.

135. Manner of working of receiver.- (1) Where it appears to the Recovery Officer to be just and convenient, he may by order-

(a) remove any person from the possession or custody of an attached business or property;

(b) commit the same to the possession, custody or management of the receiver; and

(c) confer upon the receiver all such powers, as to bringing and defending suits and for the realization, management, protection, preservation and improvement of the property, the collection of the rents and profits thereof, the application and disposal of such rents and profits, and the execution of documents as the owner himself has or such of those powers as the Recovery Officer thinks fit:

Provided that nothing in this rule shall authorise the Recovery Officer to remove from the possession or custody of business or property any person whom any party to the recovery proceedings has not a right to remove.

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(2) The Recovery Officer may, by general or special order, fix the amount to be paid as remuneration for the services of the receiver but a Government officer appointed as receiver shall not be entitled to such remuneration.

(3) Every receiver appointed by the Recovery Officer, except Government officers, shall-

(a) furnish such security, if any, as the Recovery Officer deems fit, to account duly for what he shall receive in respect of the business or property;

(b) submit his accounts as such periods and in such forms as the Recovery Officer directs;

(c) pay the amount due from him as the Recovery Officer directs; and

(d) be responsible for any loss occasioned to the business or property by his wilful default or gross negligence:

Provided that the Government officer appointed as receiver shall furnish all such information as desired by the Recovery Officer regarding the progress of recovery along with accounts of proceeds after such intervals as prescribed by the Recovery Officer.

(4) The profits or rents and profits of such business or property shall, after deducting the expenses of management, be adjusted towards discharge of the Government dues and the balance, if any, shall be paid to the defaulter.

136. Withdrawal of management.- The attachment and management under aforesaid rules may be withdrawn at any time at the discretion of the Recovery Officer, or if the Government dues are realized by receipt of such profits and rent or are otherwise paid.

PART - V

MISCELLANEOUS

137. Offences and penalties.- (1) All cases relating to confiscation of goods or imposition of penalty with reference to operation of this chapter shall be adjudicated under Chapter VIII of the Act.

138. Continuance of proceedings.- (1) No proceedings shall cease to be in force by reason of the death of the defaulter.

(2) If, at any time before or after the issue of a demand note to the Recovery Officer, the defaulter dies, the proceedings under this chapter may be continued against the legal heirs of the defaulter, who shall be liable to pay, out of the properties left by the deceased defaulter to the extent to which the properties are capable of meeting the outstanding Government dues, and provisions of this chapter shall apply as if the legal heirs were the defaulter.

139. Recovery from surety.- When any person has, under this chapter become surety for the amount due by the defaulter he may be proceeded against under this chapter as if he were the defaulter.

140. Receipt to be given.- If any amount is received by any officer or other person in pursuance of this chapter, he shall issue receipt of the amount so received.

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141. Delivery of property in occupancy of defaulter.- Where the immovable property sold is in the occupancy of the defaulter, or of some person on his behalf or of some person claiming under a title created by the defaulter subsequent to the attachment of such property and a certificate in respect thereof has been granted under rule 128, the Recovery Officer shall, on the application of the purchaser, order delivery to be made by putting such purchaser or any person whom he may appoint to receive such delivery on his behalf, in possession of the property and, if need be, by removing any person who refuses to vacate the same.

142. Delivery of property in occupancy of tenant.- Where the immovable property sold is in the occupancy of a tenant or other person entitled to occupy the same and a certificate in respect thereof has been granted under rule 128, the Recovery Officer shall, on the application of the purchaser, order delivery to be made by affixing a copy of the certificate of sale at some conspicuous place on the property, and proclaiming to the occupant that the interest of the defaulter has been transferred to the purchaser.

143. Resistance or obstruction by defaulter.- Where the Recovery Officer is satisfied that resistance or obstruction was occasioned without any just cause by the defaulter or by any person at his instigation, he shall direct that the applicant be put into the possession of the property, and where the applicant is still being resisted or obstructed in obtaining possession, the Recovery Officer may also, at the instance of the applicant, order the use of force.

144. Resistance or obstruction by a *bonafide* claimant.- Where the Recovery Officer is satisfied that the resistance or obstruction was occasioned by any person other than the defaulter, claiming in good faith to be in possession of the property on his own account or on account of some person other than the defaulter, the Recovery Officer shall make an order dismissing the application.

145. Dispossession by certificate holder or purchaser.- (1) Where any person other than defaulter is dispossessed of immovable property by the holder of a certificate, issued under rule 128, for the possession of such property or where such property has been sold in execution of demand note, by the purchaser thereof, he may make an application to the Recovery Officer, complaining of such dispossession.

(2) The Recovery Officer shall fix a day for investigating the matter and shall summon the party against whom the application is made to appear and answer the same.

146. *Bonafide* claimant to be restored to possession.- When the Recovery Officer is satisfied that the applicant was in the possession of the property on his own account or on account of some person other than defaulter, he shall direct that the applicant be put into possession of the property.

147. Rules not applicable to transferee *pendente lite*.- Nothing in rules 144 and 145 shall apply to resistance or obstruction in execution of a certificate for the possession of a property by a person to whom the defaulter has transferred the property after the institution of proceedings in which the order was passed or to the dispossession of any such person.

148. Delivery of moveable property, debts and share.- (1) Where the property sold is moveable property of which actual seizure has been made, it shall be delivered to the purchaser.

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(2) Where the property sold is moveable property in the possession of some person other than the defaulter, the delivery thereof to the purchaser shall be made by giving notice to the person in possession prohibiting him from delivering possession of the property to any person except the purchaser.

(3) Where the property sold is a debt not secured by a negotiable instrument or is a share in a corporation, the delivery thereof shall be made by a written order of the Recovery Officer prohibiting the creditor from receiving the debt or any interest thereon, and the debtor from making payment thereof to any one except the purchaser, or prohibiting the person in whose name the share may be standing from making any transfer of the share to any person except the purchaser, or receiving payment of any dividend or interest thereon, and the manager, secretary, or other proper officer of the co- operation from permitting any such transfer or making any such payment to any person except the purchaser.

149. Execution of documents and endorsement of negotiable instruments.- Where any endorsement or execution of documents is required to transfer a negotiable instrument or any share to purchaser under this chapter, such document shall be executed or endorsement shall be made thereon by the Recovery Officer.

150. Form.- Any notice, proclamation, certificate or order to be issued under this chapter shall be in such Form as may be prescribed by Central Board of Revenue, in annexes to these rules or otherwise. In case the Central Board of Revenue has not prescribed any of such Forms, it shall be in such form as adopted by the Recovery Officer.

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[1][CHAPTER XII

SPECIAL PROCEDURE FOR ACCESSING THE COMPUTERIZED SYSTEM

150A. Application.- The provisions of this Chapter shall apply to persons authorized as users of the computerized system under section 50A of the Act.

150B. Authorization.- (1) A person desirous to be authorized as user of computerized system under this Chapter may apply to the Board, [2][by visiting the website https://e.fbr.gov.pk.]

(2) Upon scrutiny of the information provided by the applicant, the Board may grant authorization to the applicant or refuse the application after giving the applicant a reasonable opportunity of being heard.

(3) No person shall access the computerized system for transmission to or receipt of information therefrom, unless authorized as aforesaid.

150C. Unique User Identifier.- Every person authorized as user of computerized system shall be allotted a 'Unique User Identifier' for his identification in relation to accessing the computerized system for transmission to or receipt of information therefrom.

150D. Access to computerized system.- Subject to the conditions, restrictions and limitations, as may be prescribed by the Board, the authorized user shall access the computerized system for transmission to or receipt of information therefrom:

Provided that the Board may impose any additional conditions upon any authorized user or class of authorized users for accessing the computerized system or to maintain confidentiality or security thereof:

Provided further that the Board may require an authorized user or class of authorized users including their accredited agents to use any additional electronic security including digital certification for electronic filing of return or any other declarations.

150E. Responsibility of the user.- The authorized user shall be responsible for security and confidentiality of the 'Unique User Identifier' allotted to him and where any information is transmitted to the computerized system using a 'Unique User Identifier', the transmission of that information shall be sufficient evidence that the authorized user to whom such 'Unique User Identifier' has been issued has transmitted that information.

150F. Cancellation of registration.- (1) Where the Board is satisfied that any user authorized to use the computerized system has–

(a) failed to comply with any of the conditions prescribed by the Board; or

(b) acted in contravention of any of the provisions of the Act or this Chapter; or

(c) failed to take adequate measures for security and confidentiality of the 'Unique User Identifier'; or

[1]Chapters XII to XIV inserted by SRO 470(I)/2007, dated June 09, 2007.
[2]Substituted for "at such time and in such manner, as may be prescribed" by SRO 530(I)/2008 dated June 11, 2008.

(d) been convicted in an offence under this Act or any other law for the time being in force; the Board may cancel the authorization of that user after affording him an opportunity of being heard.

(2) Pending consideration whether an authorization be cancelled under sub- rule (1), the Board may suspend the authorization.

150G. Recording of transmissions.- The Board shall keep record of each transmission sent to or received from an authorized user, for a period of five years from the date of such transmission or receipt.

150H. Scrutiny of records.- An officer or officers of Sales Tax, authorized by the Collector in this behalf, may examine records maintained by an authorized user, whether electronically or otherwise, in relation to a specific transaction or to verify adequacy or integrity of the system or media on which such records are created and stored.]

[1]Chapters XII to XIV inserted by SRO 470(I)/2007, dated June 09, 2007.

[1][Chapter XIII
ELECTRONIC INTERMEDIARIES

150I. Application.– This Chapter shall apply to the persons appointed as e-intermediaries by the Board under sub- section (1) of section 52A of the Act to electronically file return and such other documents as may be prescribed from time to time, on behalf of a person registered under section 14 of the Act.

150J. Appointment of e- intermediary.– (I) A person having sufficient information technology infrastructure and professional experience in the field of providing taxation services, desirous of being appointed as e- intermediary, shall apply to the e- declaration administrator on the format prescribed in STR- 20:

Provided that for the purposes of this rule, the 'professional experience', shall mean any of the following, namely:-

(a) a firm or sole proprietorship approved to practice by the Institute of Chartered Accountant of Pakistan or Institute of Cost and Management Accountants of Pakistan; or

(b) a person appointed as authorized representative under Chapter IX of the Sales Tax Rules, 2006,.(c) a person or firm approved to practice as Income Tax Practitioner under the Income Tax Ordinance, 1979; or

(d) any other person approved by the Board.

(3) The e- declaration Administrator, after receipt of application for appointment as e-intermediary, and after verification, as aforesaid, shall forward the application along with his specific recommendation to the Board for appointment of the applicant as e- intermediary.

(4) The Board, after receipt of the recommendations from the e- declaration Administrator, may appoint the applicant as an e- intermediary and issue him a unique user identifier, subject to such conditions, restrictions and limitations, as may be prescribed:

Provided that the Board may refuse to entertain an application for appointment as e-intermediary for reasons to be recorded and conveyed in writing.

(5) In case of any change in the particulars or information provided by the e-intermediary in the application for registration, he shall immediately inform the concerned e-declaration Administrator about such change.

150K. Cancellation of appointment.– (1) Where the Board is satisfied that the e-intermediary has-

(a) failed to comply with any of the conditions prescribed by the Board; or

(b) acted in contravention of any of the provisions of the Act or these rules; or

(c) failed to take adequate measures for security and confidentiality of the Unique User identifier; or

[1]Chapters XII to XIV inserted by SRO 470(I)/2007, dated June 09, 2007.

(d) been convicted in an offence under the Act or any other law for the time being in force; the Board may cancel the appointment of such e- intermediary after affording him an opportunity of being heard.

(2) Pending consideration whether the appointment of the e- intermediary be cancelled under sub- rule (1), the Board may suspend the appointment.

(3) An e- intermediary who intends to surrender his appointment, shall file an application to this effect to the Board.

(4) The Board may, on receipt of an application referred to in sub- rule

(3) cancel the appointment of the e- intermediary after necessary inquiry, as it may deem proper to conduct.

150L. Procedure to be followed by registered persons.– (1) A registered person, may authorize an e- intermediary, duly appointed by the Board, to furnish e- declarations on his behalf, under intimation to the e- declaration Administrator having jurisdiction.

(2) The e- intermediary shall generate hard copy of the declaration in duplicate which shall be signed and retained by both the registered person and the e- intermediary.

150M. Procedure to be followed by e- intermediary.– The e- intermediary shall digitize the data of e- declaration, duly signed by the registered person and electronically transmit the same to the computerized system in the manner prescribed under Chapter XII of these Rules.

150N. Responsibilities of e- intermediary.– (1) The e- intermediary shall be responsible for security and confidentiality of the 'Unique User Identifier' allotted to him, and where any e- declarations is transmitted to the computerized system by using his 'Unique User Identifier', transmission of.that e- declaration shall be deemed to have been transmitted by the e- intermediary to whom such 'Unique User Identifier' has been allotted.

(2) The e- intermediary shall retain the data relating to all e- declarations transmitted by him electronically on behalf of a registered person, for a period of five years following the date of such declarations.

[2][(3) Where an e- intermediary has retained a printed copy of the return electronically transmitted by him duly signed by the representative of the registered person as stipulated in rule 150M, he shall be deemed to have transmitted the return in good faith and the provisions of sub- section (5) of section 52A of the Act shall not be applicable.]

150O. Responsibility of e-declaration Administrator.– Without prejudice to the foregoing provisions, an e- declaration Administrator shall ensure compliance by e- intermediary operating within his jurisdiction including the verification about their credentials, any complaints received against the e- intermediaries and such other matters as he may deem fit and inform the Board wherever required.

150P. Scrutiny of records.– (1) An officer of Sales Tax, authorized by the Collector in this behalf, may examine records maintained by an e- intermediary,

[1]Chapters XII to XIV inserted by SRO 470(I)/2007, dated June 09, 2007.
[2]Sub- rule (3) inserted by SRO 840(I)/2008 dated August 13, 2008.

whether electronically or otherwise, in relation to a specific transaction or to verify adequacy or integrity of the system or media on which such records are created and stored.

(2) In case any discrepancy or irregularity is committed by the e- intermediary, he shall be liable to imposition of penalty prescribed under the Act or rules made thereunder.]

[1][CHAPTER XIV

PROCEDURE FOR LICENSING ISSUANCE OF ELECTRONIC SALES TAX INVOICES AND INTEGRATION OF REGISTERED PERSONS

150Q. Application.- (1) Subject to sub-rule (2), provisions of this Chapter shall apply to all registered persons for electronic integration of their hardware and software used for generation and transmission of electronic invoices through license integrator or otherwise as provided in these rules.

(2) The Board shall notify such registered persons or class of registered persons through a notification in the official Gazette for the purposes of sub-rule (1):

Provided that the registered persons who have already registered and integrated their point of sale with the Board's computerised system shall be treated to have been integrated with Board's computerised system under these rules.

[2][(3) Retailers whose deductible withholding tax under sections 236G or 236H of the Income Tax Ordinance, 2001 (XLIX of 2001), during the immediately preceding period exceeds one hundred thousand rupees or, as the case may be, five hundred thousand rupees, shall be required to integrate their business, for the purposes of clause (g) of sub-section (43A) of section 2 of the Sales Tax Act, 1990.]

150R. Obligations and requirements.- (1) The registered person notified under sub-rule (2) of rule 150Q hereinafter referred to as "integrated person" in this Chapter, shall register, install and integrate his electronic invoicing hardware and software with the Board's computerized system in the manner specified by the Board through a Sales Tax General Order.

(2) The integrated person through Board's online system shall provide information of his outlets, points of sale or electronic invoicing machines as the case may be.

(3) No supply shall be made by the integrated person, except through the integrated outlets, point of sale or electronic invoice issuing machines.

(4) The point of sale or the electronic invoice issuing machine shall perform the following functions, namely:-

(a) generate, receive, record, analyze and store invoice data;

(b) issue sales tax invoices in the prescribed format, create the digital signature and record the digital signature on the sales tax invoice;

(c) transmit the invoice data to the Board's Computerized System through secure means and receive the unique FBR invoice number;

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[1]Chapter XIV substituted by SRO 69(I)/2025 dated January 29, 2025. Earlier Chapters XII to XIV inserted by SRO 470(I)/2007 dated June 09, 2007.
[2]Rule 150Q(3) inserted by SRO 2071(I)/2025 dated November 03, 2025.

(d) encrypt and preserve the reported sales tax invoice data in an irrevocable and secure manner;

(e) generate the QR Code on the base of unique FBR invoice number and print the QR Code on receipt;

(f) must perform closing on close of the day, week and month; and

(g) every adjustment, modification or cancellation must be recorded duly maintaining logs for each activity; and system events need to be recorded.

(5) The Annexure-C of the sales tax return shall be auto-filled from the electronic invoices issued by the integrated person.

(6) The electronic invoicing software or point of sales software shall be capable of generating and sending alert messages to the Board's computerized system in case of any malpractice or error or any inconsistent action noticed in the system and keeping a log thereof.

(7) The Board may require an integrated person to integrate the facility of debit and credit card machine. QR Code or any other mode of digital transaction available at all the sale points and the sales through aforesaid means shall not be ordinarily refused.

(8) The Board may require an integrated person to record transactions on each point of sales by a CCTV camera and the recording thereof shall be retained for a period of at least one month. Such recordings shall be provided to the Commissioner concerned as and when demanded and for the period of time as specified by the Board through a sales tax general order.

(9) In case of supply of exempt items, the electronic invoices shall also be issued through system integrated with the Board's Computerized System under these rules.

(10) The cost for integration including the cost of equipment and electronic invoicing software or point of sales software shall be borne by the integrated person.

(11) The integrated person shall prominently display on each of the notified outlets, points of sale or electronic invoicing machines a signboard bearing FBR's official logo along with the text "Integrated with FBR" and also the registration number of each electronic invoicing software or point of sales software verifiable through the Board's verification services.

(12) In case of online sale including online market place, the integrated person shall register such website, software and mobile application with the Board's Computerised System to record the auto-electronic invoices as specified by the Board through a Sales Tax General Order.

(13) The electronic invoice generated under these rules shall contain the following particulars, namely:-

(a) unique FBR invoice number (XXXXXXDDMMYYHHMMSS-0001).

(b) unique and verifiable QR code dimensions: 7X7MM;

(c) unique electronic invoicing or point of sales software registration number;

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(d) logo of FBR digital invoicing system;
(e) name of the seller;
(f) address of the seller;
(g) seller registration number;
(h) name of the recipient;
(i) address of the recipient;
(j) recipient registration number;
(k) date of issue of invoice;
(l) tax period:
(m) description;
(n) quantity;
(o) value exclusive of tax;
(p) sales tax rate;
(q) amount of sales tax;
(r) sales tax withheld at source;
(s) extra tax;
(t) further tax;
(u) federal excise duty payable in sales tax mode;
(v) total discount;
(w) invoice reference no;
(x) HS code;
(y) unit of measurement; and
(z) SRO and serial number applicable:

Provided that the particulars in respect of serial numbers (s), (t), (u) and (z) may not apply to a retailer issuing electronic invoices to general public other than a manufacturer-cum-retailer or an importer-cum-retailer.

150S. Issuance of electronic invoice and record.- (1) The integrated person shall issue a real-time verifiable electronic sales tax invoice for every taxable supply and service. The invoice so issued shall be retained as record for a period of six years on electronic media as provided under section 24 of the Act.

(2) The debit note and credit note shall also be issued electronically through the integrated system and retained for a period of six years as provided in sub-rule (1).

(3) In case of online sale including online market place, the electronic invoices shall be issued automatically and the record thereof shall be maintained for a period of six years as provided in sub-rule (3).

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150T. Conditions for electronic storage.- The electronic documents specified in rule l50S shall be stored in such manner that information at the time of original transmission of the document is recreated at the time of departmental audit.

150U. Audit.- (1) The integrated person shall provide access to premises and all the record specified in sections 22 and 23 of the Act for the purposes of sections 25 and 38 of the Act to the Officer of Inland Revenue as authorized by the Commissioner having jurisdiction.

(2) The Board may issue instructions for technical audit.

150V. Extension in due date of Integration.- The Commissioner Inland Revenue having jurisdiction may allow extension in time, for up to sixty days in aggregate with fifteen days intervals, for integration or compliance under this chapter:

Provided that such integrated person shall continue to issue paper invoices until such time as extended by the Commissioner.

150W. Provisions of Electronic Transactions Ordinance, 2002.- All the provisions of Electronic Transactions Ordinance, 2002 (LI of 2002), relating to the recognition of documents, records, information, communication and transaction in electronic form, accreditation of certification service providers and for matters ancillary thereto, shall apply.

150X. Consequences of non-compliance or contravention.- (1) The integrated person who is found to have tampered with the system or made sales in the manner otherwise than as prescribed in this Chapter, or who contravenes any of the provisions of this Chapter, shall be subject to penalty under section 33 and any restriction under any provisions of the Act or the rules made thereunder.

l50XA. Responsibilities of the Integrated Persons.- The integrated person shall-

(a) make all electronic invoicing hardware and software including payment counters comprising point of sale at each outlet, available for installation of the systems;

(b) be responsible for smooth functioning of all the hardware and software;

(c) report to the Board and the concerned Commissioner within twenty-four hours of any operational failure, damage disruptions or tampering of the system; or

(d) report any inoperative electronic invoicing hardware and software within twenty-four hours with reasons along with documentary evidence to the Commissioner holding the jurisdiction.

150XB. Provision of verification facility by the Board.- The Board shall provide a facility on its website to the buyer of an integrated person to verify if the invoice issued to him by such integrated person has been communicated to the Board's Computerized System.

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150XC. Internet Interruption.- The invoices generated during any period of failure of electronic invoicing software or point of sales software including disruption caused by internet or power failure shall be clearly identified as invoices issued in the offline mode and shall be uploaded within 24 hours of restoration.

150XD. Functions of the Officer of Inland Revenue.- (1) The Officer of Inland Revenue having jurisdiction, shall monitor operation of the system through periodic visits authorized in this behalf by, the Commissioner.

(2) Where an integrated person does not account for sales without generating an invoice countering QR code or FBR invoice number, the Officer of Inland Revenue shall compute the taxes on such goods relating to unaccounted for invoices, and recover the same under the relevant provisions of law, besides any other action including penal action that may be taken under the Act or the rules made there under.

150XE. Licensing.- (1) Save as provided in rule l50XF, no person shall carry out integration of the notified registered persons through software unless he has obtained a license under these rules.

(2) No licensee under these rules shall maintain or operate system or provide any other service, which is not authorized under these rules.

(3) Every electronic invoicing software or point of sales software including payment counter whether fixed or portable of the notified registered person which generates invoices for receipt of payment either in cash or through debit or credit card shall be integrated with the Board through the licensed integrator.

150XF. PRAL to act as a licensed integrator.- (1) Notwithstanding the provisions of rules 150XH, 150XI, sub-rule (2) of rule 150XJ and 150XK, PRAL shall act as licensed integrator for the purposes of rules 150XE, sub-rule (1) of rule 150XJ and rule 150XL.

(2) PRAL shall provide free of cost integration services to the registered persons on demand.

(3) PRAL, as and when required by the Board, shall provide a free of cost downloadable electronic invoicing software or point of sales software on Board's official website.

150XG. Functions of the licensing committee.- (1) Board shall notify a licensing committee which shall perform function in accordance with the provisions of rules 150XI, 150XK and 150XN or any other instructions or procedures, issued by the Board.

(2) Board shall notify convenor of the licensing committee.

150XH. Application for grant of licence.- (1) An application for grant of licence for integration of any registered person shall be made in duplicate to the Board.

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(2) No application under sub-rule (1) shall be considered, unless it is accompanied by-

(a) a comprehensive profile of the company;

(b) brief about managerial and technical personnel indicating name, position, qualification and experience;

(c) total number of current employees;

(d) documents showing relevant capacity of the development and integration with enterprise resource planning systems and Payment Processing Systems;

(e) registration certificate issued by Pakistan software houses Association or Institute of Chartered Accountants of Pakistan;

(f) audited statement of accounts for the last three financial years;

(g) list of major clientele;

(h) incorporation certificate under the Companies Act;

(i) National Tax Number (NTN) Certificate;

(j) the paid up capital for the latest financial year is at least Rs. 10 million or above;

(k) registration with Sales Tax Department if required;

(l) Computerized National Identity Cards (CNICs) of directors of the incorporated company;

(m) undertaking that the company has never been blacklisted by any Government or Provincial department or organization and has not been involved in confirmed cases of fiscal fraud;

(n) list of projects executed in the last three years; and

(o) any other documents required through instructions orders issued by the Board.

150XI. Procedure for grant of licence.- (1) On receipt of application for grant of licence in the Board, the licensing committee shall scrutinize the documents provided and it shall evaluate the eligibility of the applicant within seven days of receipt of application.

(2) The licensing committee may also carry out visits, if necessary for physical inspection to ascertain the eligibility of the applicant for licensing under these rules.

(3) The licensing committee shall recommend or reject an application within fifteen days of date of submission of the application, specifying reasons for recommendation or rejection of the application under these rules.

(4) The licensing committee shall make recommendations to the Board for grant of licences in respect of the companies who meet the criteria under these rules.

(5) The licensing committee shall grant the licence to the recommended applicant with the prior approval from the Board.

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150XJ. Right granted to the licensee.- (1) A licensee shall have the right to install, configure, integrate, operate and maintain the electronic invoicing software or point of sales software on real time basis in accordance with conditions of the licence issued to him.

(2) The licence granted under these rules shall be subject to provisions of the Act and shall be valid for five years from date of issuance.

(3) The licence granted under these rules shall be non-transferable and shall not be allowed to be used by any sub-contractor.

150XK. Renewal of licence.- (1) The application for renewal of licence shall be made to the Board three months before its expiry.

(2) The licensing committee shall evaluate the application and make recommendations to the Board for the renewal of licence.

(3) The licensee shall be required to comply with all the provisions of these rules for the renewal period.

150XL. Technical support.- (1) The licensee shall be responsible for post deployment maintenance of the system, including-

(a) setting up and maintenance of all information technology equipment connected to the electronic invoicing hardware and software: and

(b) is authorized to,-

(i) upgrade the system hardware and software;

(ii) fix all bugs; and

(iii) immediately respond to troubleshoot any post deployment problems for uninterrupted working of the system.

(2) The licensee shall be responsible for safe and secure capture of real-time transmission of sales data from the electronic invoicing software or point of sales software to FBR database at all times.

150XM. Supervision of the System.- The Board shall notify the team responsible for overall supervision of the system and the steps to be taken to address problems encountered during operation of the systems.

150XN. Procedure for cancellation or termination of licence.- (1) The Team notified by the Board as a result of supervision of the system or on receipt of a report from any of the Commissioners Inland Revenue, or on a valid complaint, shall initiate process for cancellation of the licence by causing to serve a notice upon the licensee immediately or within fifteen days of receipt of the report of the Commissioner or a valid complaint, to show cause as to why the licence issued under these rules, may not be cancelled or terminated if it has a reason to believe that the licensee has-

(a) failed to provide specified services to the satisfaction of the Board;

(b) contravened any of the conditions of the license;

(c) contravened any provision of these rules or the Act; or

(d) violated any applicable law while being a licensee under these rules:

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Provided that if on the basis of material evidence, there exists prima facie sufficient grounds against the licensee, the licensing committee may suspend the license to safeguard public finances and to prevent any other serious damage.

(2) The licensing committee may, after giving the licensee adequate opportunity of being heard and after examination of the record, cancel or terminate the licence issued under these rules.

(3) In case of cancellation of licence under these rules, the affected person or company shall have the right to file representation against the order of the licensing committee before the Board.

(4) The Board shall decide the representation after giving proper opportunity of being heard and the decision of the Board shall be final.

150XO. Fee and charges.- (1) The licensee shall charge fee for configuration and integration of electronic invoicing software or point of sale software from the integrated persons not above the threshold as may be specified by the Board through a sales tax general order.

(2) No fee shall be payable by the Board and any of its field formations.

150XP. Establishment of Inland Revenue enforcement network.- The Board shall establish Inland Revenue enforcement network which shall be responsible for combatting evasion and leakage of taxes payable on goods and services by way of enforcement units of the concerned filed formations.

150XQ. Functioning of Inland Revenue enforcement network.- To check and verily any of the eventualities, the enforcement squads of Inland Revenue shall petrol the premises of the integrated persons and verify whether all the electronic invoicing software or point of sales software are integrated and invoices are being reported to FBR in real-time and shall report such invoices generated from non-integrated electronic invoicing software or point of sales software to Commissioner Inland Revenue. The Commissioner, after receipt of the report from the enforcement network, shall recover the tax in accordance with the provisions of the Act.]

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Chapter XIV.- Before substitution by SRO 69(I)/2025 it read as follows:-

"CHAPTER XIV

SPECIAL PROCEDURE FOR ISSUANCE OF ELECTRONIC SALES TAX INVOICES BETWEEN BUYERS AND SELLERS

[1][**150Q. Application**.- The provisions of this Chapter shall apply to electronic transmission of sales tax invoices by the registered persons from such date and in the manner as may be specified by the Board through notification in the official Gazette.

150R. Eligibility to use electronic invoicing system.- (1) A registered person, notified under rule 150Q, hereinafter referred to as the integrated supplier in this Chapter, shall install electronic invoicing system provided by a person, licensed under Chapter XIV-BB of the Sales Tax Rules, 2006.

(2) No sale or supply by an integrated supplier shall be made without being recorded in the electronic invoicing system.

150S. Issuance of electronic invoice and record.- The integrated supplier shall issue a real-time verifiable electronic sales tax invoice for every taxable supply and service made by him, containing such information as prescribed under section 23 of the Act. The registered person shall also retain the record and documents for a period of six years on electronic media as provided under section 24 of the Act.

150T. Issuance, recording and Transmission of electronic invoices.- Integrated supplier shall comply with all requirements specified by the Board for integration, recording, storage, issuance and transmission of verifiable electronic invoices in real-time, such as provision of any hardware, software or connectivity required under these rules for the purpose of integration and operations of the electronic invoicing system.]

[1]Rules 150Q to 150T substituted by SRO 1525(I)/2023 dated November 10, 2023. Earlier these were inserted by SRO 470(I)/2007 dated June 09, 2007. Before substitution by SRO 1525(I)/2023 these read as follows:-

"150Q. Application.- The provisions of this Chapter shall apply for electronic transmission of sales tax invoices by the registered persons who opt to do so in the manner specified hereunder.

150R. Eligibility to use electronic invoicing system.- Every registered person who is engaged in making supply of taxable goods or providing or rendering taxable services and wishes to use electronic invoicing system shall seek prior authorization, in writing, from the concerned Collector before issuing electronic invoices.

150S. Issuance of electronic invoice and record.- (1) The registered person shall issue an electronic sales tax invoice for every taxable supply made by him, containing such information as required under section 23 of the Act. The registered person shall also retain the record and documents for a period of five years on electronic media as provided under section 24 of the Act.

(2) A sales tax invoice may be generated and transmitted electronically where the authenticity of the origin and integrity of the invoice data are guaranteed by means of either an advanced electronic signature or electronic data interchange (EDI) or by any other means as approved by the Collector.

150T. Transmission of electronic invoice to the Collector.- The registered supplier making supplies under this Chapter shall simultaneously transmit a copy of all such electronically issued invoices to the Collector of Sales Tax having jurisdiction."

[1][ ]

[1]Rule 150U deleted by SRO 1525(I)/2023 dated November 10, 2023. Earlier it was inserted by SRO 470(I)/2007 dated June 09, 2007. Before omission it read as follows:-

"**150U. Use of formats and controls over transmission of electronic invoices**.- (1) The registered person may use any electronic invoice message format provided it contains all the information specified under section 23 of the Act.

(2) The invoice shall be transmitted in a secure environment, using industry- accepted security technologies in respect of messages as well as communication links and networks over which the invoice is transferred.

(3) During the transfer of invoice data between the supplier and the buyer, the registered person shall ensure-

(a) completeness and accuracy of the invoice data;

(b) timeliness of processing;

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(c) usage of necessary security measures for authenticity and integrity of data; and

(d) prevention of duplication of processing by the recipient.

(4) The registered person shall invariably maintain a back- up data to overcome any possible system failure or loss or corruption of data."

150V. Conditions for electronic storage.- (1) The registered person shall ensure the authenticity and integrity of the data during and after application processing and use all electronic or procedural means to prevent loss and corruption of data during the storage.

(2) The invoice data shall be stored in such manner that information at the time of original transmission of invoice is re- created at the time of departmental audit.

[2][**150W. Audit**.- The integrated supplier shall allow physical and online remote access to the record, system, logs and documents maintained in electronic form as and when required by the officer of Inland Revenue as provided under section 25 of the Act.]

[2]Rule 150W substituted by SRO 1525(I)/2023 dated November 10, 2023. Earlier it was inserted by SRO 470(I)/2007 dated June 09, 2007. Before substitution it read as follows:-

"**150W. Audit.-** (1) The registered person shall allow access to the record and documents maintained in electronic form as and when required by an officer of Sales Tax as provided under section 25 of the Act.

(2) The officer of Sales Tax shall have access to-

(a) the operation of any computer system which generates or receives sales tax invoices;.(b) supporting documentation including file structures, etc., operational and technical manuals, audit trail, controls, safe keeping and information on how the accounting system of the registered person is organized; and

(c) business intelligence tools to scrutinize the information available on the system.

(3) The officer of Sales Tax shall be allowed to obtain any information from the system in any format, and for this purpose the registered person shall provide,-

(a) physical access to system at his premises; and

(b) indirect access providing information on electronic media, or possibly *via* remote access."

150X. Same conditions to apply in respect of buyer for receiving electronic invoices.- (1) The registered buyer who receives electronic invoices from the registered supplier shall fulfil the same criterion and conditions for storing them, as are specified for the supplier in this Chapter.

(2) In case the buyer wishes to store the electronic invoices received from the supplier in a paper- based system, he can do so after obtaining necessary approval from the [1][Commissioner Inland Revenue] having jurisdiction.

[2][**150Y. Failure to meet the conditions for electronic invoicing system**.- (1) In case the integrated supplier notified under this chapter contravenes any of the provisions of this Chapter, he shall be liable to penal action as provided under relevant provisions of the Act.

(2) The integrated supplier notified under this chapter may apply to the Commissioner Inland Revenue having jurisdiction, for extension in time for compliance.

(3) The Commissioner Inland Revenue may allow extension in time, for upto sixty days in aggregate with fifteen days intervals, for integration or compliance under this chapter from the date of issuance of notification under rule 150Q:

Provided that such an integrated supplier shall continue to issue paper invoices until such extended time the Commissioner Inland Revenue has allowed.]

150Z. Provisions of Electronic Transactions Ordinance, 2002, to apply.- All the provisions of Electronic Transactions Ordinance, 2002 (LI of 2002), relating to the recognition of documents, records, information, communication and transaction in electronic form, accreditation of certification service providers and for matters ancillary thereto, shall apply.]"

[1]Substituted for "Collector of Sales Tax" by SRO 1525(I)/2023 dated November 10, 2023.

[2]Rule 150Y substituted by SRO 1525(I)/2023 dated November 10, 2023. Earlier it was inserted by SRO 470(I)/2007 dated June 09, 2007.

Rule 150Y.- Before substitution by SRO 1525(I)/2023 it read as follows:-

"150Y. Failure to meet the conditions for electronic invoicing system.- If the registered person has issued and stored invoices electronically but has failed to meet the conditions relating to the prescribed procedure, besides other legal actions which may be taken for such failure, he shall be required to issue paper invoices till such time the Collector is satisfied that the electronic system of the registered person is capable of doing the job."

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[1][CHAPTER XIV-A

MONITORING OR TRACKING OF CERTAIN REGISTERED PERSONS BY ELECTRONIC OR OTHER MEANS

150ZA. Application.- The provisions of this Chapter shall be applicable to the registered persons being restaurants, cafes, coffee shops, eateries, snack bars and hotels having any of such business activities for the purpose of monitoring or tracking of taxable activities by electronic or other means.

[2]**[150ZB. Electronic invoice system**.- (1) The registered person specified in rule 150ZA, hereinafter referred to in this Chapter as specified registered person, shall install such fiscal electronic device and software, as approved by the Board, available on its website with complete technical instructions for installation, configuration and integration.

(2) The specified registered person shall register all his branches with the Board's computerized system, from which they make or intend to make supplies and shall also register each point of sale (POS) to activate the integration duly providing the following information, namely:-

(a) POS registration number;

(b) name of business;

(c) branch name;

(d) branch address;

(e) POS identification number; and

(f) registration date.

(3) The provisions of rules 150ZEB, 150ZEC and 150ZEG shall also apply to the sales made from each of the registered branches in respect of-

(a) recording of sales;

(b) components and features of electronic fiscal device (EFD);

(c) functionalities of POS;

(d) transmission of sale invoice data to the Board;

(e) printing and contents of sale invoice including printing of QR code and FBR fiscal invoice number thereon;

(f) population of transmitted data in Annex-C of the return of relevant month;

(g) bearing of cost of equipment and integration thereof;

(h) display of FBR logo and the banner text;

(i) recording and transmission of online sales including those made through social media sites.

[1]Chapter XIV-A inserted by SRO 494(I)/2015 dated June 30, 2015.

[2]Rule 150ZB substituted by SRO 1203(I)/2019 dated October 10, 2019. Earlier it was inserted by SRO 494(I)/2015 dated June 30, 2018.

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(j) accreditation of POS system; and

(k) reporting of failure of registered person to transfer sale data by the customer.*]*

[1][(4) Furthermore, it is also mandatory for all the restaurants, bakeries, caterers and sweetmeat shops supplying prepared food , foodstuff and sweetmeats to show prices and amount of tax separately on menu cards or menu board displayed in their outlets for the end consumers.]

150ZC. Monitoring.- The registered person specified in rule 150ZA shall provide continuous and full remote as well as on-site access to record, documents and data maintained electronically or otherwise as and when required by the officer of Inland Revenue having jurisdiction.

150ZD. Electronic invoice data.- The Board may use the data of electronic invoices for the purposes of all Acts, Ordinances and rules under its jurisdiction.

150ZE. Failure to meet the conditions for electronic monitoring system.- In case a registered person fails to comply with the provisions of this chapter, he shall be liable to penal action as provided in the Act.]

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[1]Rule 150ZB(4) inserted by SRO 353(I)/2020 dated May 05, 2020.

Before substitution by SRO 1203(I)/2019 read as follows:-

"150ZB. Electronic invoice system.- (1) The registered person specified in rule 150ZA shall provide continuous and full remote as well as on-site access to his computerized system as and when required by the Board for installation, configuration or dove-tailing of his computerized system with the Board's computerized system.

(2) The registered person specified in rule 150ZA shall, at his own expense, implement changes, if any, required in his computerized system to make it compatible with the Board's computerized system, as per specifications and timeline specified by the Board.

(3) The registered person specified in rule 150ZA shall, at his own expense, arrange a communication device, as per specifications and timeline provided by the Board, for two-way transmission of data between his computerized system and the Board's computerized system.

(4) The registered person specified in rule 150ZA shall ensure availability and functionality of his computerized system and communication device at all times.

(5) The registered person specified in rule 150ZA shall issue invoice containing the same particulars as specified under section 23 of the Act and as per the manner or the format provided by the Board, including a unique number issued by the Board's computerized system, in respect of each transaction of taxable goods supplied and services provided by them.

(6) The registered person specified in rule 150ZA shall, after implementation of the Electronic Invoice System by the Board, sign-off a certificate of his acceptance of validity, accuracy and ownership of the data generated by the said system, with the officer of Inland Revenue having jurisdiction."

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[1][ ]

[1]Chapter XIV-AA deleted by SRO 69(I)/2025 dated January 29, 2025. Earlier it was inserted by SRO 1360(I)/2018 dated November 12, 2018. Before omission by SRO 69(I)/2025 it read as follows:-

"**CHAPTER XIV-AA**

[2]*[***/ONLINE INTEGRATION OF TIER-1 RETAILERS***/***

[3]*[***/150ZEA. Application**.- (1) The provisions of this Chapter shall apply to all Tier-I retailers as defined in clause (43A) of section 2 of the Sales Tax Act, 1990.

(2) Commencing from the 1st December, 2019, all Tier-1 retailers shall integrate their retail outlets with Board's computerized system for real-time reporting of sales, in the mode and manner, as prescribed in this Chapter.

(3) The supplies as referred to in column (1), at serial number 66 of Table-1 of Eighth Schedule to the Act, of finished fabric and locally manufactured finished articles of textile and textile made-ups and leather and artificial leather shall be entitled to the reduced rate as prescribed in column (4) subject to conditions in column (5) there against. The retail supplies of these items shall be subject to standard rate as prescribed in sub-section (1) of section 3 of the Act, if they are made from retail outlets which are not integrated in the manner prescribed in this Chapter.*]*

[4][(4) Moreover, it is also mandatory for all the retailers to show prices and amount of tax separately on the price tags attached with finished fabric and locally manufactured finished articles of textile and textile made-ups and leather and artificial leather.]

[5][(5) Prescribed threshold under sub-clause (g) of clause (43A) of section 2 of Tier-I Retailer shall be a retailer whose deductible withholding tax under section 236H of the Income Tax Ordinance, 2001 (XLIX of 2001), has exceeded Rs.100,000.]

150ZEB. Obligations and requirements.- (1) The registered persons as specified in [6][sub-rule (1) of] rule 150ZEA, hereinafter referred to as "integrated suppliers" in this Chapter, shall install such fiscal electronic device and software, as approved by the Board, available on its website with complete technical instructions for installation, configuration and integration.

[2]Heading substituted "Online Integration of Leather and Textile Sector" by SRO 1203(I)/2019 dated October 10, 2019.

[3]Rule 150ZEA substituted by SRO 1203(I)/2019 dated October 10, 2019.

[4]Rule 150ZEA(4) inserted by SRO 353(I)/2020 dated May 05, 2020.

[5]Rule 150ZEA(5) inserted by SRO 1842(I)/2023 dated December 21, 2023.

[6]Words inserted by SRO 1203(I)/2019 dated October 10, 2019.

Rule 150ZEA-Substitution.- Before substitution it read as follows:-

"150ZEA. Application.- [1][(1) The provisions of this Chapter shall apply to supplies of finished fabric and locally manufactured finished articles of textile and textile made-ups and leather and artificial leather, as covered in entries against serial number 66 of Table-1 to the Eighth Schedule to the Act, as are made by the registered persons who are integrated with Board's Computerized System for real-time reporting of sales for the purpose of availing lower rate specified against the said serial number.]

[2][(2) The lower rate as referred to in sub-rule (I) shall not apply to the sales as are not recorded by a point of sale and communicated to the Board's Computerized System in the manner as stipulated in rule 150ZEB or to the sales not covered under rule 150ZEE.]"

[1]Rule 150ZEA(1) substituted by SRO 918(I)/2019 dated August 07, 2019. Earlier it was renumbered as (1) by SRO 180(I)/2019 dated February 04, 2019.

[2]Sub-rule (2) inserted by SRO 180(I)/2019 dated February 04, 2019.

Rule 150ZEA(1)-Substitution.- Before substitution it read as follows:-

"[(1)] The provisions of this Chapter shall apply to supplies of finished fabric and locally manufactured finished articles of textile and textile made-ups and leather and artificial leather, as covered in Table II in Notification No. S.R.O. 1125(I)/2011, dated the 31st December, 2011, under sub-serial (vii) of S. No. 1 and S. No. 3, as are made by the registered persons who are integrated with Board's online system for the purpose of availing lower rate on supplies as specified in condition (xv) of the said Notification."

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[2][(2) The integrated supplier shall notify to the Board, though the computerized system, all his outlets, hereinafter referred to as notified outlets, and the integrated supplier shall register each point of sale (POS) to activate the integration duly providing the following information, namely:-

(a) POS registration number (to be provided by the system);

(b) name of business;

(c) branch name;

(d) branch address;

(e) POS identification number;

(f) registration date

(g) name and NTN of the POS solution provider;

(h) name and CNICs of the proprietors or the directors of the solution provider, as the case may be; and

(i) any other information required by the Board.]

[3][ ]

(4) No sale or supply from the notified outlets shall be made without being recorded by the duly accredited electronic fiscal device (EFD), which means a system composed of one Sale Data Controller (SDC) and at least one Point of Sale (POS) connected together, that has the following characteristics and requirements, namely:-

(a) it can perform following tasks, i.e.-

(i) receive, record, analyze and store fiscal data;

(ii) format fiscal data into fiscal invoices;

(iii) transmit the fiscal data to the Board's Computerized System through secure means; and

(iv) print sales tax invoices.

(b) Sales Data Controller (SDC) is the component of an EFD that-

(i) receives transaction data from a POS component of the EFD;

(ii) analyses the transaction data into fiscal data;

(iii) formats the fiscal data as a fiscal invoice (sales tax invoice), creates the digital signature for the EFD and records the digital signature on the fiscal invoice;

(iv) transmits the fiscal invoice number to the POS;

[2]Regulation 150ZEB(2) substituted by SRO 1775(I)/2023 dated December 07, 2023.

[3]Rule 150ZEB(3) deleted by SRO 1203(I)/2019 dated October 10, 2019.

Rule 150ZEB(2)-Substitution.- Before substitution it read as follows:-

"(2) The integrated suppliers shall notify to the Board, through the Computerized System, of all their outlets, hereinafter referred to as notified outlets, [1][ ] and the integrated supplier shall register each point of sale (POS) to activate the integration duly providing the following information, namely:-

(a) POS Registration Number (to be provided by the System);

(b) Name of Business;

(c) Branch Name;

(d) Branch Address;

(e) POS Identification Number; and

(f) Registration Date"

[1]Words "from which they intend to sell the supplies subject to lower rate as specified in the [1][said serial number 66]" deleted by SRO 1203(I)/2019 dated October 10, 2019.

[1]Substituted for "said condition (xv)" by SRO 918(I)/2019 dated August 07, 2019.

Rule 150ZEB(3)-Omission.- Before omission it read as follows:-

"(3) The supplies of items specified in the [1][said serial number 66] as made from the notified outlets must meet all the conditions specified in this rule, subject to exception as in rule 150ZEE, in order to avail the benefit of reduced rate, failing which the supply shall be charged to [2][sales tax rate as otherwise applicable and not the reduced rate referred to in rule 150ZEA]."

[1]Substituted for "said condition (xv)" by SRO 918(I)/2019 dated August 07, 2019.

[2]Substituted for "the relevant rate as specified in Table II of the Notification No. S.R.O. 1125(I)/2011, dated the 31st December, 2011" by SRO 918(I)/2019 dated August 07, 2019.

(v) encrypt and preserves the transaction data and fiscal data in an irrevocable and secure manner;

(vi) transmits the fiscal data to the Board's Computerized System;

(c) External SDC (E-SDC) is hardware set up as a separate component of the EFD used by integrated supplier;

(d) virtual SDC (V-SDC) is software attached to the POS system;

(e) an integrated supplier must integrate each and every POS of the business to any of the SDC;

(f) an EFD must comply with the following, namely:–

(i) each POS is accredited;

(ii) each POS transmits to the SDC a receipt, on which is recorded the transaction data specified in sub-rule (5), for each transaction of the business;

(iii) the SDC receives the transaction data, analyses the data, verify calculated taxes to produce fiscal data for the transaction, record the invoice data and transmits the fiscal invoice number to POS;

(iv) POS prints the fiscal invoice with the fiscal invoice number and QR Code;

(v) the SDC transmits the fiscal data to the Board's system; and

(vi) a fiscal invoice is produced for each sale invoice.

(g) the point of sale should have the following functionalities, namely:–

(i) provide mechanism to connect to SDC;

(ii) send each invoice to SDC for the issuance of fiscal invoice;

(iii) generate the QR Code on the base of fiscal invoice number generated by the SDC and print the QR Code on receipt;

(iv) must perform closing on the close of day, week and month;

[1][ ]

(vi) every adjustment, modification or cancellation must be recorded duly maintaining logs for each activity; and

(vii) system events need to be recorded.

(5) The sale invoice for each transaction shall be transmitted to EFD specifying the following particulars, namely:–

(a) POS Registration Number;

(b) unique sequential invoice number;

(c) date and time of sale;

(d) name of buyer, where recorded;

(e) item-wise description of goods and price exclusive of tax;

[1]Rule 150ZEB(4)(g)(v) deleted by SRO 180(I)/2019 dated February 04, 2019.

Clause (v)-Omission.- Before omission it read as follows:-

"(v) send the summary report with following fields to FBR periodically (daily, weekly or monthly):

(a) opening total quantity;

(b) opening total value;

(c) total purchase quantity;

(d) total purchase value;

(e) total sold quantity;

(f) total sale excluding sales tax;

(g) total sales tax;

(h) total sales value including sales tax;

(i) closing total quantity;

(j) closing total value; and

(k) total number of invoices for the period"

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(f) item-wise quantity of goods;

(g) tax rate for each item;

(h) total sales value;

(i) discount, if any;

(j) tax charged on the invoice;

(k) mode of payment, cash or credit card. [2][ ]

(6) POS shall print a clear and legible sales tax invoice for each transaction, copy of which shall be provided to the customer, containing the following particulars in addition to those as in the preceding sub-rule, namely:–

(a) QR Code (Generated based on FBR Fiscal Invoice Number);

(b) FBR Fiscal Invoice Number;

(c) name of the business;

(d) sales tax registration number; and

(e) name or location of the notified outlet.

[2]Words "In case of credit card, the name of client and other relevant details thereof." deleted by SRO 180(I)/2019 dated February 04, 2019.

(7) The EFDs installed at each notified outlet shall be tamper-proof and all the data recorded thereon shall be backed up at an offline site.

[1][(8) The integrated supplier shall not issue temporary or draft invoices though POS system. In case of sales return or exchange, a proper debit or credit note containing the reference of the original invoice shall be issued through the system and the details of amount refunded or additionally charged, along with sales tax involved shall be clearly mentioned:

Provided that no sales return or exchange shall be entertained without reference to original invoice.]

(9) All the sales and transactions made from the notified outlet shall be communicated to the Board's Computerized System through EFD and the sales data so transferred shall be accommodated in Annex-C or other relevant Annex of the monthly sales tax-cum-federal excise return.

(10) The SDC shall be capable of generating and sending alert massages resulting from any malpractice or error or any inconsistent action noticed in the system and keeping a log thereof.

(11) The integrated supplier must have the facility of debit and credit card machine [2][, QR Code or any other mode of digital transaction identified] installed at each notified outlet and the sales through [3][aforesaid means] shall not be ordinarily refused.

[4][ ]

(13) The transactions on each point of sales in the notified outlet shall be recorded by a CCTV camera and the recording thereof shall be retained for a period of at least [5][one month]. Such recordings shall be provided to the Commissioner concerned as and when demanded and for the time as specified.

[1]Regulation 150ZEB(8) substituted by SRO 1775(I)/2023 dated December 07, 2023.

[2]Words inserted by SRO 169(I)/2022 dated January 31, 2022.

[3]Substituted for "debit or credit cards" by SRO 169(I)/2022 dated January 31, 2022.

[4]Rule 150ZEB(12) deleted by SRO 1203(I)/2019 dated October 10, 2019.

[5]Substituted for "three months" by SRO 180(I)/2019 dated February 04, 2019.

Rule 150ZEB(8)-Substitution.- Before substitution it read as follows:-

"(8) In case of sale returns or exchange, a proper credit note or supplementary invoice with prescribed particulars shall be issued containing the reference of original invoice and the detail of amount refunded or additionally charged, along with sales tax involved."

Rule 150ZEB(12)-Omission.- Before omission it read as follows:-

"(12) The integrated supplier shall provide to the Commissioner having jurisdiction, the credit and debit card statements as received from the relevant bank on monthly basis."

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[6][(14) In case of supply of exempt items, the transactions thereof shall also be recorded and the invoice issued in the same manner. Such data shall also be communicated to the Board's Computerized System in the same manner.]

[6]Rule 150ZEB(14) substituted by SRO 1203(I)/2019 dated October 10, 2019.

Rule 150ZEB(14)-Substitution.- Before substitution it read as follows:-

"(14) In case items other than those covered under the [1][said serial number 66] are also sold from the notified outlet, including exempt items, the transactions thereof shall also be recorded and the invoice issued in the same manner. Such data shall also be communicated to the Board's Computerized System in the same manner."

[1]Substituted for "said condition (xv)" by SRO 918(I)/2019 dated August 07, 2019.

(15) The cost for integration including the cost of equipment and fiscalization shall be borne by the integrated supplier.

(16) The lower rate shall be applied from the day next to the one when the would-be integrated supplier certifies to the Commissioner concerned that he fulfills all the requirements as specified in this Chapter and the Commissioner makes an entry to that effect in the Computerized System.

(17) The integrated supplier shall prominently display on each outlet [1][a signboard bearing FBR's official logo along with the text "Integrated with FBR"] and also the registration number of each POS verifiable through the Board's verification services.

[2][(18) Online sales made through websites hosted with a registered domain name shall also be treated as sales made through point of sales on a notified outlet and accordingly covered under the purview of this rule, provided the sale data transmitted to the Board's Computerized System through a prescribed integration software with the same particulars as stipulated in sub-rule (5) and invoice is provided to the customer with particulars as in sub-rule (6). Such website or websites shall be registered with the Computerized System with following details, namely:-

(a) domain name;

(b) domain name provider;

(c) name of service provider managing the website; and

(d) addresses of supply centres and warehouses.

[3][(19) Sales made through social media portals shall also be treated as covered under this sub-rule if the same are recorded and transmitted through point of sale in real-time and provisions of sub-rules (5) and (6) are complied with.]

[1]Substituted for "that the POS or Outlet is accredited by FBR to issue lower rate invoices" by SRO 918(I)/2019 dated August 07, 2019.

[2]Sub-rules (18) & (19) inserted by SRO 180(I)/2019 dated February 04, 2019.

[3]Rule 150ZEB(19) substituted by SRO 1203(I)/2019 dated October 10, 2019.

Rule 150ZEB(19)-Substitution.- Before substitution it read as follows:-

[1][(19) Sales made through social media portals shall also be treated as covered under this sub-rule if the same are recorded [2][and transmitted through point of sale in real-time] and provisions of sub-rules (5) and (6) are complied with.]

[1]Sub-rules (18) & (19) inserted by SRO 180(I)/2019 dated February 04, 2019.

[2]Substituted for "through point of sale" by SRO 918(I)/2019 dated August 07, 2019.

150ZEC. Accreditation of Points of Sales (POS) Systems.- (1) A vendor, who wants to supply a POS of a particular brand, model and specification to an integrated supplier that is not an accredited POS, must apply to the Board for accreditation of the POS of that brand, model and specification.

(2) On receiving the application under sub-rule (1), the Board shall take steps to determine accreditation of the brand, model and specification of the POS. During the accreditation process, the supplier must provide the Board with access to information and equipment, and any other assistance reasonably required for carrying out the process.

(3) After completing the accreditation process, the Board shall either allow accreditation to the brand, model and specification of POS as applied for or refuse the same in accordance with the parameters determined by it.

(4) The Board shall, without delay after accrediting a POS under this sub-rule, publish the details of the brand, model and specification of the POS on its website along with the date of accreditation.

(5) The Board may revoke the accreditation of a POS if the POS ceases to comply with the determined parameters. The notice of revocation shall be sent to the vendor specifying the reasons for revocation and also to the integrated supplier operating such POS. The Board shall also immediately remove the particulars of the POS from its website.

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150ZED. Records, access and audit.- (1) The integrated supplier shall maintain the records of all the sales and transactions made from a notified outlet at that outlet and also at the notified central location. The integrated supplier shall provide access to such premises as well as the specific record required to the Inland Revenue officer as authorized by the Commissioner concerned.

(2) Other provisions of the Act regarding record maintenance and access thereto, and otherwise, shall also be applicable.

(3) FBR shall issue the key performance indicators (KPI) for periodic audits.

(4) The FBR shall conduct audits and investigations at different levels to ensure that integrated supplier is complying with these regulations, including by-

(a) checking if the taxpayer is issuing valid sales tax invoices;

(b) checking if the POS and SDC for the taxpayer's business are accredited;

(c) checking if the EFD complies with the guidelines set out in these rules;

(d) checking the operation of the protocols; and

(e) requiring taxpayers to provide relevant information and documents as necessary.

150ZEE. Online integration during intervening period.– (1) During the intervening period till such time the Board puts into operation a system of accredited secure devices and real time communication of sale and other data as stipulated in rule 150ZEB, the online integration in terms of the [1][supplies as referred to in column (1), at serial number 66 of Table-I of the Eighth Schedule to the Act] shall be considered to have been achieved if all the conditions specified in this rule are fulfilled.

(2) The would-be integrated supplier shall certify, using his user ID and password on the Computerized System, that he shall fulfill all the requirements of this Chapter as relaxed by this rule and that he shall ensure integration of all notified outlets in the manner as stipulated in rule 150ZEB within one month of the date when the Board declares readiness for the same through a notice sent through email or Computerized System. Such supplier shall provide details of all his outlets in the manner as stipulated in sub-rule (2) of rule 150ZEB. Such supplier shall also make necessary declaration during this process as stipulated by the Board's Computerized System.

(3) The integrated supplier shall upload or transfer the data of all invoices or debit and credit notes periodically to the Board's Computerized System but the interval during such transfer shall not exceed seven clear days in any case. The failure to do so shall deprive him of the status of integrated supplier and of the entitlement to supply goods at reduced rate as specified in [1][column (1), at serial number 66 of Table-1 of the Eighth Schedule to the Act].

(4) The integrated suppliers fulfilling the requirements of this rule shall be entitled to avail the benefit of reduced rate [1][on supplies as referred to in column (1), at serial number 66 of Table-1 of the Eighth Schedule to the Act] with effect from the 1st July, 2018, provided-

(a) they have actually charged the specified items at the rate not exceeding 6%;

(b) they register with the Board's Computerized System under this rule within fifteen days of the commencement of this Chapter and in the manner as provided in sub-rule (2); and

(c) they upload, within fifteen days of the registration under clause (b), the details of all the sales made to the Computerized System in relation to the benefit of reduced rate of sales tax applicable under this Chapter.

(5) The benefit of lower rate under this rule shall not be available after the expiry of one month after the Board conveys readiness for provisions of rule 150ZEB as provided in sub-rule (2).

(6) If an integrated supplier registered with the Computerized System as stipulated in this rule is found to have not fulfilled any of the conditions specified herein or fails to integrate with the Computerized System as stipulated in rule 150ZEB after the expiry of period of one month referred to in sub-rule (2), he shall be liable to pay sales tax at the applicable rate of 9% on the goods specified in sub-rule (1) of rule 150ZEA as supplied with effect from the 1st day of July, 2018.

[1]Substituted for "said condition (xv)", "the said condition (xv)" & "under the said condition (xv)" respectively by SRO 1339(I)/2020 dated December 16, 2020.

[2][**150ZEF. Consequences of non-compliance or contravention**.- The integrated supplier who is found to have tampered with the system or made sales in the manner otherwise than as prescribed in this Chapter, or who contravenes any of the provisions of this Chapter, shall in accordance with sub-section (6) of section 8B of the Act no more be eligible for the reduced rate, if otherwise applicable, and his input tax shall also be reduced in terms of that sub-section (6) of section 8B. An appealable order to this effect shall be made by the Officer Inland Revenue having jurisdiction after giving an opportunity of being heard, besides imposing penalty as applicable and ordering recovery of tax mount due under the Act.]

[2]Rule 150ZEF substituted by SRO 1203(I)/2019 dated October 10, 2019.

150ZEG. Reporting of failure to transfer sale data to the Board.- The Board shall ensure to provide a facility on its website to a customer of integrated suppliers to verify and ensure that the invoice issued to him has been duly communicated to the Board's Computerized System and in case of non-verification, he may upload the image of invoice to the Board's portal.]

Rule 150ZEF-Substitution.- Before substitution it read as follows:-

"150ZEF. Consequences of non-compliance or contravention.- The integrated supplier who is found to have tampered with the system or made sales otherwise than the prescribed devices or who contravenes any of the provisions of this Chapter, shall no more be eligible for the reduced rate and an appealable order to this effect shall be made by the officer incharge of the unit after giving an opportunity of being heard, besides any penal or recovery action that may be taken under the Act."

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[1][Chapter XIV-AB

Cash Back to Customers

150ZEH. Application.- The provisions of this chapter shall apply to the customers of Tier-I retailers who have integrated their retail outlets with the Board's computerized system for real-time reporting of sales.

150ZEI. Definitions.- In this chapter, unless there is anything repugnant in the subject or context,-

(a) "approved outlet" means a retail outlet duly integrated with the Board's computerized system in pursuance of the provisions of sub-section (9) of section 3 of the Sales Tax Act, 1990;

(b) "eligible goods" means goods on which sales tax has been paid at the standard rate or at the reduced rate of 12% as per serial number 66 of Table-I of the [2][Eighth] Schedule to the Sales Tax Act, 1990;

(c) "electronically generated invoice" means an invoice generated by the approved outlet containing a printed Quick Response (QR) code on the invoice;

(d) "mobile application" means "Tax Asaan" mobile phone application;

(e) "customer" means customer of Tier-I retailers holding an electronically generated invoice; and

(f) "wallet account" means an account generated online for Tier-I retailer as well as for its customers.

150ZEJ. Procedure for claim of cash back by the customers.- (1) All customers of Tier-1 retailers are entitled to redeem 5% of the sales tax paid as cashback on eligible goods of the tax amount as inscribed on the invoice issued by the Tier-I retailers.

(2) To redeem under sub-rule (1) the cash online, the customer shall log on to the mobile application.

(3) Soon after log on under sub-rule (2), an independent FBR wallet account shall be created for each customer.

(4) Approved outlet shall also create an independent FBR wallet account for each customer.

(5) An identical FBR wallet account shall be created for each point of sale by the approved outlet.

(6) The customer shall verify the electronically generated invoice through the mobile application.

(7) As soon as the electronically generated invoice is verified, the system shall automatically calculate the 5% amount of the tax paid on the invoice.

(8) The customer shall transfer the amount determined under sub-rule (7) into his FBR wallet account.

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[1]Chapter XIV-AB inserted by SRO 1339(I)/2020 dated December 16, 2020.
[2]Substituted for "Sixth" by Corrigendum dated December 21, 2020.

(9) The customer may redeem the earned amount within one month of his purchases accumulated in his FBR wallet account on any approved outlet who shall refund the amount accumulated in the wallet account of the customer after ensuring that the earned amount is transferred from the customer's wallet account to the approved outlets wallet account.

(10) The approved outlet shall adjust the amount so refunded to the customer which shall be automatically uploaded from the approved outlet's wallet account to the sales tax return of the approved outlet for the relevant tax period by auto adjusting the output tax liability.]

[1][Chapter XIV-AC

Prize Scheme

150ZEK. Application.- The provisions of this chapter shall apply to the customers of tier-1 retailers who have integrated their retail outlets with the Board's computerized system for real-time reporting of sales and mystery shopping in respect of verification of invoices from such retailers.

150ZEL. Procedure for prize scheme.- (1) The customers of integrated tier-1 retailer, [2][who reports unverified invoices issued by tier-1 retailer] shall be entitled to prizes in respect of their purchases from the integrated tier-1 retailers.

(2) The customers shall verify the electronically generated invoice of integrated retailers either through "tax asaan" application or by sending [3][by WhatsApp number to be communicated through an order by the Board].

(3) The application [4][or WhatsApp number, as the case may be] shall notify the customer regarding the status of invoice either as "verified" or "unverified".

[5][(4) In case of unverified invoice, the customer shall report the same through the application or WhatsApp number, as the case may be, providing the following details:-

(a) Name of the customer;

(b) CNIC of the Customer;

(c) Mobile Number of the Customer;

(d) IBAN of the Customer;

(e) Proof of digital payment;

(f) Picture of the unverified invoice; and

(g) GPS Tagged picture of the business premises that has issued unverified invoice:

Provided that if the proof of digital payment is not provided by the customer, the right to claim the prize shall stand forfeited.

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[1]Chapter XIV-AC inserted by SRO 1005(I)/2021 dated August 09, 2021.
[2]Substituted for "whose names and CNICs are notified through random computerized draw" by SRO 1513(I)/2024 dated September 26, 2024.
[3]Substituted for "sms to number 9966" by SRO 1513(I)/2024 dated September 26, 2024.
[4]Words inserted by SRO 1513(I)/2024 dated September 26, 2024.
[5]Sub-rules (4) to (6) substituted by SRO 1513(I)/2024 dated September 26, 2024.

Rule 150ZEL(4) to (6)-Substitution.- Before substitution these read as follows:-

"(4) In case of verified invoice, the customer shall furnish one time, the following detail to the online system, namely:-

(a) Name;

(b) CNIC; and

(c) Mobile number

(5) Names and CNICs of the customers shall be included in the random computerized draw upon fulfillment of the requirement of sub-rule (4).

(6) In case of unverified invoice, the customer shall report the same through system. The Board shall conduct enquiry and take appropriate action under the relevant provisions of law."

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(5) In case of unverified invoice, an alert shall be generated in the IRIS login of the Commissioner Inland Revenue and he shall authenticate the unverified invoice to establish the entitlement or otherwise of the customer for the prize [1][.]

[1][ ]

(6) In case the particulars, as provided by the customer are found incorrect or incomplete at any stage, the onus for delay in the disbursement of prize shall rest with the customer.]

[2][ ]

(9) The total prize money and the denomination of the prizes shall be decided on [3][ ] by the Board.

[2][ ]

150ZEM. Procedure for mystery shopping.- (1) Mystery shopping shall be conducted by a person or the firm, duly authorized by the Board.

(2) The person or firm authorized by the Board under sub-rule (1), shall carry out mystery shopping on random basis from tier-1 retailers.

(3) The person or firm authorized by the Board under sub-rule (1), shall verify the invoices from the online system of FBR and in case of fake or invalid invoice, report the matter to the Board for necessary action as per relevant provisions of the Act and the rules thereunder.

[4][ ]

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[1]Substituted for colon and proviso omitted by SRO 164(I)/2025 dated February 17, 2025.
[2]Rules 150ZEL(7), (8) & (10) omitted by SRO 1513(I)/2024 dated September 26, 2024.
[3]Words "month to month basis" omitted by SRO 1513(I)/2024 dated September 26, 2024.
[4]Rules 150ZEM(4) & (5) omitted by SRO 1513(I)/2024 dated September 26, 2024.

Rule 150ZEL(5)-Proviso-Omission.- Before omission it read as follows:-

"Provided that the Commissioner shall also take necessary action in terms of S.No.24 in the Table of section 33 of the Act."

Rule 150ZEL(7), (8) & (10)-Omission.- Before omission these read as follows:-

"(7) The computerized draw for the prizes shall be held in the first week of every month starting from the month of August, 2021 at the FBR Headquarters and the invoices of the immediately preceding month shall be entered in the draw.

(8) Draw winners shall be required to perform biometric verification, at the nearest e-sahulat facility of NADRA and submit scanned copy on "tax assan" application. After successful biometric verification, winners shall be required to provide their IBAN through "tax asaan" application.

[1][(10) These rules shall not have effect during the period commencing on the fifteenth day of November, 2022 and ending on the thirty-first day of January, 2023:

Provided that all invoices verified during such period shall be included in the next prize draw or schemes.]"

[1]Sub-rule (10) inserted by SRO 2042(I)/2022 dated November 15, 2022.

Rule 150ZEM(4) & (5)-Omission.- Before omission these read as follows:-

"(4) Any other person may, in case of fake or invalid invoice, report the matter to the Board for necessary action as per relevant provisions of the Act and the rules thereunder.

(5) The informer under sub-rule (4) may claim reward on the basis of the detection and recovery made in consequence of fake or invalid invoice in terms of provisions of section 720 of the Act."

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[1][Chapter XIV-AD

Procedure for Sealing and De-sealing of Business Premises of Tier-1 Retailers

150ZEN. Application.- The provisions of this chapter shall apply to the following persons, namely:-

(1) any person who is integrated for monitoring, tracking, reporting or recording of sales, production and similar business transactions with the Board or its computerized system, conducts such transactions in a manner so as to avoid monitoring, tracking, reporting or recording of such transactions, or issues an invoice which does not carry the prescribed invoice number or barcode or QR code or bears duplicate invoice number or counterfeit barcode or QR code; and

(2) any person who is required to integrate his business as stipulated under sub-section (9A) of section 3 read with sub-section 43A of section 2, but fails to get himself registered under the Act, and if registered, fails to integrate in the manner as required under the law and rules made thereunder.

150ZEO. Procedure for sealing of business premises of integrated tier1 retailers.- The business premises of such person as mentioned in sub-rule (1) of rule 150ZEN shall be liable to be sealed in the manner prescribed as under:-

(1) the Commissioner Inland Revenue, in whose territorial jurisdiction the business premises of tier-1 retailer is located, may initiate proceedings for sealing of the business premises on the basis of information that such person was found involved in the issuance of tax invoice that does not carry the invoice number or QR Code as prescribed, bears duplicate invoice number or counterfeit QR Code, the invoice is defaced, or there is any other evidence of tempering;

(2) The information referred to in sub-rule (1) may be acquired in the following manner:-

(i) reported as unverified on “Tax Asaan” application or POS Dashboard;

(ii) physically available or acquired through mystery shopping as referred to in sub-section (2) of section 56C of the Act;

(iii) or through any other reliable source.

(3) The Commissioner Inland Revenue concerned shall verify any invoice through invoice number or QR code before declaring it unverified;

(4) Where the Commissioner Inland Revenue has evidence as provided under sub-rule (3), that a tier-1 retailer has [2][involved in issuances of unverified invoice. or if store becomes disconnected with the FBR data base for forty eight hours, or invoices of offline period not entered in the system in next twenty four hours or device does not keep record of invoices during offline period, as the case may be], the Commissioner Inland Revenue shall seek the approval of the Chief Commissioner Inland Revenue in writing for sealing of the retailer's business premises besides mentioning the team of officers and officials that shall carry out the process of sealing of the said business premises:

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[1]Chapter XIV-AD inserted by SRO 252(I)/2022 dated February 16, 2022.
[2]Substituted for “either issued three unverified invoices in a day or five unverified invoices in seven days against a single STRN” by SRO 164(I)/2025 dated February 17, 2025.

Provided in case the unverified invoices belong to a business premises of tier-1 retailer having jurisdiction in some other field formation, the Commissioner Inland Revenue concerned shall seek approval from the Chief Commissioner Inland Revenue in whose jurisdiction the integrated tier-1 retailer falls besides mentioning the team of officers and officials that shall carry out the process of sealing of the said business premises;

(5) The Chief Commissioner Inland Revenue, in whose jurisdiction the integrated tier-1 retailer falls, shall on receipt of request for approval as mentioned in sub-rule (4), [1][, the expression "either allow or dis-allow the sealing of such business premises] and, in case of allowing sealing of business premises, shall also notify the team for carrying out the process of sealing immediately:

Provided where the jurisdiction of tier-1 retailer falls in some other field formation, the concerned Chief Commissioner shall request the Board for notification of the team;

(6) The Chief Commissioner Inland Revenue in whose jurisdiction the integrated tier-1 retailer falls, shall decide whether one or more branches are to be sealed depending on the unverified invoices issued by the respective branches; and

(7) The sealing order shall be communicated by the concerned Chief Commissioner Inland Revenue to the Member (IR-Operations) for information and a copy thereof shall be sent to Chief (POS) for record.

[2][(8) The business premises of the registered person may be sealed on any violation made by registered person.]

150ZEP.Procedure for sealing of business premises of non-integrated tier-1 retailers.- The business premises of such person as mentioned in sub-rule (2) of rule 150ZEN shall be liable to be sealed in the manner prescribed as under:-

(1) The Officer Inland Revenue, not below the rank of an Assistant Commissioner, having territorial jurisdiction, shall report in writing the non-integration of tier-1 retailer, in violation of [3][section 3(9A)] of the Act, to the Commissioner Inland Revenue concerned, recommending initiation of sealing of business premises under S. No. 25A of section 33 of the Act;

(2) The Commissioner Inland Revenue concerned after conducting inquiry shall forward the report to the Chief Commissioner Inland Revenue, citing cogent reasons for recommending sealing of business premises besides mentioning the team of officers and officials that shall carry out the process of sealing of the said business premises:

Provided where non-integrated tier-1 retailer falls in the jurisdiction of some other field formation, the Commissioner Inland Revenue concerned shall seek approval from the Chief Commissioner Inland Revenue in whose jurisdiction the non-integrated tier-1 retailer falls besides mentioning the team of officers and officials that shall carry out the process of sealing of the said business premises;

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[1]Substituted for "issue an order in writing for allowing or disallowing the sealing of such business premises after recording the reasons therein," by SRO 164(I)/2025 dated February 17, 2025. *SRO wrongly stated these amendments in 150ZEG instead of 150ZEO

[2]Rule 150ZEO(8) inserted by SRO 164(I)/2025 dated February 17, 2025.

[3]Substituted for "subsection (9A)" by SRO 164(I)/2025 dated February 17, 2025.

(3) The Chief Commissioner Inland Revenue concerned shall issue an order in writing for allowing or disallowing the sealing of such business premises after recording the reasons therein, and, in case of allowing sealing of business premises, shall also notify the team for carrying out the process of sealing immediately:

Provided where the jurisdiction of tier-1 retailer falls in some other field formation, the concerned Chief Commissioner shall request the Board for notification of the team; and

(4) The sealing order shall be communicated by the concerned Chief Commissioner Inland Revenue to the Member (IR-Operations) for information and a copy thereof shall be sent to Chief (POS) for record.

[1][**150ZEQ. Procedure for de-sealing of business premises of integrated tier-1 retailers**.- Where a business premises has been sealed under rule 150ZEO, the following procedure for de-sealing thereof shall be adopted, namely:-

(i) the Commissioner Inland Revenue having jurisdiction over the case shall impose a penalty by passing an order as provided under serial No. 24 of section 33 of the Act;

(ii) de-sealing order of the business premises shall be issued by the concerned Commissioner Inland Revenue within 24 hours of the payment of penalty and the demand created during audit, nothing shall impede de-sealing of the business premises provided that the software bug has been removed and all requirements of Chapter XIV-AA of Sales Tax Rules, 2006 have been fulfilled by the integrated tier-1 retailer;

(iii) the registered person ma) file appeal against the order;

(iv) the Commissioner Inland Revenue shall ensure software audit through an integrator of all POS machines installed in all the branches of such retailer within three working days after de-sealing of the business premises. The Commissioner Inland Revenue shall ensure to record the sale during that period;

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[1]Rule 150ZEQ substituted by SRO 164(I)/2025 dated February 17, 2025.

Rule 150ZEQ-Substitution.- Before substitution it read as follows:-

"150ZEQ.Procedure for de-sealing of business premises of integrated tier-1 retailers.- Where business premises have been sealed under rule 150ZEO, the procedure for de-sealing of business premises shall be as under:-

(1) The Commissioner Inland Revenue having jurisdiction over the case shall impose a penalty as provided under serial No. 24 of section 33 of the Act and ensure its payment. De-sealing order of the business premises shall be issued by the concerned Commissioner Inland Revenue within one day of the payment of penalty;

(2) The Commissioner Inland Revenue shall ensure software audit of all POS machines installed in all the branches of such retailer within three working days after de-sealing of the business premises;

(3) The Commissioner Inland Revenue shall ascertain the exact quantum of under-declared sales as a result of software audit and create a demand of tax sought to be evaded; and

(4) Once the penalty imposed has been recovered, any demand created as a result of software audit shall not impede de-sealing of the business premises provided that the software bug has been removed and all requirements of Chapter XIV-AA of Sales Tax Rules, 2006 have been fulfilled by the integrated tier-1 retailer."

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(v) the Commissioner Inland Revenue shall ascertain the exact quantum of under-declared sales as a result of software audit and create a demand of tax sought to be evaded; and

(vi) in case of non-payment, de-sealing shall be done after a month and business premises shall be re-sealed alter fifteen days, if default continues.]

150ZER. Procedure for de-sealing of business premises of non-integrated tier-1 retailers.- Where business premises have been sealed under rule 150ZEP, the procedure for de-sealing of business premises shall be as under:-

[1][(1) The Commissioner Inland Revenue having jurisdiction shall impose a penalty by passing an order prescribed under serial No. 25A of section 33 of the Act;]

(2) The business premises of non-integrated tier-1 retailer shall remain sealed till the payment of penalty and integration of all POS machines installed in all its branches or outlets;

(3) The integration process shall be carried out in presence of FBR team constituted for this purpose by the respective Commissioner Inland Revenue having jurisdiction. In order to ensure error-free integration of tier-1 retailer, the team so constituted shall include a technical person:

Provided where the jurisdiction of tier-1 retailer falls in some other field formation, the concerned Chief Commissioner shall request the Board for notification of the team; and

(4) The concerned Commissioner Inland Revenue shall furnish to the Chief Commissioner Inland Revenue a certificate, within three days, in writing that all POS machines installed in the business premises have been integrated with the FBR Computerized system and are free from any technical and functional errors.]

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[1]Rule 150ZER(1) substituted by SRO 164(I)/2025 dated February 17, 2025.

Rule 150ZER(1)-Substitution.- Before substitution it read as follows:-

"(1) The Commissioner Inland Revenue having jurisdiction shall impose a penalty prescribed under serial No. 25A of section 33 of the Act and ensure its payment;"

1-238-10-04-2025

[1][**Chapter XIV-B**

Electronic monitoring, tracking and tracing of Specified goods and licensing [2][**thereof**]

Sub-Chapter 1

Preliminary

150ZF. Application.– The provisions of this Chapter shall apply to electronic monitoring, tracking and tracing of production, import and supply-chain of the following goods, on real time basis, hereinafter referred to as the specified goods, namely:-

(a) tobacco Products;

(b) beverages;

(c) sugar;

(d) fertilizer; [3][ ]

(e) cement [4][and auxiliary products] [5][; *[ ]*]

[6][(f) petroleum products [7]*[;]*]

[8][(g) steel sector [9][; and]]

[10][(h) tiles:]

Provided that any or all of the said specified goods above shall be monitored, tracked and traced in the manner provided in this Chapter [11][and any other instructions, procedures and orders issued by the Board]:

Provided further that the specified goods, if brought from non-tariff area as defined in the Federal Excise Act, 2005, shall be treated as imported goods for the purposes of this Chapter.

150ZG. Definitions.- In this Chapter, unless there is anything repugnant in the subject or context,-

(a) "applicant" means any company or consortium or joint venture which makes application for a license under these rules;

(b) "central control room" means a control room established by the Board at FBR House, Islamabad or any other control room specifically designated by the Board;

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[1]Chapter XIV-B substituted by SRO 250(I)/2019 dated February 26, 2019. Earlier it was inserted by SRO 494(I)/2015 dated June 30, 2015.

[2]Substituted for "therefore" by SRO 918(I)/2019 dated August 07, 2019.

[3]Word "and" deleted by SRO 223(I)/2020 dated March 16, 2020.

[4]Words inserted by SRO 308(I)/2024 dated February 29, 2024.

[5]Word "and" deleted by SRO 541(I)/2022 dated April 22, 2022. Earlier it was substituted for colon by SRO 223(I)/2020 dated March 16, 2020.

[6]Clause (f) inserted by SRO 223(I)/2020 dated March 16, 2020.

[7]Word "and" deleted by SRO 308(I)/2024 dated February 29, 2024. Earlier colon substituted by SRO 541(I)/2022 dated April 22, 2022.

[8]Clause (g) inserted by SRO 541(I)/2022 dated April 22, 2022.

[9]Substituted for colon by SRO 308(I)/2024 dated February 29, 2024.

[10]Clause (h) inserted by SRO 308(I)/2024 dated February 29, 2024.

[11]Substituted for "from the date to be specified by the Board, through a general order" by SRO 918(I)/2019 dated August 07, 2019.

1-231-29-02-2024

(c) "consortium" means an agreement or arrangement in which two or more firms or companies pool their financial and human resources to undertake the project;

[1][(d) "licensing committee" means a committee comprising at least three officers of Inland Revenue Service not below the rank of Commissioner, headed by an officer not below the rank of Chief Commissioner, assisted by technical or IT expert and any other officer or authority designated by the Board;]

(e) "Project Director" means the Chief [2][(IR-Operations)], FBR or any other officer designated by the Board; and

(f) "regional control room" means a control room established by the Board in Regional Tax Office, Peshawar or any other control room designated by the Board.

150ZH. Goods to be affixed with tax stamps, banderoles, stickers, labels, barcodes, etc.- (1) On every package, including a tin, container or bottle, of the specified goods whether manufactured or imported shall be affixed or printed a tax stamp, banderole, sticker, label, barcode [3][, unique identification marking, code], etc., hereinafter referred to as tax stamp, in the manner prescribed under this Chapter:

Provided that in respect of such specified goods which are exempt or meant for export tax stamps [4][whatever the case may be] shall be clearly, legibly and indelibly marked as "Exempt Goods" or "For Export", as the case may be.

(2) Every tax stamp required to be affixed under these rules shall bear such security features as are approved by the Board in order to-

(a) prevent counterfeiting;

(b) enable accounting of production of the specified goods; and

(c) enable any person in the supply chain or an officer authorized by the Commissioner Inland Revenue to authenticate such tax stamp.

(3) The system for imported goods shall be installed in a designated area at the port of importation or a customs bonded warehouse, as the case may be, declared by the importer for this purpose, or any other place approved by the Project Director:

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[1]Clause (d) substituted by SRO 831(I)/2020 dated September 09, 2020. Earlier it was substituted by SRO 223(I)/2020 dated March 16, 2020. Before substitution it read as follows:-

"(d) "licensing committee" means a committee comprising at least three members of Inland Revenue Officers not below the rank of BPS-20 of FBR Headquarters, assisted by technical or IT expert and any other officer or authority designated by the Board;"

Before substitution by SRO 223(I)/2020 it read as follows:-

"(d) "licensing committee" means a committee comprising Commissioner (Zone-I), LTU, Islamabad, Commissioner (Zone-I) LTU Karachi, Commissioner Mardan Zone, RTO Peshawar, Director, Intelligence and Investigation-IR, Islamabad, Chief IR (Operations-I), FBR Headquarters, Islamabad, and any other officer or authority designated by the Board;"

[2]Substituted for "(IR-Operations-I)" by SRO 223(I)/2020 dated March 16, 2020.

[3]Words inserted by SRO 918(I)/2019 dated August 07, 2019.

[4]Substituted for "shall not be required to be affixed thereon, but" by SRO 223(I)/2020 dated March 16, 2020.

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Provided that the Board may allow tax stamps to be affixed on any specified goods to be imported in a production facility in the exporting country, subject to such conditions as the Board may specify.

(4) No person engaged in manufacturing, sale or purchase or handling of specified goods shall remove or tamper with the tax stamp affixed thereon until these are sold to the final consumer.

Sub-Chapter 2

Licensing

150ZI. Licensing of companies for electronic monitoring, tracking and tracing of specified goods.- (1) No [1][person] shall carry out electronic monitoring, tracking or tracing of specified goods unless it has obtained a licence under these rules.

(2) No licensee under these rules shall establish, maintain or operate any other system or provide any other service which is not authorized under the licence.

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[1]Substituted for "company" by SRO 918(I)/2019 dated August 07, 2019.

1-200-15-09-2020

150ZJ. Functioning of Licensing Committee.- (1) The licensing committee shall function in accordance with the provisions of these rules [1][and any other instructions, procedures and orders issued by the Board.]

(2) Project Director, Track and Trace System, shall be the convener of the licensing committee and its headquarters shall be located at FBR House, Islamabad. The Board shall provide secretarial and other allied support required for functioning of the licensing committee.

(3) The licensing committee shall devise procedures for its functioning, which shall be in accordance with these rules.

150ZK. Application for grant of a licence.- (1) An application to carry out tracking, tracing and electronic monitoring of specified goods mentioned in these rules shall be made in duplicate to the Board.

(2) No application under sub-rule (1) shall be considered unless it is accompanied by all the supportive and relevant documents including the following, namely:-

(a) a comprehensive profile of the company or partners or members in consortium;

(b) brief about managerial and technical personnel indicating name, position, qualification and experience;

(c) total number of current employees;

(d) list of major clientele;

(e) documents showing relevant experience in electronic monitoring, tracking and tracing of tobacco products, beverages, medicines, petroleum or any other goods;

(f) complete history of activities undertaken and synopsis of the projects done;

(g) current commitments and status of in-hand projects;

(h) incorporation certificate under the Companies Act, 2017 (XIX of 2017), and in case of consortium at least one member has such incorporation certificate;

(i) National Tax Number (NTN) certificate;

(j) audited accounts of the last three financial years;

(k) income tax returns for the last three years;

(l) registration with Sales Tax Department, if required;

(m) computerized National Identity Cards (CNICs) of directors of the incorporated company; [2][ ]

(n) undertaking that the company has never been blacklisted by any Government or private department or organization and has not been involved in confirmed cases of fiscal fraud.

1-193-15-09-19

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[1]Substituted for full stop by SRO 918(I)/2019 dated August 07, 2019.
[2]Word "and" deleted by SRO 918(I)/2019 dated August 07, 2019.

[1][(o) list of all assets of the applicant in Pakistan; and

(p) any other document required through instructions, procedures and orders issued by the Board with respect to specified goods.]

(3) The applicant shall also declare the fee and charges that it intends to collect from manufacturers or importers of specified goods during the licence period.

150ZL. Criteria for grant of a licence.- (1) The applicant shall be required to provide technological solutions for the high security tax stamps and related electronic monitoring and tracking system tailored for Pakistani needs on real time basis.

(2) The applicant shall possess the following qualifications to be considered for issuance of licence, namely:-

(a) it shall be a company duly incorporated under the Companies Act, 2017 (XIX of 2017);

(b) it shall have experience and past performance in electronic monitoring, tracking and tracing of tobacco products, beverages, medicines, petroleum etc preferably in multiple countries;

(c) it shall be in a financial position to undertake the project-minimum annual turnover of US$50 million in any of last three years or financial worth of US$25 million; and

(d) it shall have appropriate managerial capacity to execute and run the project.

(3) The system based solution offered by the applicant must have the following features, namely:-

(a) individually coded stamps to be affixed or applied on each package of the specified goods on the manufacturing lines or at importing station, as the case may be.

(b) the stamps shall be associated to every specific brand of a manufacturer;

(c) system shall provide for management of the workflow from the requirement or order of the manufacturer to the dispatch, reception and ultimately, application or affixation of tax stamps and activation of codes;

(d) the system shall allow the Board or the concerned field offices to monitor the production workflow and activities on a continuous basis;

(e) the system shall also provide all necessary functionalities in order to organize and monitor the activity of the controllers and generate requisite reports;

(f) mobile control devices or equivalent smart phones for officers of the Board to check the authenticity and trace the stamps on the units of tobacco products in the field;

1-193-15-09-19

[1]Clauses (o) & (p) inserted by SRO 918(I)/2019 dated August 07, 2019.

(g) serialized secure stamps on [1][specified goods];

(h) a system providing at the production stage for the association of the stamps with a product defined by its SKU (Stock Keeping Unit);

(i) data analysis and communication results thereof to central control room (CCR) and regional control room (RCR);

(j) reporting of unauthorized stoppages (include stoppages which cannot be reasonably excused by the relevant officers of the Board or as elaborated by the concerned Commissioner through a public notice) of production;

(k) [2][the system must] be stable, fault-tolerant, secure and accessible only by authorized username and password as authorized by the Board;

(l) necessary computers and data activation capturing devices on the production lines of manufacturer;

(m) this system shall provide that the information given below shall be securely transferred to the data warehouse of Board;

(n) information regarding spoiled, lost, unused, stolen and fake tax stamps and reconciliation; and

(o) The Track and trace system should include following control functionalities at several level, namely:-

(i) advanced authentication of all the different profiles on the system (login and password);

(ii) control of activation in the manufacturing plants; and

(iii) control of controller activity and planning of inspection tours.

(4) The system based solution offered by the applicant shall be able to perform the following functions, namely:-

(a) monitoring capability on real-time basis of a minimum 50 factory premises or production lines;

(b) tracing and tracking of specified goods throughout the country from factory premises to retail level on real time basis;

(c) the ability to configure the tracking unit remotely;

(d) the system must be capable of sending alert messages and trigger alarms (visible and audible) in case of occurrence of abnormal events such as unauthorized stoppages of production, tempering with stamping machines etc.

(e) in case of absence of communication network coverage the tracking unit of the system must be able to switch over to another network so as to ensure real time tracking without interruption or break;

(f) the system reporting should be capable to filter and process the production data for statistical and analytical purposes;

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[1]Substituted for "tobacco products" by SRO 918(I)/2019 dated August 07, 2019.
[2]Substituted for "must" by SRO 918(I)/2019 dated August 07, 2019.

(g) the licensee should ensure secure data storage and archiving of data for five years from its generation or recording;

(h) ability to use authentication devices, or equivalent smart phones etc. for reading data at various sites;

(i) ability to assign Unique Identification [1][Marking (UIM)] which should contain Complete information about tracking unit including production date, brand name, machine number, location etc.; and

(j) all electronic data interface (EDI) communication should be encrypted to ensure secure communications.

(5) The applicant shall also submit a complete list of operations and maintenance required to operate the system based solution.

(6) The applicant shall specify the expected delivery and implementation time, which shall not exceed six months from the date of issuance of license. The applicant shall also undertake to meet these timelines.

[2][(7) In case of unforeseeable or unavoidable eventsor circumstances, beyond the control of licensee, an application for extension in timelines may be made to the Licensing Committee and the said committee may consider such application for extension subject to approval of the Board.]

150ZM. Procedure for grant of a licence.- (1) On receipt of an application for grant of licence in the Board, the licensing committee shall evaluate it.

(2) The licensing committee may also fix a date for a hearing to be attended by the applicant for the purposes of evaluation of the application submitted under sub-rule (1).

(3) The licensing committee may also carry out visits and physical inspections to ascertain eligibility of the applicant for licensing under these rules.

(4) The applicant shall be required to give practical demonstration of the technological solution offered for licensing.

(5) The licensing committee shall send its recommendations to the Board within thirty days from the date of submission of the application. It shall give detailed reasons for recommending rejection of any application under these rules:

[3][ ]

(6) In case a company meets the technical and financial criteria given in these rules, the licensing committee shall recommend to the Board for grant of licence to such a company.

(7) The Board may grant licence to the recommended company.

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[1]Substituted for "Number (UIN)" by SRO 918(I)/2019 dated August 07, 2019.
[2]Sub-rule (7) inserted by SRO 918(I)/2019 dated August 07, 2019.
[3]Proviso deleted by SRO 223(I)/2020 dated March 16, 2020. Before omission it read as follows:-

"Provided that where complete documents or any information needed for the requisite evaluation have not been provided within fifteen days of the requisition or within thirty days of the submission of application, whichever is later, the application shall be summarily rejected."

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(8) The qualified company shall be required to deposit [1][unconditional] bank guarantee for rupees [2][one hundred] million to the licensing committee, as financial security, before issuance of the licence. The bank guarantee shall be valid for whole duration of the licence and shall be encashable in case of violation of these rules or terms of licence leading to loss of government revenue.

150ZN. Rights granted to the licensee.- A licensee shall have the right to establish, maintain and operate a system to monitor and track the [3][specified goods] on real time basis, in accordance with terms and conditions of the licence.

150ZO. Terms and conditions of the licence.- (1) Subject to these rules [4][and any other instructions, procedures and orders issued by the Board], licence shall be granted for a period of five years.

(2) The licence granted under these rules shall be subject to the provisions of the Act.

(3) The licence granted under these rules shall be non-transferrable and shall not be allowed to be used by any sub-contractor.

[5][(4) The licensee shall seek prior written approval from the Board before entering into any agreement with the manufacturer or producer of a specified good]

150ZP. Renewal of the licence.- (1) An application for renewal of license shall be made to the Board, three months before its expiry.

(2) The licensing committee shall evaluate the application and may recommend to the Board renewal of licence.

(3) The Board may renew the licence for further three years on the basis of recommendations of the licensing [6][committee].

(4) The licensee shall be required to comply with all the provisions of these rules for the renewed period.

Sub-chapter 3

Responsibilities of the licensee

150ZQ. Licensee to run and manage the system.- (1) The licensee shall be responsible to operationalize the system within six months of issuance of licence.

(2) The licensee shall run and manage the system under proper warrantee and shall ensure maintenance during the period of licence.

(3) The licensee shall abide by all relevant laws while running the system.

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[1]Words inserted by SRO 918(I)/2019 dated August 07, 2019.
[2]Substituted for "fifty" by SRO 918(I)/2019 dated August 07, 2019.
[3]Substituted for "cargo" by SRO 918(I)/2019 dated August 07, 2019.
[4]Words inserted by SRO 918(I)/2019 dated August 07, 2019.
[5]Sub-rule (4) inserted by SRO 918(I)/2019 dated August 07, 2019.
[6]Substituted for "authority" by SRO 918(I)/2019 dated August 07, 2019.

15OZQA. Establishment of Central Control Room.- (1) The Board shall design, furnish and establish a central control room (CCR) in the FBR House, Islamabad or in any other control room designated by the Board.

(2) The CCR shall be equipped with hardware, software, plasma screens, LCDs, communication and other allied equipment for viewing, analyzing the movements of goods and responding in cases of alerts.

(3) The CCR shall have necessary servers and data storage facilities to store and manage data bases for the specified goods monitored daily, with report printing capabilities.

(4) The operators at the CCR shall be able to transfer the map or any section of it to any monitor or licensee connected to the system based on pre-assigned priorities.

15OZQB. Establishment of regional control rooms.- (1) The licensee shall design, furnish and establish regional control rooms (RCR) in various field formations or in any other places designated by the Board.

(2) The RCRs shall be connected with the CCR and equipped with the requisite infrastructure for monitoring the movement of goods and vehicles and for responding in cases of alerts.

15OZQC. Requirements to be met at the factory premises and at imports.- (1) The licensee shall ensure that each factory premises and import station is connected to the system with adequate IT infrastructure for monitoring of production and generation of periodic report.

(2) The licensee shall arrange testing for all stamping equipment and tracking devices at each production sites.

(3) The licensee shall provide and maintain authentication devices, printers, UPS, etc. for smooth operation of the system.

(4) The system shall be expandable to cover future requirements of the Board.

15OZQD. Technical and training support.- (1) The licensee shall provide the technical support, as detailed below:-

(a) setting up and maintenance of all information technology (IT) infrastructure, wherever needed, for the purposes of these rules; and

(b) the licensee shall be fully responsible for-

(i) all upgrades of the system, hardware and software;

(ii) all bug fixes; and

(iii) immediate response and repair of any technical problem in the system during holidays or working days to cover the major, minor and moderate problems for uninterrupted working of the system.

(2) The licensee shall undertake to upgrade, as per the new technological requirement, the installed IT structure, related software, communication equipment etc., as and when required.

(3) The licensee shall arrange to provide comprehensive technical and operational training to the IR officers and officials and other concerned officials and ensure provision of all documentation and technical manuals, wherever and whenever required.

(4) Quarterly appraisal reviews of functioning and efficacy of the system shall be carried out for which the licensee shall make necessary arrangements.

[1][(5) The licensee shall be responsible for safe and secure capture and real time transmission of data from manufacturing sites and import stations to FBR control rooms in a confidential and secure manner and ensure that FBR, at all times, has control of the data collected by the licensee.]

Sub-Chapter 4

Supervision of the system, enforcement and early termination

15OZQE. Responsibilities of the Project Director.- (1) The Project Director shall be responsible for overall supervision of the system.

(2) The Project Director shall send quarterly performance reports to the Board covering inter alia the functioning and efficacy of the system, the scope and need of improvements observed in the system and the steps taken to address problems encountered during operation of the system.

150ZQF. Procedure for cancellation or termination of licence.- (1) The Project Director shall immediately refer the matter to the licensing committee for further action under these rules, if he, as a result of supervision of the system or on receipt of a report from any of the Commissioners of Inland Revenue or on a valid complaint, has reasons to believe that the licensee has-

(a) failed to set up the infrastructure and to operationalize the system within the timelines committed at the time of issuance of licence;

(b) failed to provide the required services to the satisfaction of the Board authorities;

(c) contravened any condition of the licence;

(d) contravened any provision of these rules or the Act; or

(e) violated any applicable law while carrying out activities of licence under these rules.

(2) On receipt of reference from the Project Director under sub-rule (1), the licensing committee shall cause to serve a notice upon the licensee within fifteen days of receipt of reference, to show cause within thirty days after the date of the notice, as to why the licence issued under these rules should not be cancelled or terminated:

Provided that in cases where the Licensing [2][Committee], on the basis of material evidence, is of the opinion that there exits prima facie a sufficient case against the licensee, it may suspend the licence to safeguard public finances and to prevent any other serious damage.

1-198-30-05-2020

[1]Sub-rule (5) inserted by SRO 918(I)/2019 dated August 07, 2019.
[2]Substituted for "Authority" by SRO 918(I)/2019 dated August 07, 2019.

(3) The licensing committee may, after giving the licensee adequate opportunity of being heard and after examination of the record, cancel or terminate the licence issued under these rules [1][and encash the security deposit.]

(4) In case of cancellation of licence under these rules, the affected company shall have the right to file representation against the orders of the licensing committee before the Board.

(5) The Board shall decide the representation, after giving proper opportunity of being heard [1][and the decision of the Board shall be final.]

Sub-Chapter 5

Fee and Charges

15OZQG. Fee and charges.- (1) The licensee shall charge fee for tax stamps from the manufacturer or importer.

(2) No fee whatsoever shall be charged from any of the field formations or the Board.

15OZQH. Determination of fee and charges.- (1) The licensing committee shall at the time of issuance of licence [2][decide] the maximum amount of fee and charges [3][as per evaluating criteria] which can be collected by the licensee from importers or manufacturers of the specified goods during the duration of the licence.

(2) The Project Director shall notify these fee and charges through a public notice for information of all the relevant persons.

(3) The Project Director shall ensure that only the fee and charges [3][notified] by the licensing authority are being collected by the licensee.

15OZQI. Revision or alteration of fee and charges.- (1) The fee and charges determined in accordance with rule 15OZQH shall not be revised or altered in normal circumstances during the duration of the license.

(2) In cases where the basis of such determination has undergone significant and material change or where major economic disruption has occurred, the licensee may file a petition before the licensing committee accordingly to revise or alter the determined fee or charges.

(3) The licensing committee may in circumstances mentioned in sub-rule (2) allow review or alteration in such fee and charges:

Provided that in case where petition has been filed for upward revision or alteration of fee and charges, the representatives of importers and manufacturers of manufacturers shall be given an opportunity to present their point of view during the proceedings.

(4) The licensee may in case where the petition for upward revision or alteration of the fee and charges has been rejected shall have the option to request the licensing committee for cancellation of the licence issued under these rules.

(5) The licensing committee shall, on receipt of such a request under sub-rule (4), cancel the licence forthwith.

1-198-30-05-2020

[1]Substituted for full stop by SRO 918(I)/2019 dated August 07, 2019.
[2]Substituted for "get" by SRO 223(I)/2020 dated March 16, 2020.
[3]Substituted for "determined" respectively by SRO 223(I)/2020 dated March 16, 2020.

Sub-Chapter 6

Functions and Responsibilities of Others

15OZQJ. Functions and responsibilities of the manufacturer or importer of specified goods.- (1) The manufacturer or importer of specified goods shall-

(a) make all production facilities available for installation of the system and allow access to the licensee for routine operations, inspection and maintenance;

(b) not supply any goods without routing them through the system and without affixation of tax stamps;

(c) be responsible to pay the prescribed fee as provided in this Chapter;

(d) require a licensee to provide the requisite quantities of tax stamps, banderoles, stickers, labels, barcodes etc. at least thirty days in advance, under intimation to the Board;

(e) be responsible for smooth functioning, protection and security of the system;

(f) report to the Board and concerned Commissioner Inland Revenue within twenty-four hours of any operational failure, damage, disruption or tampering of the system:

Provided that any damage to the system found to be due to carelessness, negligence or deliberate action of the manufacturer shall be repaired at the expense of the manufacturer, without prejudice to any legal action that may be taken for recovery of evaded tax and imposition of penalty;

(g) maintain proper inventory of the tax stamps, banderoles, stickers, labels, barcodes etc.;

(h) not print over, hide or deface a tax stamp, banderole, sticker, label, barcodes etc. affixed on a package;

(i) allow unhindered access to the licensee and officer of Inland Revenue, authorized in this behalf;

(j) give a notice to the Board, at least thirty days in advance, from the date of start of production of new brands of goods, any change in the graphic art of existing goods together with the corresponding packages and labels or closure, expansion, modification or any other changes in the production line;

(k) return, under intimation to the Commissioner concerned, any tax stamps, banderoles, stickers, labels, barcodes etc. to the licensee in case the manufacturing is stopped, import is not made or the tax stamps, banderole, stickers, labels, etc. are defective or do not conform to the required specifications;

(l) make available the damaged tax stamps, banderoles, stickers, labels, barcodes etc. for inspection by the officer authorized by Commissioner Inland Revenue;

(m) report any inoperative production lines within twenty-four hours of occurrence to the concerned Commissioner Inland Revenue and the officer authorized by Commissioner Inland Revenue shall immediately proceed to secure such lines using a security seal and register the action in the system; and

(n) production lines sealed as aforesaid shall not be de-sealed to resume operation except with the permission of the Commissioner Inland Revenue.

15OZQK. Functions of the Commissioner Inland Revenue- (1) The Commissioner, having jurisdiction, shall monitor proper and uninterrupted operation of the system through periodic visits by an officer of Inland Revenue authorized in this behalf.

(2) Where a manufacturer or importer cannot account for the tax stamps, banderoles, stickers, labels, barcodes etc. issued to him by the licensee, the officer authorized by Commissioner Inland Revenue shall compute duties and taxes on the goods related to the unaccounted tax stamps, banderoles, stickers, labels, barcodes etc. and recover the same under the law.

15OZQL. Responsibility of persons involved in the supply chain.- A distributor, wholesaler, dealer, retailer or any other person involved in the supply chain of specified goods, shall verify the tax stamps, banderoles, stickers, labels, barcodes etc. affixed on the specified goods before taking any supply.

*Sub-Chapter 6**

Miscellaneous

150ZQM. Liabilities of the licensee.- (1) Without prejudice to the action that can be taken under Chapter IV of these rules, the licensee shall be liable to punitive action under the Act and rules made thereunder, in cases of its willful collusion with the importer or manufacturer for violation or contravention of any of such provision.

(2) The licensee shall also be liable to deposit duty and taxes along with surcharges and penalties under the Act and the relevant rules, where it is established through proceedings under the Act, after providing an opportunity of being heard, that the licensee has colluded with manufacturer resulting in evasion of duty and taxes.

150ZQN. Establishment of Inland Revenue enforcement network.- The Board shall establish Inland Revenue enforcement network (IREN) which shall be responsible for combating evasion and leakages of taxes and duties payable on specified goods, which shall co-ordinate with enforcement units of the concerned field formations.

*it should be 7

150ZQO. Functioning of IR enforcement network.- To check and verify any of the eventualities, the enforcement squads of IR shall patrol the designated routes on which specified goods are moving. The mobile squads may check a vehicle or any place of storage, wherein reportedly such specified goods are being transported, stored or kept, as the case may be, on which tax stamps have not been affixed under these rules.

15OZQP. Audit.- The Project Director shall arrange to carry out audit of the system every year [1][or at such frequent intervals as deemed appropriate]. The report shall be used for system related improvements and corrective and remedial actions, where warranted.]

[2][**150ZQQ. Dispute Resolution**.- If any dispute arises during or after the process of licensing, the matter shall be referred to Dispute Resolution Committee to be notified by the Board on an application by an aggrieved party.]

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[1]Chapter XIV-B substituted by SRO 250(I)/2019 dated February 26, 2019. Earlier it was inserted by SRO 494(I)/2015 dated June 30, 2015.

[1]Words inserted by SRO 918(I)/2019 dated August 07, 2019.

[2]Rule 150ZQQ inserted by SRO 918(I)/2019 dated August 07, 2019.

Before substitution by SRO 250(I)/2019, read as follows:-

"CHAPTER XIV-B

ELECTRONIC MONITORING AND TRACKING OF SPECIFIED GOODS

150ZF. Application.– The provisions of this chapter shall apply to manufacturers or importers of goods specified in the following Table:–

TABLE

S. No.	Specified goods
(1)	(2)
1.	Aerated waters
2.	Cigarettes
3.	Fertilizer
4.	Cement
5.	Sugar

150ZG. Goods to be affixed with tax stamps, banderoles, stickers, labels, barcodes etc.– Every package of the goods whether manufactured or imported shall be affixed or printed with a tax stamp, banderole, sticker, label, barcode, etc. in the manner prescribed under this Chapter:

Provided that such specified goods, which are exempt or meant for export, shall not be required to be affixed with tax stamps, banderoles, stickers, labels, barcodes, etc., but shall be clearly, legibly and indelibly marked as "Exempt Goods" or "For Export", as the case may be.

150ZH. Security features of the tax stamp, banderole, sticker, label, barcodes etc.– Every tax stamp, banderole, sticker, label, barcode, etc. required to be affixed under these rules shall bear such security features as are approved by the Board in order to–

(a) prevent counterfeiting;

(b) enable accounting of production of the specified goods; and

(c) enable any person in the supply chain or an officer authorized by the Commissioner Inland Revenue to authenticate such tax stamp, banderole, sticker, label, barcode, etc.

150ZI. Appointment of licensee.–The Board may appoint and authorize one or more licensees to–

(a) prepare and deliver tax stamps, banderoles, stickers, labels, barcodes etc. as per specifications approved by the Board;

(b) develop a system for counting, recording and reporting of the specified goods; and

(c) install and operate a system for the affixation or printing of tax stamps, banderoles, stickers, labels, barcodes etc., counting and monitoring of production, clearances and stocks, recording and reporting of data and other allied matters.

150ZJ. Installation of system.– (1) The system for the affixation or printing of tax stamps, banderoles, stickers, labels, barcodes, etc., counting and monitoring of production, clearances and stocks, recording and reporting of data and other allied matters shall include all devices and equipments required for–

(a) affixing, printing, authentication and validation of tax stamps, banderoles, stickers, labels, barcodes etc.;

(b) proper identification of packages and affixation of corresponding tax stamps, banderole, stickers, labels, barcodes etc;

(c) counting of goods manufactured or produced;

(d) recording and reporting of data of the specified goods to the Board; and

(e) any other function as required by the Board.

(2) The system shall be installed on all production lines and packaging machines at the manufacturing premises as may be necessary.

(3) The system for imported goods shall be installed in a designated area at the port of importation or a customs bonded warehouse, as the case may be, declared by the importer for this purpose:

Provided that the Board may allow tax stamps, banderoles, stickers, labels, barcodes etc. to be affixed on any specified goods to be imported in a production facility in the exporting country, subject to such conditions as the Board may specify.

(4) After installation of the system in each case, the licensee shall provide details of the system to the manufacturer as well as to the Board.

150ZK. Fee for purchase of tax stamps, banderole, stickers, labels, etc.–The manufacturer or importer shall pay to the licensee a fee fixed by the Board from time to time which shall cover the costs of installation, operation and maintenance of the system and printing or affixation of tax stamps, banderoles, stickers, labels, barcodes etc.

150ZL. Functions and responsibilities of the licensee.– The licensee shall-

(a) ensure timely delivery of tax stamps, banderoles, stickers, labels, barcodes etc. in the quantities as per requirement, to manufacturers or importers of specified goods;

(b) install the system in the manner specified in rule 150ZJ under the supervision of the officer of Inland Revenue authorized in this behalf;

(c) ensure proper operation, repair and maintenance of the system.

(d) convey production data to the Board, while maintaining its security.

150ZM. Functions and responsibilities of the manufacturer or importer of specified goods.– (1) The manufacturer or importer of specified goods shall-

(a) make all production facilities available for installation of the system and allow access to the licensee for routine operations, inspection and maintenance;

(b) not supply any goods without routing them through the system and without affixation of tax stamps, banderoles, stickers, labels, barcodes etc. procured from the licensee;

(c) be responsible to pay the fee approved by the Board for the affixation or printing of the tax stamps, banderoles, stickers, labels, barcodes etc.

(d) require a licensee to provide the requisite quantities of tax stamps, banderoles, stickers, labels, barcodes etc. at least thirty days in advance, under intimation to the Board;

(e) be responsible for smooth functioning, protection and security of the system;

(f) report to the Board and concerned Commissioner Inland Revenue within twenty-four hours of any operational failure, damage, disruption or tampering of the system:

Provided that any damage to the system found to be due to carelessness, negligence or deliberate action of the manufacturer will be repaired at the expense of the manufacturer, without prejudice to any legal action that may be taken for recovery of evaded tax and imposition of penalty;

(g) maintain proper inventory of the tax stamps, banderoles, stickers, labels, barcodes etc.;

(h) not print over, hide or deface a tax stamp, banderole, sticker, label, barcodes etc. affixed on a package;

(i) allow unhindered access to the licensee and officer of Inland Revenue, authorized in this behalf;

(j) give a notice to the Board, at least thirty days in advance, from the date of start of production of new brands of goods, any change in the graphic art of existing goods together with the corresponding packages and labels or closure, expansion, modification or any other changes in the production line;

(k) return, under intimation to the authorised officer, any tax stamps, banderoles, stickers, labels, barcodes etc. to the licensee in case the manufacturing is stopped, import is not made or the tax stamps, banderole, stickers, labels, etc. are defective or do not conform to the required specifications;

(l) make available the damaged tax stamps, banderoles, stickers, labels, barcodes etc. for inspection by the officer authorized by Commissioner Inland Revenue;

150ZN. Functions of the Commissioner Inland Revenue.- (1) The Commissioner, having jurisdiction, shall monitor proper and uninterrupted operation of the system through periodic visits by an officer of Inland Revenue authorized in this behalf.

(2) Where a manufacturer or importer cannot account for the tax stamps, banderoles, stickers, labels, barcodes etc. issued to him by the licensee, the officer authorized by Commissioner Inland Revenue shall compute duties and taxes on the goods related to the unaccounted tax stamps, banderoles, stickers, labels, barcodes etc. and recover the same under the law.

1-193-15-09-19

150ZO. Inoperative production lines:- (1) The manufacturer shall report any inoperative production lines within twenty-four hours of occurrence to the concerned Commissioner Inland Revenue and the officer authorized by Commissioner Inland Revenue shall immediately proceed to secure such lines using a security seal and register the action in the system.

(2) Production lines sealed under sub-rule (1) shall not be de-sealed to resume operation except with the permission of the Commissioner Inland Revenue.

150ZP. Effective date for commencement of the system.- The Board shall, by notification in the official Gazette, and through public notice in at least three national daily newspapers of wide circulation, declare the date after which the specified goods shall not be supplied without routing through the system.

150ZQ. Responsibility of persons involved in the supply chain.- A distributor, wholesaler, dealer, retailer or any other person involved in the supply chain of specified goods, shall verify the tax stamps, banderoles, stickers, labels, barcodes etc. affixed on the specified goods before taking any supply."

[1][Chapter XIV-BA

[2][Electronic Monitoring of Production of Specified Goods]

Sub-Chapter 1

Preliminary

150ZQR. Application.-The provisions of this Chapter shall apply to video surveillance [3][, video analytics solution] [4][and digital eye] for electronic monitoring of production on real time basis, hereinafter referred to as the specified goods meant, namely:-

(a) goods specified in Third Schedule appended to the Sales Tax Act, 1990; or

(b) any other goods notified by the Board through a specific order:

[5][Provided that for any or all of the goods specified above shall be monitored through video surveillance, video analytics [3][solution and digital eye] and digital eye from the date as notified by the Board through a specific order.]

[6][**150ZQS. Definitions**.- In this Chapter, unless there is anything repugnant in the subject or context,-

(a) "authorized vendor" means a person who is authorized by the Board under these rules;

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[1]Chapter XIV-BA inserted by SRO 889(I)/2020 dated September 21, 2020.
[2]Substituted for "Video Analytics Rules for Electronic Monitoring of Production of Specified Goods" by SRO 364(I)/2025 dated March 14, 2025.
[3]Words etc inserted by SRO 364(I)/2025 dated March 14, 2025.
[4]Words inserted by SRO 2082(I)/2024 dated December 31, 2024.
[5]Proviso substituted by SRO 2082(I)/2024 dated December 31, 2024.
[6]Rule 150ZQS substituted by SRO 364(I)/2025 dated March 14, 2025.

Rule 150ZQR-Proviso.- Before substitution by SRO 2082(I)/2024, it read as follows:-

"Provided that for any or all of the goods specified above shall be monitored through video surveillance and video analytics from the date as notified by the Board through a specific order."

Rule 150ZQS.- Before substitution by SRO 364(I)/2025, it read as follows:-

"150ZQS. Definitions.- In this Chapter, unless there is anything repugnant in the subject or context,-

(a) "authorized vendor" means any registered company which is authorized by the Board under these rules [1][excluding procurement for digital eye];

(b) "approval committee" means a committee comprising of the officers notified by the Board for the approval of vendors of equipments to be installed at production lines of specified goods [1][excluding procurement for digital eye];

(c) "applicant" means any registered company which applies for approval of its equipments for video monitoring of production under the rules [1][except digital eye];

(d) "pre-qualification" means the selection of authorized vendor on the basis of evaluation criteria given in these rules [1][except digital eye];

(e) "video analytics" or "intelligent video analytics" means a system for electronic monitoring of production on real-time basis;

(f) "intelligent videos surveillance" [1]["and digital eye"] or "IVS" means technology that uses software to automatically identify specific objects, behavior or attitudes in a video footage; and

(g) "central control room (CCR)" means the control room established in FBR by Inland Revenue Operation Wing.

[1]Words inserted by SRO 2082(I)/2024 dated December 31, 2024.

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(b) "approval committee" means a committee comprising of the officers notified by the Board for the approval of vendors of equipment to be installed at production lines of specified goods;

(c) "applicant" means any person who applies for approval of its equipment for electronic monitoring of production of specified goods under the rules;

(d) "CCU" means Central Control Unit established by the Board;

(e) "digital eye" means Board's software, which can be used to identify specific objects, behavior or attitudes and, which can be used for recording and capturing production count in a video footage;

(f) "person" means person as defined under section of the Income Tax Ordinance, 2001;

(g) "pre-qualification" means the selection of authorized vendor on the basis of evaluation criteria given in these rules;

(h) "production monitoring equipment" means hardware, associated software and any other equipment specified by the Board;

(i) "video analytics" or "intelligent video analytics" means a system for electronic monitoring of production on real-time basis; and

(j) "video surveillance" means recording of production process using recording devices.]

[1][**150ZQT. Goods to be monitored electronically**.- (1) Production of specified goods, manufactured in Pakistan, shall be monitored through video surveillance, video analytics solution and digital eye by installation of production monitoring equipment at production lines, as are approved by the Board for,-

(a) real time capture of production process;

(b) real time collection of data that shows production through object detection and object counting;

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[1]Rule 150ZQT substituted by SRO 364(I)/2025 dated March 14, 2025.

Rule 150ZQT.- Before substitution by SRO 364(I)/2025, it read as follows:-

"150ZQT. Goods to be monitored electronically through video cameras etc- (1) Production of specified goods, manufactured in Pakistan, shall be monitored through intelligent video surveillance, [1][or digital eye] and video analytics by installation of equipments including video cameras, sensors, etc., at production lines, as are approved by the Board for,-

(a) real time collection of data that shows production through object detection and object counting;

(b) transmission of data to central control room at FBR on real time basis, storage and archiving of data;

(c) detection of unexpected stops;

(d) quantitative analyses of productions; and

(e) data analytics for required legal actions.

(2) No person engaged in manufacturing of specified goods shall remove the production from its business premises unless it has undergone the process of intelligent video surveillance [1][or digital eye]."

[1]Words inserted by SRO 2082(I)/2024 dated December 31, 2024.

(c) transmission of data to Central Control Unit at Board on real time basis, storage and archiving of data;

(d) detection of unexpected stops;

(e) quantitative analyses of productions: and

(f) data analytics for required legal actions.

(2) No person engaged in manufacturing of specified goods shall remove the production from its business premises unless it has undergone the process of production monitoring under these rules.]

Sub-Chapter 2

Approval of the Vendor

150ZQU. Approved vendors.-(1) Manufacturers of specified goods shall [1][production] buy monitoring equipments only from the authorized vendor [2][ ].

(2) No manufacturer of the specified goods shall buy [1][production] monitoring equipment which is not authorized or approved by the Board [2][ ].

150ZQV. Functioning of approval committee:- (1) The approval committee shall function in accordance with the provisions of these rules.

(2) Project Director shall be the convener of the approval committee and its headquarters shall be located at FBR House, Islamabad. The Board shall provide secretarial and other allied support required for functioning of the approval committee.

(3) The approval committee shall devise procedures for its functioning, which shall be in accordance with these rules.

[3][ ]

150ZQW. Application for approval.- [4][(1) A person shall tile an application for approval as authorized vendor under these rules shall be made in duplicate to the Board.]

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[1]Substituted for "video" by SRO 364(I)/2025 dated March 14, 2025.

[2]Words "excluding digital eye" deleted by SRO 364(I)/2025 dated March 14, 2025. Earlier these were inserted by SRO 2082(I)/2024 dated December 31, 2024.

[3]Rule 150ZQV(4) deleted by SRO 364(I)/2025 dated March 14, 2025. Earlier it was inserted by SRO 2082(I)/2024 dated December 31, 2024.

[4]Rule 150ZQW(1) & (2) substituted by SRO 364(I)/2025 dated March 14, 2025.

Rule 150ZQV(4).- Before omission by SRO 364(I)/2025, it read as follows:-

"(4) The provisions of sub-rule (1) to (3) shall not apply in case of procurement of digital eye by the Board."

Rule 150ZQW(1)&(2).- Before substitution by SRO 364(I)/2025, these read as follows:-

"(1) An application to get approval as authorized vendor for video monitoring of production of specified goods mentioned in these rules shall be made in duplicate to the Board."

"(2) An application under sub-rule (1) shall be accompanied by all the supportive and relevant documents including the following, namely:-

(a) a comprehensive profile of the company;

(b) brief about managerial and technical personnel indicating name, position, qualification and experience;

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[1][(2) An application under sub-rule (1) shall be accompanied by all the supportive and relevant documents including the following, namely:-

(a) comprehensive profile of the person;

(b) brief about managerial and technical personnel indicating name, position, qualification and experience;

(c) total number of current employees;

(d) list of major clientele;

(e) technical documents showing relevant capacity of the video equipment;

(f) complete history of activities undertaken and synopsis of the projects done;

(g) current commitments and status of in-hand projects;

(h) National Tax Number (NTN) and Sales Tax Registration (STRN) certificate;

(i) audited accounts of the last three financial years;

(j) Computerized National Identity Cards (CNICs) of the directors and members;

(k) undertaking that the person has never been blacklisted by any Government or private department or organization and has not been involved in fiscal fraud; and

(l) any other document required by Board.]

[2][ ]

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[1]Rule 150ZQW(1) & (2) substituted by SRO 364(I)/2025 dated March 14, 2025.
[2]Rule 150ZQW(3) deleted by SRO 364(I)/2025 dated March 14, 2025. Earlier it was inserted by SRO 2082(I)/2024 dated December 31, 2024.

(c) total number of current employees;
(d) list of major clientele;
(e) documents showing relevant capacity of the video equipment;
(f) complete history of activities undertaken and synopsis of the projects done;
(g) current commitments and status of in-hand projects;
(h) incorporation certificate under the Companies Act, 2017, National Tax Number (NTN) certificate;
(i) audited accounts of the last three financial years;
(j) Income Tax returns for the last three years;
(k) registration with Sales Tax Department of FBR;
(l) computerized National Identity Cards (CNICs) of the Directors of the incorporated company; and
(m) undertaking that the company has never been blacklisted by any Government or private department or organization and has not been involved in confirmed cases of fiscal fraud."

Rule 150ZQW(3).- Before omission by SRO 364(I)/2025, it read as follows:-

"(3) The provisions of sub-rule (1) and (2) shall not apply in case of procurement made of digital eye by the Board."

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[1][**150ZQX**.- **Criteria for grant of an authorization**.- The authorized vendor shall be required to demonstrate working of production monitoring equipment as specified by the Board.]

[1][**150ZQY**.- **Functions and responsibilities of IT team of Board**.- IT team shall perform functions as specified by the Board.]

150ZQZ. Procedure for grant of authorization.- (1) On receipt of an application for grant of authorization, in the Board, the approval committee shall evaluate it.

(2) The approval committee may also fix a date for a hearing to be attended by the vendor for the purposes of evaluation of the application submitted under sub-rule (1).

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[1]Rules 150ZQX & 150ZQY substituted by SRO 364(I)/2025 dated March 14, 2025.

Rule 150ZQX.- Before substitution by SRO 364(I)/2025, it read as follows:-

"150ZQX. Criteria for grant of an authorization.- (1) The vendor shall be required to have and demonstrate ability to provide equipment with high security and efficiency for electronic monitoring of production and video analytics on real time basis.

(2) The equipment offered by the vendor must have the following features, namely:-

(a) the equipment shall have high definition video camera and sensor that can record and count the production;

(b) the equipment shall have ability to weigh the product contained in bags;

(c) the equipment shall have ability to integrate with the software recommended by FBR which will be used for transmission of data to central control room;

(d) the equipment will conduct video analytics and communicate results thereof to CCR;

(e) the equipment will report any unauthorized stoppages of production through generation of appropriate alarm;

(f) the system should have sixty days remotely retrievable local, on-site, and at place, specified by the Board, off-site, data storage at each site;

(g) the CCR should have a central data storage capacity capable of storing and retrieving data on long term basis up to five years; and

(h) the equipment must be stable, fault-tolerant, secure and accessible only by username and password as authorized by the Board.

[1][(3) The provisions of sub-rule (1) and (2) shall not apply in case of procurement made of digital eye by the Board.]"

[1]Rule 150ZQX(3) inserted by SRO 2082(I)/2024 dated December 31, 2024.

Rule 150ZQY.- Before substitution by SRO 364(I)/2025, it read as follows:-

"150ZQY. Functions and responsibilities of IT team of FBR.- (1) IT team shall develop a software to run and operate the system, as per requirements of the Board. The equipment provided by the vendor after integration with FBR software shall be able to perform the following functions, namely:-

(a) monitoring capability on real-time basis at factory premises or production lines;

(b) the ability to configure the production unit remotely;

(c) the system must be capable of sending alert messages and trigger alarms, visible and audible, in case of occurrence of abnormal events such as unauthorized stoppages of production, tempering with equipments and camera etc;

(d) the system reporting should be capable to filter and process the production data for statistical and analytical purposes; and

(e) the system should ensure secure data storage and archiving of data for five years from its generation or recording;

(2) The team shall submit a complete list of operations, software and maintenance required to operate the equipment."

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(3) The approval committee may also carry out Visits and physical inspections to ascertain eligibility of the vendor for authorization under these rules.

(4) The vendor shall be required to give practical demonstration of the technological solution offered for approval.

(5) The approval committee shall send its recommendations to the Board, within [1][sixty] days, from the date of submission of the application. In case of recommendation for rejection of any application detail "causes", in writing, is required.

(6) In case a company meets the technical and financial criteria given in these rules, the [2][approval] committee shall recommend to the Board for grant of authorization to such vendor.

(7) The Board may grant authorization to the recommended vendor(s).

[3][(8) The qualified applicant shall be required to deposit an unconditional bank guarantee equivalent to five percent of the project cost or rupees five million, whichever is lower to the approval committee, before issuance of the authorization under these rules.]

[4][(9) The bank guarantee shall be valid for entire duration of the authorization and shall be encashable in case of violation of these rules or terms of authorization.]

Sub-Chapter 3

Responsibilities of the Vendor

150ZQZA. Responsibilities of the Vendor.- (1) Subject to these rules, authorization of vendor shall be granted for a period of three years.

(2) The authorization granted under these rules shall be subject to the provisions of the Sales Tax Act, 1990.

(3) The authorization granted under these rules shall be non-transferrable and shall not be allowed to be used by any sub-contractor.

[5][(3A) The vendor shall be responsible to procure, install and maintain production monitoring equipment at the production lines.]

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[1]Substituted for "thirty" by SRO 364(I)/2025 dated March 14, 2025.
[2]Substituted for "licensing" by SRO 364(I)/2025 dated March 14, 2025.
[3]Rule 150ZQZ(8) substituted by SRO 364(I)/2025 dated March 14, 2025.
[4]Rule 150ZQZ(9) substituted by SRO 364(I)/2025 dated March 14, 2025. Earlier it was inserted by SRO 2082(I)/2024 dated December 31, 2024.
[5]Rule 150ZQZA(3A) inserted by SRO 364(I)/2025 dated March 14, 2025.

Rule 150ZQZ(8) & (9).- Before substitution by SRO 364(I)/2025, these read as follows:-

"(8) The qualified company shall be required to deposit bank guarantee for five percent of the value of the project cost or rupees five million, whichever is lower, to the approval committee, as financial security, at the time of issuance of the authorization. The bank guarantee shall be valid for whole duration of the authorization and shall be encashable in case of violation of these rules leading to loss of government revenue, in the manner as prescribed by the Board, after providing an opportunity of being heard."

"(9) The provisions of sub-rule (1) to (8) shall not apply in case of procurement of digital eye solution by the Board."

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[1][(4) The vendor shall specify the expected delivery and installation of production monitoring equipment at production lines. which shall not exceed ninety days from the date of purchase order.]

[1][(5) The vendor shall also assist the IT team of Board to perform their functions.]

(6) An application for renewal of authorization shall be made, to the Board, by the vendor, within three months before its expiry.

(7) Board shall evaluate the application and may recommend renewal of authorization for three years.

(8) The vendor shall be required to comply with all the provisions of these rules for the renewed period.

[2][(9) The vendor shall also be responsible for performing following functions namely:-

(i) all upgrades of the associated software;

(ii) all bug fixes; and

(iii) immediate response and repair of any technical problem in the system during holidays or working days to cover the major, minor and moderate problems for uninterrupted working of the system.]

[3][ ]

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[1]Rule 150ZQZA(4) & (5) substituted by SRO 364(I)/2025 dated March 14, 2025.
[2]Rule 150ZQZA(9) substituted by SRO 364(I)/2025 dated March 14, 2025. Earlier it was inserted by SRO 2082(I)/2024 dated December 31, 2024.
[3]Rule 150ZQZB deleted by SRO 364(I)/2025 dated March 14, 2025.

Rule 150ZQZA(4), (5) & (9).- Before substitution by SRO 364(I)/2025, these read as follows:-

"(4) The vendor shall specify the expected delivery and installation of equipment at factory premises, which shall not exceed sixty days from the date of order."

"(5) The vendor shall also assist the Pakistan Revenue Automation (Pvt.) Ltd. (PRAL) to install its software on the equipment and run the system during trial period of authorization."

"(9) The provisions of sub-rule (1) to (8) shall not apply in case of procurement of digital eye solution by the Board."

Rule 150ZQZB.- Before omission by SRO 364(I)/2025, it read as follows:-

"150ZQZB. Requirements to be met at the factory premises.- (1) The IT team of FBR shall ensure that each factory premises is connected to the system with adequate IT infrastructure required for real time electronic monitoring of production and generation of periodic reports.

(2) The vendor shall arrange testing of monitoring equipments at each production site."

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[1][**150ZQZC**. **Technical and training support**.- (1) The authorized vendor shall undertake to upgrade, as per the new technological requirement, the installed IT structure, related software, and communication equipment etc., as and when required.

(2) The authorized vendor shall arrange to provide comprehensive technical and operational training to the IR officers and officials and other concerned officials and ensure provision of all documentation and technical manuals, wherever and whenever required.

(3) Appraisal reviews of functioning and efficacy of the equipment shall be carried out by Board.]

Sub-Chapter 4

Fee and Charges

[1][**150ZQZD**.- **Fee and charges**.- (1) The vendor shall charge to the manufacturer fee for the purchase, installation, operation and maintenance of production monitoring equipment.

(2) No fee whatsoever shall be charged from any of the field formations or the Board.

(3) The approval committee upon its own motion or on the request of any manufacturer, may decide the maximum amount of fee and charges which can be collected by the authorized vendor from the manufacturer(s).

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[1]Rules 150ZQZC & 150ZQZD substituted by SRO 364(I)/2025 dated March 14, 2025.

Rule 150ZQZC.- Before substation by SRO 364(I)/2025, it read as follows:-

"150ZQZC. Technical and training support.- (1) The IT team of FBR shall provide the following technical support, namely: -

(a) setting up and maintenance of all information technology (IT) infrastructure, wherever needed, for the purposes of these rules; and

(b) the team shall be fully responsible for,-

(i) all upgrades of the software;

(ii) all bug fixes; and

(iii) immediate response and repair of any technical problem in the system during holidays or working days to cover the major, minor and moderate problems for uninterrupted working of the system.

(2) The vendor shall undertake to upgrade, as per the new technological requirements, the installed IT structure, related software, and communication equipment etc., as and when required.

(3) Quarterly appraisal reviews of functioning and efficacy of the equipment shall be carried out by IT team of FBR."

Rule 150ZQZD.- Before substation by SRO 364(I)/2025, it read as follows:-

"**150ZQZD. Fee and charges**.- (1) The vendor shall charge for purchase of equipment, the video camera and allied equipments, to the manufacturer.

(2) No fee whatsoever shall be charged from any of the field formations or the Board.

(3) The price of the equipment shall be decided between the approved vendor(s) and the manufacturer.

[1][(4) The provisions of sub-rule (1) to (3) shall not apply in case of procurement of digital eye solution by the Board.]"

[1]Rule 150ZQZD(4) inserted by SRO 2082(I)/2024 dated December 31, 2024.

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(4) The approval committee shall notify fees and charges through a public notice for information of all the relevant persons.

(5) The fee and charges determined in accordance with rule will not be revised in normal circumstances during the duration of the authorization.

(6) In cases where the basis of such determination has undergone significant and material change or where major economic disruption has occurred, the authorized vendor may file a petition before the approval committee to revise the fees or charges.

(7) The approval committee may in circumstances mentioned in sub-rule (6) revise such fees and charges:

Provided that in case where petition has been filed for upward revision of fees and charges, the manufacturer shall be given an opportunity to present their point of view during the proceedings.

(8) The authorized vendor may in case where the petition for upward revision has been rejected, will have the option to request the approval committee for cancellation of the authorization issued under these rules.

(9) The approval committee on receipt of such a request under sub-rule (8), may cancel the authorization forthwith.]

Sub-Chapter 5

Functions and Responsibilities of Others

150ZQZE. Functions and responsibilities of the manufacturer of specified goods.- (1) The manufacturer of specified goods shall-

(a) make all production facilities available for installation of the system and allow access to the vendor and [1][Board] for routine operations, inspection and maintenance;

[2][(aa) setting up and maintenance of information technology (IT) infrastructure including internet as specified by the Board, wherever needed, for the purposes of these rules.]

(b) not supply any goods without routing them through the [3][production monitoring equipment];

(c) be responsible to pay the fee as agreed with the vendor [4][ ];

(d) be responsible for smooth functioning, protection and security of the [5][production monitoring equipment];

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[1]Substituted for "FBR" by SRO 364(I)/2025 dated March 14, 2025.

[2]Clause (aa) inserted by SRO 364(I)/2025 dated March 14, 2025.

[3]Substituted for "intelligent video analytics [or digital eye]" by SRO 364(I)/2025 dated March 14, 2025. Earlier words inserted by SRO 2082(I)/2024 dated December 31, 2024.

[4]Words "excluding digital eye solution" by SRO 364(I)/2025 dated March 14, 2025. Earlier these were inserted by SRO 2082(I)/2024 dated December 31, 2024.

[5]Substituted for "intelligent video analytics and digital eye solution" by SRO 364(I)/2025 dated March 14, 2025. Earlier words inserted by SRO 2082(I)/2024 dated December 31, 2024.

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(e) report to the Board [1][, CCU] concerned Commissioner Inland Revenue, within [2][one hour] of any operational failure, damage, disruption or tampering of the [3][installed system]:

Provided that any damage to the system found to be due to carelessness, negligence or deliberate action of the manufacturer will be repaired at the expense of the manufacturer, without prejudice to any legal action that may be taken for recovery of evaded tax and imposition of penalty;

(f) allow unhindered access to the [4][Board] and any officer, authorized in this behalf;

(g) give a notice to the Board, at least thirty days in advance, from the date of start of production of new brands of goods, expansion, modification or any other changes in the production line;

(h) make available the damaged equipments, camera, etc., for inspection by the officer authorized by [5][Commissioner Inland Revenue or Board];

(i) report any inoperative production lines within [6][one hour] of occurrence to the concerned Commissioner Inland Revenue [7][, CCU] and the officer authorized by Commissioner Inland Revenue shall immediately proceed to secure such lines using a security seal and register the action in the intelligent video analytics; and

(j) production lines sealed as aforesaid shall not be de-sealed to resume operation except with the permission of the [8][Commissioner Inland Revenue or Board].

Sub-Chapter 6

Miscellaneous

150ZQZF. Liabilities of the vendor.-(1) Without prejudice to the action that can be taken under these rules, the vendor shall be liable to punitive action under the Sales Tax Act, 1990 and rules made there under, in cases of its willful collusion with manufacturer for violation or contravention of any of such provision.

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[1]Substituted for "and" by SRO 364(I)/2025 dated March 14, 2025.
[2]Substituted for "twenty-four hours" by SRO 364(I)/2025 dated March 14, 2025.
[3]Substituted for "intelligent video analytics [and digital eye solution" by SRO 364(I)/2025 dated March 14, 2025. Earlier words inserted by SRO 2082(I)/2024 dated December 31, 2024.
[4]Substituted for "FBR" by SRO 364(I)/2025 dated March 14, 2025.
[5]Substituted for "Commissioner Inland Revenue" by SRO 364(I)/2025 dated March 14, 2025.
[6]Substituted for "twenty-four hours" by SRO 364(I)/2025 dated March 14, 2025.
[7]Words inserted by SRO 364(I)/2025 dated March 14, 2025.
[8]Substituted for "Commissioner Inland Revenue" by SRO 364(I)/2025 dated March 14, 2025.

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(2) The vendor shall also be liable to deposit duty and taxes alongwith surcharges and penalties under the Sales Tax Act, 1990 and the relevant rules, where it is established through proceedings under the Act, after providing an opportunity of being heard, that the vendor has colluded with manufacturer resulting in evasion of duty and taxes.

150ZQZG. Audit.- The [1][Board] shall arrange to carry out audit of the system every year. The report shall be used for system related improvements and corrective and remedial actions, where warranted.]

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[1]Substituted for "FBR" by SRO 364(I)/2025 dated March 14, 2025.

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[1][ ]

[1]Chapter XIV-BB deleted by SRO 69(I)/2025 dated January 29, 2025. Earlier it was inserted by SRO 1063(I)/2021 dated August 24, 2021. Before omission by SRO 69(I)/2025 it read as follows:-

"Chapter XIV-BB

[2][**Integration for Electronic Invoicing and Licensing thereof**]

150ZQZH. Licensing.- [3][(1) No person shall carry out integration of the registered persons, including tier-I retailers, through software unless he has obtained a license under these rules.]

(2) No licensee under these rules shall maintain or operate system or provide any other service, which is not authorized under these rules.

[3][(3) Every payment counter whether fixed or portable and generates invoices for receipt of payment either in cash or through debit or credit card shall be integrated with the Board through the system accredited and licensed by the Board.]

[4][ ]

150ZQZI. Functions of the licensing committee.- [5][(1) Board shall nominate a licensing committee which shall function in accordance with the provisions of these rules or any other instructions, procedures, issued by the Board.]

[5][(2) Member Digital Initiatives shall be the convener of the licensing committee.]

150ZQZJ. Application for grant of licence.- [6][(1) An application for grant of license for integration of any registered person, shall be made in duplicate to the Board.

[1]Chapter XIV-BB inserted by SRO 1063(I)/2021 dated August 24, 2021.

[2]Substituted for "**Integration of Tier-I Retailers and Licensing thereof**" by SRO 1788(I)/2023 dated December 11, 2023.

[3]Rule 150ZQZH(1) & (3) substituted by SRO 1788(I)/2023 dated December 11, 2023.

[4]Rule 150ZQZH(4) deleted by SRO 1788(I)/2023 dated December 11, 2023.

[5]Rule 150ZQZI(1) & (2) substituted by SRO 1788(I)/2023 dated December 11, 2023.

Rule 150ZQZH(1) & (3), substitution.- Before substitution, these read as follows:-

"(1) No person shall carry out integration of the retailers through software unless he has obtained a licence under these rules."

"(3) Every payment counter whether fixed or portable and generates invoices for receipt of payment either in cash or through debit or credit card shall be connected as per rule 150ZEB."

Rule 150ZQZH(4), omission.- Before omission, it read as follows:-

"(4) Every licensee shall be bound to integrate the payment counter in the manner as prescribed under sub rule (4), (5),(16) and (17) of rule 150ZEB."

Rule 150ZQZI(1) & (2), substitution.- Before substitution, these read as follows:-

"(1) The licensing committee shall function in accordance with the provisions of these rules or any other instructions, procedures, issued by the Board."

"(2) Project Director Retail Monitoring Cell shall be the convener of the licensing committee located at FBR House, Islamabad. The Board shall provide secretarial and other allied support for functioning of the licensing committee."

[6]Rule 150ZQZJ(1) & (2) substituted by SRO 1788(I)/2023 dated December 11, 2023.

Rule 150ZQZJ(1) & (2), substitution.- Before substitution, these read as follows:-

"(1) An application for installation, configuration and integration of point of sale (POS) machine shall be made in duplicate to the Board."

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[1][(2) No application under sub-rule (1) shall be considered, unless it is accompanied by-

(i) a comprehensive profile of the company;

(ii) brief about managerial and technical personnel indicating name, position, qualification and experience;

(iii) total number of current employees;

(iv) documents showing relevant capacity of the development and integration with enterprise resource planning systems and Payment Processing Systems;

(v) registration certificate issued by Pakistan software houses Association or Institute of Chartered Accountants of Pakistan;

(vi) audited statement of accounts for the last three financial years;

(vii) list of major clientele;

(viii) incorporation certificate under the Companies Act;

(ix) National Tax Number (NTN) Certificate;

(x) the paid up capital for the latest financial year is at least Rs.10 million or above;

(xi) registration with Sales Tax Department if required;

(xii) Computerized National Identity Cards (CNICs) of directors of the incorporated company;

(xiii) undertaking that the company has never been blacklisted by any Government or Provincial department or organization and has not been involved in confirmed cases of fiscal fraud;

(xiv) list of projects executed in the last three years; and

(xv) any other documents required through instructions orders issued by the Board.]"

150ZQZK. Procedure for grant of licence.- (1) On receipt of application for grant of licence in the Board, the licensing committee shall scrutinize the document provided and it shall evaluate the eligibility of the applicant within seven days of receipt of application.

(2) The licensing committee may also carry out visits, if necessary for physical inspection to ascertain the eligibility of the applicant for licensing under these rules.

[1]Rule 150ZQZJ(1) & (2) substituted by SRO 1788(I)/2023 dated December 11, 2023.

Rule 150ZQZJ(1) & (2), substitution.- Before substitution, these read as follows:-

"(1) An application for installation, configuration and integration of point of sale (POS) machine shall be made in duplicate to the Board.

(2) No application under sub rule (1) shall be considered, unless it is accompanied by-

(i) registration certificate issued by Pakistan Software Houses Association or Institute of Chartered Accountants of Pakistan;

(ii) audited statement of accounts for the last three financial years;

(iii) list of major clientele;

(iv) incorporation certificate under the Companies Act;

(v) National Tax Number (NTN) Certificate;

(vi) the paid up capital for the latest financial year is at least Rs.100 million or above;

(vii) registration with Sales Tax Department if required;

(viii) Computerized National Identity Cards (CNICs) of directors of the incorporated company;

(ix) undertaking that the company has never been blacklisted by any Government or Provincial department or organization and has not been involved in confirmed cases of fiscal fraud;

(x) list of projects executed in the last three years; and

(xi) any other documents required through instructions orders issued by the Board."

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[1][(3) The licensing committee shall recommend or reject an application within fifteen days of date of submission of the application, specifying reasons for recommending or rejection of any application under these rules.]

(4) In case, the companies meet the criteria under these rules, the licensing committee shall make recommendations for grant of licences.

[1][(5) The licensing committee shall grant the license to the recommended companies with the approval of Member Digital Initiatives and shall publish list of licensees.]

150ZQZL. Right granted to the licensee.- (1) A licensee shall have the right to install, configure, integrate, operate and maintain the point of sale on real time basis in accordance with conditions of the licence issued to him.

(2) The licence granted under these rules shall be subject to provisions of the Act and shall be valid for five years from date of issuance.

(3) The licence granted under these rules shall be non-transferable and shall not be allowed to be use by any sub-contractor.

150ZQZM. Renewal of licence.- (1) The application for renewal of licence shall be made to the Board three months before its expiry.

[2][(2) The licensing committee shall evaluate the application and make recommendations to Member Digital Initiatives for the renewal of the license.]

(3) The licensee shall be required to comply with all the provisions of these rules for the renewal period.

150ZQZN. Technical support.- (1) The licensee shall be responsible for post deployment maintenance of Point of Sale as detailed below:

(a) setting up and maintenance of all information technology equipment connected to point of sales; and

(b) the licensee shall be authorized to,-

(i) upgrade of the system hardware and software;

(ii) all bug fixes; and

(iii) immediate response to trouble shooting of any post deployment problems for uninterrupted working of the system.

(2) The licensee shall be responsible for safe and secure capture of real time transmission of sales data from the retails outlet to FBR database at all times.

[3][**150ZQZO. Responsibilities of the Member Digital Initiatives**.- The Member Digital Initiatives shall be responsible for overall supervision of the system and the steps taken to address problems encountered during operation of the systems.]

[1]Rule 150ZQZK(3) & (5) substituted by SRO 1788(I)/2023 dated December 11, 2023.

[2]Rule 150ZQZM(2) substituted by SRO 1788(I)/2023 dated December 11, 2023.

[3]Rule 150ZQZO substituted by SRO 1788(I)/2023 dated December 11, 2023.

Rule 150ZQZK(3) & (5), substitution.- Before substitution, these read as follows:-

"(3) The licensing committee shall send its recommendations to the Member (IR-Operations) and the Director General Retail within ten days of date of submission of the application, specifying reasons for recommending or rejection of any application under these rules."

"(5) The licensing committee shall grant the licence to the recommended companies with the prior approval of Member (IR-Operations) and Director General Retail."

Rule 150ZQZM(2), substitution.- Before substitution, it read as follows:-

"(2) The licensing committee shall evaluate the application and make recommendations to the Member (IR-Operations) and Director General Retail for renewal of licence."

Rule 150ZQZO, substitution.- Before substitution, it read as follows:-

"150ZQZO. Responsibilities of the Project Director.- The Project Director shall be responsible for overall supervision of the system and the steps taken to address problems encountered during operation of the systems."

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150ZQZP. Procedure for cancellation or termination of licence.- [1][(1) Member Digital Initiatives as a result of supervision of the system or on receipt of a report from any of the Commissioners Inland Revenue, or on a valid complaint, has reasons to believe that the licensee has;

(a) failed to provide specified services to the satisfaction of the Board;

(b) contravened any of the conditions of the license;

(c) contravened any provision of these rules or the Act; or

(d) violated any applicable law while being a licensee under these rules, shall initiate process for cancellation of the license, issued.

(2) On receipt of complaint or report under sub-rule (1), the licensing committee shall cause to serve a notice upon the licensee within fifteen days of receipt of the reference, to show cause within fifteen days of the date of the notice, as to why the license issued under these rules, may not be cancelled or terminated:

Provided that if on the basis of material evidence, there exists prima facie sufficient grounds against the licensee, the licensing committee may suspend the license to safeguard public finances and to prevent any other serious damage.]

(3) The licensing committee may, after giving the licensee adequate opportunity of being heard and after examination of the record, cancel or terminate the licence issued under these rules.

(4) In case of cancellation of licence under these rules, the affected person or company shall have the right to file representation against the order of the licensing committee before the Board.

(5) The Board shall decide the representation after giving proper opportunity of being heard and the decision of the Board shall be final.

150ZQZQ. Fee and Charges.- (1) The licensee shall charge the fee for configuration and integration of point of sales from the retailers.

(2) No fee shall be charged from any of the field formation of the Board.

150ZQZR. Responsibilities of the [1][**registered person**].- The [2][registered person] shall-

(a) make all payment counters comprising of point of sale at each out let, available for installation of the systems;

(b) be responsible for smooth functioning of point of sales;

(c) report to the Board and the concerned Commissioner Inland Revenue within twenty four hours of any operational failure, damage disruptions or tampering of the system; or

(d) report any inoperative point of sale to the Commissioner Inland Revenue holding the jurisdiction.

[1]Rule 150ZQZP(1) & (2) substituted by SRO 1788(I)/2023 dated December 11, 2023.

[2]Substituted for "Tier-I Retailers", "Tier-I Retailer" by SRO 1788(I)/2023 dated December 11, 2023.

Rule 150ZQZP(1) & (2), substitution.- Before substitution, these read as follows:-

"(1) The Project Director shall immediately refer the matter to the licensing committee for further action under these rules, if he, as a result of supervision of the system or on receipt of a report from any of the Commissioners Inland Revenue or on a valid complaint, has reasons to believe that the licensee has-

(a) failed to provide the required services to the satisfaction of the Board authorities;

(b) contravened any condition of the licence;

(c) contravened any provision of these rules or the Act; or

(d) violated any applicable law while carrying out activities of licence under these rules.

(2) On receipt of reference from the Project Director under sub-rule (1), the licensing committee shall cause to serve a notice upon the licensee within fifteen days of receipt of reference, to show cause within thirty days after the date of the notice, as to why the licence issued under these rules should not be cancelled or terminated:

Provided that in cases where the Licensing, on the basis of material evidence, is of the opinion that there exits Prima facie a sufficient case against the licensee, it may suspend the licence to safeguard public finances and to prevent any other serious damage."

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150ZQZS. Functions of Commissioner Inland Revenue.- (1) The Commissioner having jurisdiction, shall monitor proper and uninterrupted operation of the system through periodic visits by an officer of Inland Revenue authorized in this behalf.

(2) Where a [1][registered person] does not account for sales without generating an invoice countering QR code or FBR invoice number, the Commissioner shall compute the taxes on such goods relating to unaccounted invoices, and recover the same under the relevant provisions of law.

[1]Substituted for "Tier-I Retailer" by SRO 1788(I)/2023 dated December 11, 2023.

150ZQZT. Establishment of Inland Revenue enforcement network.- The Board shall establish Inland Revenue enforcement network which shall be responsible for combatting evasion and leakage of taxes payable on goods by way of co-ordinating with enforcement units of the concerned filed formations.

150ZQZU. Functioning of IR enforcement network.- To check and verify any of the eventualities, the enforcement squads of Inland Revenue shall petrol the outlets, verify the invoices and report such invoices to Commissioner Inland Revenue on which due taxes have not been paid. The Commissioner, after receipt of report from enforcement network, shall recover the tax in accordance to the provisions of the Act."

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[1]Chapter XIVA deleted by SRO 879(I)/2012 dated July 17, 2012, effective from 23rd February, 2012. Earlier it was inserted by SRO 191(I)/2012 dated February 23, 2012.

Ch. XIVA- Omission.- Before omission it read as follows:-

"CHAPTER XIVA

PROVISION OF CNIC OR NTN OF UN- REGISTERED PERSONS

150A. Application.- The provisions of this chapter shall apply to registered manufacturers, importers and exporters, making taxable, dutiable or exempt supplies to unregistered persons.

150B. Procedure and conditions for providing CNIC or NTN of unregistered persons.- (1) All registered manufacturers, importers and exporters, making taxable, dutiable or exempt supplies to unregistered persons shall issue an invoice containing the National Tax Number (NTN) or Computerized National Identity Card Number (CNIC) of such unregistered person. This scheme shall, however, be implemented in a phased manner as detailed below-

(a) in sales tax return for the month of March, 2012 (to be filed upto the 15th April, 2012), atleast 60% of the sales shall be to identifiable person whose [1][NTN] or CNIC shall be provided in the sales tax return;

(b) in the sales tax return for the month of April, 2012 (to be filed upto the 15th May, 2012), atleast 70% of the sales shall be to identifiable persons whose [1][NTN] or CNIC shall be provided in the sales tax return;

(c) in the sales tax return for the month of May, 2012 (to be filed upto the 15th June, 2012), atleast 80% of the sales shall be to identifiable persons whose [1][NTN] or CNIC shall be provided in the sales tax return;

(d) in the sales tax return for the month of June, 2012 (to be filed upto the 15th July, 2012), atleast 90% of the sales shall be to identifiable persons whose [1][NTN] or CNIC shall be provided in the sales tax return;

(e) in the sales tax return for the month of July, 2012 (to be filed upto the 15th August, 2012) and every subsequent sales tax return, 100% of the sales shall be to identifiable persons whose [1][NTN] or CNIC shall be provided in the sales tax returns.

(2) The rupee value of exports made during the month shall be included in the sales made to identifiable person for the purpose of calculation of percentages given under sub- rule (1).

(3) In case, in any month the supplies to identifiable persons fall short of the requisite percentages given under sub- rule (1), input tax adjustment of that month shall be proportionately disallowed.

(4) Where any registered person gives an NTN or CNIC, which is not verified from the Board's database or database of the National Database and Registration Authority respectively, such person shall pay a penalty of five thousand rupee or three percent of the amount of tax involved, whichever is higher, which shall be included in the arrears appearing in the sales tax return for the subsequent month.

(5) All payments of the amount for transactions under this Chapter shall be made by the buyers through a banking instrument from the bank account of the buyer as provided under section 73 of the Act.

(6) The registered person shall provide the buyer- wise details of each unregistered buyers in the monthly sales tax return.

(7) Manufacturer- *cum*- retailers and importer- *cum*- retailers making retail sales to unregistered persons shall not be required to provide CNIC or NTN to the extent of retail sale which shall be separately shown in the return."

[1]Substituted for "NTN, STRN" by SRO 610(I)/2010 dated July 01, 2010.

[1][CHAPTER XIV-C

Appeals and Allied Matters

150ZR. Prescribed form of appeal to the Commissioner (Appeals):- An appeal under section 4SB shall be in the form and verified in the manner set out in Form STR-23.

150ZS. Date of presentation and filing of Appeals.- Any official authorized by the Commissioner (Appeals) in this behalf shall endorse on the front page of every memorandum of Appeal the date on which it is presented, sign the endorsement and the appeal so endorsed shall be entered in a register as provided under rule IS0ZZC.

150ZT. Documents to accompany Appeal.- (1) Every memorandum of Appeal shall be accompanied with the following documents certified along with checklist specifying the documents attached with the memorandum in duplicate, namely:-

(a) the order appealed against; ☐

(b) Notice of Demand; ☐

(c) proof of payment of appeal fee; ☐

(d) a certificate showing the date of service of notice of demand or the impugned order to the appellant; and ☐

(e) a certificate showing the date of communication of the memorandum of Appeal and grounds of appeal to the respondent department. ☐

(2) The appellant shall annex an "index on the face of memorandum of Appeal showing the documents filed under this rule along with paging in paper book form in duplicate.

150ZU. Intimation of filing of appeal to the respondent.- [2][(1)] The appellant shall before filing of appeal send a copy of the Memorandum of Appeal and grounds of appeal to the respondent and a certificate to this effect shall be appended with the appeal.

[3][(2) The appellant shall before filing of appeal in the Appellate Tribunal, send a copy of the memorandum and grounds of appeal to the respondent. In case of filing of reference by the appellant before the High Court, copy of reference shall be sent to the respondent.]

150ZV. Filing of affidavit regarding contrary facts.-Where a fact, which cannot be borne out by or is contrary to the record, is alleged, it shall be stated clearly and concisely by a duly sworn affidavit and shall have to be filed with the Memorandum of Appeal.

[1]Chapter XIV-C inserted by SRO 277(I)/2018 dated March 05, 2018.
[2]Renumbered as (1) by SRO 43(I)/2022 dated January 10, 2022.
[3]Sub-rule (2) inserted by SRO 43(I)/2022 dated January 10, 2022.

150ZW. Grounds which may be taken in appeal.- (1) The appellant shall state precisely the grounds upon which the appeal is filed.

(2) The Commissioner (Appeals) may, before the hearing of an appeal, allow an appellant to file any new grounds of appeal not specified in the grounds of appeal already filed by the appellant where Commissioner (Appeals) is satisfied that the omission of the ground from the form of appeal was not willful or unreasonable.

150ZX. Defective appeals etc.- (1) Where a memorandum of Appeal is not filed in the manner specified in these rules, the official authorized under rule 150ZS after examination at the time of filing may, within three working days, require the appellant or his authorized representative, if any, to bring the memorandum of Appeal in conformity with the form set out here in above in the rule 150ZT, within the time limitation as specified in section 45B of the Act and the appeal so received shall not be deemed to have been filed unless the provisions of these rules have been fully complied with.

(2) Where the appellant or his authorized representative does not meet the requirement under sub-rule (1), the authorized official shall place the matter before the Commissioner (Appeals) for appropriate orders.

150ZY. Power of attorney etc., by authorized representative.- (1) Where a person has been appointed authorized representative under section 52 of the Act, such authorized representative shall annex with the memorandum, the document showing his authority and his acceptance thereof, which shall be signed and dated by the representative and shall also specify his capacity in which he is acting as such.

150ZZ. Procedure for filing and disposal of stay application.- On receipt of stay application the official authorized in this behalf shall fix the application for hearing in the following manner, namely:-

(a) for applications received before 01:00PM on a working day, hearing shall be fixed on the next working day; and

(b) For applications received after 01:00PM on a working day, hearing shall be fixed on the day after the next working day.

(2) Stay applications shall be disposed by the Commissioner (Appeals) within seven working days of fixation.

150ZZA. Date and place of hearing of appeal and stay applications.- (1) The Commissioner (Appeals) shall issue and properly serve notices to both the parties to the appeal informing them about the date and place of hearing of appeal or the stay application, as the case may be.

(2) The Commissioner (Appeals) may, where deemed necessary, require the respondent Department to submit para-wise comments in response to the appellant's written submissions, if any, on or, before the due date of hearing.

150ZZB. Hearing of appeal and stay applications.- On the day fixed for hearing or any other day to which the hearing is adjourned, the appellant shall be heard and the Commissioner (Appeals) shall then hear the respondent against the appeal or stay application and in that case the appellant shall have a right to reply.

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150ZZC. Maintenance and preservation of registers.- (1) The following registers shall be maintained according to the format prescribed vide STR-24, as set out in the Table, namely:-

Table

S. No.	Name of Registrar
1.	Appeals Register
2.	Stay Application Register
3.	Early hearing Register
4.	Register for Compliance of Court

(2) The registers of the Commissioner (Appeals) specified in sub-rule (1) shall be preserved forever.

150ZZD. Reports.- (1) The Commissioner Inland Revenue (Appeals) shall submit the monthly performance report as set out in Form STR-25 by the 5th of every month:

(2) The Commissioner Inland Revenue (Appeals) shall submit the Stay Applications Disposal Report as set out in firm STR-26 by the 5th and 20th day of every month:-

150ZZE. Arrangement and preservation of record.- (1) The record of appeals and other applications shall consist of two parts, namely Part-A and Part-B:-

Part-A

(a) Folder containing the particulars of appeals, applications and brief abstract of the impugned orders of the Commissioner;

(b) order sheet or chronological :abstract of orders;

(c) original copy of memorandum of appeal;

(d) original copies of grounds of Appeal;

(e) affidavits;

(f) judgment or any other final order against which appeal is preferred; and

(g) judgments and orders of High Courts and Supreme Court.

(2) The document specified in sub rule-I shall form Part-A of the record unless otherwise directed by the Board, all other documents shall form Part-B of the record.

(3) The documents forming part of appeals, and other applications specified in this rule shall be preserved for a period specified below, which shall be reckoned from the date of final order.

Explanation: The expression documents used in this rule includes all forms of electronic record.

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(4) The documents as mentioned above shall be preserved as follows:-

(a) documents to be preserved permanently.

(i) Part "A" of the appeals, and applications; and

(ii) Judgments of the High Courts, Supreme Court in constitutional petitions.

(b) documents to be preserved for twelve years and any other documents as directed by the Board.

(c) destruction of record, after the prescribed period as provided in Clause (b), shall be in the manner as directed by the Board.

150ZZF. Manner of destruction of record.- (1) After the expiry of the period of preservation specified in Rule 150ZZE above, the record of the appeals, and other applications shall be destroyed in supervision of Commissioner (Appeals).

(2) All court fee stamps, affixed to documents which are to be destroyed, shall be removed there from and burnt.

(3) The record shall be destroyed by tearing or otherwise so that no document may be used again.

(4) After destruction of the record, the Commissioner (Appeals) under whose supervision the record was destroyed shall certify that the destruction has been rendered such record of no use.

(5) The fact of destruction of appeals and other applications shall be recorded under the signatures of Commissioner (Appeals) immediately after their destruction in the register in which such appeals, applications are entered and also in the index prefixed to the record.

150ZZG. Seal of the Commissioner (Appeals).- (1) There shall be a seal of the Commissioner (Appeals) on which shall be inscribed his name and insignia.

(2) The seal shall remain in the custody of the official as the Commissioner (Appeals) may direct and shall be affixed on every order passed by the Commissioner (Appeals).

[1][**150ZZGA. Payment of appeal fee**.- The appeal fee payable under the Act shall be deposited in the Government Treasury or in any designated branch of the National Bank of Pakistan under the head "B-02341-Sales Tax" and a copy of the computerized payment receipt (CPR) shall be attached with the appeal so filed with the relevant appellate authority.]

[1]Rule 150ZZGA inserted by SRO 918(I)/2019 dated August 07, 2019.

[1][CHAPTER XIV-D

WITHHOLDING OF SALES TAX BY THE RECIPIENT OF SUPPLY

150ZZH. Application.- (1) This chapter shall apply to taxable goods and services as are supplied to the withholding agents as specified in the Eleventh Schedule to the Act, for the purpose of deduction and deposit of sales tax persons registered as exporters.

(2) This chapter shall also apply to services on which federal excise duty is payable in sales tax mode, and the ones specified in the Schedule to the Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001).

(3) Withholding agent, in case of supplies to Federal or Provincial Government departments, includes the accounting office which is responsible for making payment against the purchases made by a government department.

150ZZI. Responsibility of a withholding agent.- (1) The withholding agent, intending to make purchases of taxable goods, shall indicate in an advertisement or notice for this purpose that the sales tax to the extent as provided in this Chapter shall be deducted from the payment to be made to the supplier.

(2) A withholding agent, other than a recipient of advertisement services, shall deduct an amount as specified in the Eleventh Schedule to the Act and make payment of the balance amount to him as per illustration given below,-

ILLUSTRATION (in case 1/5th of sales tax amount is to be deducted)

Value of taxable supplies excluding sales tax	Rs.1000
Sales tax chargeable @ 17%	Rs.170
Sales tax to be deducted by the withholding Agent	Rs. 34 (i.e. Rs. 170 + 5)
Sales tax payable by the withholding agent to the supplier	Rs. 136 (i.e. Rs. 170-Rs.34)
Balance amount payable to the supplier by the withholding agent.	Rs. 1136 (i.e. Rs. 1000 + Rs.136)

Provided that the withholding agent shall not be entitled to reclaim or deduct the amount of tax withheld from such persons as input tax.

(3) A person who receives advertisement services, in case the sales tax amount is not indicated on the invoice received, he shall deduct sales tax at the applicable rate of the value of taxable services from the payment due to the service provider.

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[1]Chapter XIV-D inserted by SRO 698(I)/2019 dated June 29, 2019, effective from 01-07-19.

(4) Where the purchases are made by a government department, the following procedure shall be observed, namely:-

(a) the Drawing and Disbursing Officer (DDO) preparing the bill for the accounting office shall indicate the amount of sales tax withheld as illustrated above. The accounting office shall adopt the procedure as indicated below:

(i) in case of purchases made by a department under the Federal Government, the office of the Accountant General of Pakistan Revenue shall account for the amount deducted at source during a month under the Head of Account "B02341-Sales Tax" and send an intimation to the Chief Commissioner, Regional Tax Office, Islamabad, by the 15th of the following month;

(ii) in case of purchases by departments under provincial or district governments, the Accountant General of the province or the District Accounts Officer, as the case may be, shall credit the amount deducted at source during a month to the head of account "GI2777-Sales Tax Deductions at Source under rule 40 & 40A of Chapter Miscellaneous of Sales Tax (Withholding) Rules, 2007". Cheque for the amount will be prepared by the Accountant General or the District Accounts Officer, as the case may be, in the name of Commissioner having jurisdiction by debit to the aforesaid head of account and sent to the Commissioner by the 15th of the following month; and

(iii) where the purchases are made by the departments falling in purview of Military Accountant General, the MAG shall account for the amount deducted at source during a month under the Head of Account "B0234l-Sales Tax" and send intimation to the Chief Commissioner, Regional Tax Office, Rawalpindi, by the 15th of the following month. The amount so deducted at source shall be reported by MAG office to AGPR through civil exchange accounts; and

(b) the concerned Drawing and Disbursement Officer shall prepare the return in the form as set out in STR-28 for each month and forward the same to the Commissioner having jurisdiction by the 15th of the following month.

(5) In case of purchases, not covered by sub-rule (4) or sub-rule (6), the sales tax deducted at source shall be deposited by the withholding agent in the designated branch of National Bank of Pakistan under relevant head of account on sales tax return-cum-payment challan by 15th of the month following the month during which the purchase has been made. The return-cum-payment challan shall be prepared and deposited with the bank in triplicate and the bank shall send the original to the Commissioner of Sales Tax having jurisdiction, return the duplicate to the depositor and retain the triplicate for its own record:

Provided that a single return-cum-challan can be filed in respect of all purchases for which the payment has been made in a month.

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(6) In case the withholding agent is also registered under the Sales Tax Act, 1990, or the Federal Excise Act, 2005, he shall deposit the withheld amount of sales tax along with return filed for the month in which the purchase was made in the manner as provided in Chapter II, along with other tax liability:

Provided that in case the withholding agent is not registered for sales tax or federal excise duty but holds a national tax number assigned under the Income Tax Ordinance, 2001 (XLIX of 2001), he shall file the return, as set out in STR-28, electronically and deposit the amount deducted at source in the manner as provided for persons filing returns electronically under rule 18:

Provided further that any other withholding agent may also opt to file the prescribed return electronically and deposit the deducted amount in the manner as provided in this sub-rule.

(7) The withholding agent shall furnish to the Commissioner of Sales Tax having jurisdiction all such information or data as may be requested by him for carrying out the purposes of these rules.

(8) A certificate showing deduction of sales tax shall be issued to the supplier by the withholding agent duly specifying the name and registration number of supplier, description of goods and the amount of sales tax deducted.

150ZZJ. Responsibility of the registered supplier.- (1) The registered supplier shall issue sales tax invoice as stipulated in section 23 of the Sales Tax Act, 1990, in respect of every taxable supply made to a withholding agent.

(2) The registered supplier shall file monthly return as prescribed in Chapter II, taking due credit of the sales tax deducted by the withholding agent, in the manner as prescribed in the return.

150ZZK. Responsibility of the Commissioner.- (1) The Commissioner shall keep a list of all withholding agents falling in his jurisdiction and monitor payment of tax deducted by withholding agents falling in his jurisdiction and shall also ensure that the return prescribed under these rules is filed.

(2) The Commissioner shall ensure that the return received from the bank is duly fed in the computerized system as referred to in clause (5AA) of section 2 of the Sales Tax Act, 1990.

(3) The Commissioner shall periodically ensure that the suppliers mentioned in the return filed by the withholding agents, as fall under his jurisdiction, are filing returns under Chapter II, and are duly declaring the supplies made to withholding agents.

[1][ ]

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[1]Rule 150ZZL deleted by SRO 918(I)/2019 dated August 07, 2019. Earlier it was inserted by SRO 698(I)/2019 dated June 29, 2019, effective from 01-07-19.

Rule 150ZZL-Omisison.- Before omission it read as follows:-

"150ZZL. Exclusions.- The provisions of this Chapter shall not apply to the supplies of the following goods and services if made by a registered person, namely:-

(i) electrical energy;

(ii) natural gas;

(iii) petroleum products as supplied by petroleum production and exploration companies, oil refineries, oil marketing companies and dealers of motor spirit and high speed diesel;

(iv) telecommunication services;

(v) goods specified in the Third Schedule to the Sales Tax Act, 1990 (VII of 1990), and the goods on which federal excise duty is payable in sales tax mode on the basis of retail price;

(vi) supplies made by commercial importers who paid value addition tax on such goods at the time of import as prescribed under Twelfth Schedule to the Act, and

(vii) Supplies made by an active taxpayer as defined in the Sales Tax Act, 1990 to another registered person with the exception of advertisement services."

[1][CHAPTER XIV-E

Withholding Obligation for Online Marketplace, Payment Intermediary and Courter through Digitally Ordered Goods

150ZZM. Application.- (1) This chapter shall apply to taxable goods which are digitally ordered through online marketplace, website or similar applications.

(2) This chapter shall also apply to payment intermediary and courier, if payment is made online or Cash on Delivery (CoD) as the case may be, against digitally ordered supplies.

150ZZN. Responsibility of Online marketplace, Payment intermediary and Courier.- (1) The payment intermediary or courier, as the case may be, intending to settle payment of digitally ordered taxable goods, shall deduct an amount of sales tax as specified in the Eleventh Schedule to the Act and make payment of the balance amount to the supplier or vendor.

(2) In case the withholding agent is a payment intermediary, it shall deposit the withheld amount of sales tax and file monthly statement summarizing all the particulars of the supplier or vendor and supplies made in the month against digitally ordered goods, as set out in STR-35 electronically for each month by the 10th of the following month and deposit the amount deducted at source.

(3) In case the withholding agent is a courier, it shall deposit the withheld amount of sales tax and file monthly statement summarizing all the particulars of the supplier or vendor and supplies made in the month against digitally ordered goods, as set out in STR-36 electronically for each month by the 10th of the following month and deposit the amount deducted at source.

(4) In case of supplies made against the digitally ordered taxable supplies through online marketplace, the marketplace in Pakistan shall file monthly statement indicating the supplier-wise orders processed and taxable goods delivered in the month against digitally ordered goods, as set out in STR-34 electronically for each month by the 10th of the following month:

(5) In case Online Market Place (OMP) is also providing Courier services it shall also file a statement required to be filed by couriers as specified in sub-rule (3).

(6) Payment intermediary and courier shall issue a certificate showing deduction of sales tax to the supplier or vendor by the withholding agent duly specifying the name and registration number of the supplier, description of digitally ordered goods and the amount of sales tax deducted and paid.]

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[1]Chapter XIV-E containing rules 150ZZM & 150ZZN inserted by SRO 1429(I)/2025 dated August 04, 2025.

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[1][CHAPTER XV

PROCEDURE FOR AVAILING ZERO-RATING UNDER S.NO.12 OF THE FIFTH SCHEDULE TO THE ACT

151. Application.- The provisions of this Chapter shall apply to manufacturers of goods specified against S. No. 12 of the Fifth Schedule of the Act.

152. Conditions and limitations for availing zero-rating facility.- (1) Zero rating of goods specified against S. No. 12 of the Fifth Schedule to the Act shall be subject to determination of input-output ratios of the manufacturer by the Input-Output Co-efficient Organization (hereinafter referred to as "IOCO").

(2) For zero-rating of the import and local procurement of raw materials, packing materials, subcomponents, components, sub-assemblies and assemblies required for the manufacture of goods specified against S. No. 12 of the Fifth Schedule to the Act, the following conditions and procedures shall be observed, namely:−

(a) a registered manufacturer of the goods specified against serial number 12 of the Fifth Schedule, having suitable in-house facilities (hereinafter referred to as "the applicant" in this chapter) shall submit an application to the Commissioner Inland Revenue having jurisdiction along with the complete list of his annual requirement of his inputs that he intends to import or purchase for the manufacture of such goods, in the format prescribed in the form STR-29;

(b) the Commissioner may approve the declaration of input-output ratio of the applicant in the form STR-30, without physical verification in case the input-output ratio of the applicant has already been determined by the IOCO under an earlier notification issued for such goods or the declared input-output ratios and input requirements are in accordance with prevailing industry averages;

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[1]Chapter XV substituted by SRO 918(I)/2019 dated August 07, 2019. Earlier rule 151 converted into a Chapter XV by SRO 470(I)/2007 dated June 09, 2007.

Chapter XV-Substitution.- Before substitution it read as follows:-

"Chapter XV
Repeal

"**151. Repeal**.- The Sales Tax Rules, 2005, the Electronic Filing of Sales Tax Return Rules, 2005, and the Sales Tax Refund on Zero-Rated Supply, Rules, 2006, are hereby repealed."

(c) in case the Commissioner is not satisfied with the declared input-output ratios because of their being, *primafacie*, not in accordance with prevailing industry averages and input-output ratios of the applicant having not already been determined by IOCO, he may, after provisionally allowing quantity required for six months, make a reference to IOCO for final determination thereof. After receipt of report from IOCO the Commissioner shall then determine the annual quantitative entitlement of inputs and grant final approval for zero-rated purchases or imports. In case of non-receipt of report from IOCO within four months of the application being forwarded by the Commissioner, he may provisionally allow another six months quantity to the applicant, provided he is satisfied from the records that the previously imported or purchased inputs are being properly consumed in the manufacture of goods specified against S. No. 12 of the Fifth Schedule to the Act;

(d) before allowing approval as referred to in clauses (b) or (c) above, the Commissioner shall secure the tax involved in such approval through an indemnity bond furnished by the applicant;

(e) in case of input goods to be imported by the applicant, the authorized officer of Inland Revenue shall furnish all relevant information online to the Pakistan Customs' Computerized System in the form STR-31against a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of1969);

(f) where a registered person supplies input goods to the applicant in terms of an approval granted under clause (b) or (c), as the case may be, he shall issue a zero-rated invoice mentioning the approval number of the buyer besides all the particulars as required under section 23 of the Act;

(g) the applicant will be entitled to claim refund of input tax paid on utilities and other inputs which are purchased by him on payment of sales tax in terms of section 10 of the Act and other the rules and notifications issued thereunder;

(h) the applicant shall maintain complete records of the inputs imported or purchased and the goods manufactured there from;

(i) the input goods allowed under clause (b) or (c), as the case may be, shall be imported or purchased before the expiry date of the approval, and shall be consumed within twelve months of the date of their import or purchase;

(j) the applicant shall inform the concerned Commissioner Inland Revenue in writing about the consumption of the imported or purchased input goods within ninety days of their consumption. The indemnity bond shall be released on receipt of written confirmation regarding consumption of goods by the applicant;

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(k) in case the input goods are not consumed within the period allowed in the approval, the applicant shall pay the amount of sales tax involved, or may seek extension from the Commissioner Inland Revenue under intimation to the Collector of Customs;

(l) the concerned Commissioner Inland Revenue, whenever he deems necessary but not more than once in a calendar year, may get the records of the manufacturer audited. In case it is found that the inputs have not been properly accounted for or consumed in the manufacture and supply of goods as prescribed, the Commissioner may initiate proceedings for recovery of the sales tax involved on the unaccounted inputs besides initiating proceedings for imposition of penalty under the relevant provisions of the Act; and

(m) under circumstances of exceptional nature and for reasons to be recorded in writing, the concerned Commissioner may relax any of the conditions, if he is satisfied that such condition is detrimental to the bona fide purposes of the manufacturer's business, subject to such surety or guarantee he may deem appropriate to secure the sales tax and to ensure proper accounting and utilization of the imported or locally procured goods.]

[1][CHAPTER XVI
SPECIAL PROVISIONS RELATING TO SERVICES

153. Application.- The provisions of this chapter shall apply to collection and payment of sales tax by registered persons providing or rendering services subject to sales tax under Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (ORDINANCE NO. XLII OF 2001).

154. Provisions the Act to be followed.- The provisions of the Sales Tax Act, 1990, rules made and notifications issued thereunder, relating to registration, filing of returns, time and manner of payment, valuation, records, refund, assessment, recovery, appeals and other related procedures shall apply, mutatis mutandis, to the tax payable under the aforesaid Ordinance.

155. Special provisions relating to advertisements on television and radio.- (1) Value of advertisement services shall be the total consideration in money received or the gross amount charged by a service provider from his clients including all Federal and Provincial levies and commission paid to the advertising agency but excluding the amount of sales tax.

(2) A registered person, being a client, whose advertisement is released on radio or television, and to whom the sales tax invoice is issued and routed through the advertising agency, can claim input tax adjustment for the amount of tax paid on account of release of advertisement on radio or television subject to the observance and fulfilment of following conditions, namely:-

(a) payments for all such advertisements are made by such registered person through banking channels as per provisions of section 73 of the Act in such manner that payment against a particular invoice is easily verified; and

(b) all invoices issued by the service provider include the name of agency and commission paid, if applicable.

156. Special provisions relating to customs agents.- In relation to Customs agents, value of taxable service for the purposes of levy of sales tax shall be the total consideration or charges received by a Customs agent for providing and rendering the service, excluding the amount of sales tax. It shall not include amounts received from the client on account of transportation charges, demurrage, wharfage, customs-duties, excise duty, sales tax, provincial duties or taxes, toll taxes, municipal charges, port charges, handling charges, packing charges, labour payment and such other reimbursable expenses which a Customs agent pays on behalf of his clients against a proper receipt or invoice or bill.]

[1]Chapter XVI inserted by SRO 918(I)/2019 dated August 07, 2019.

[1][CHAPTER XVII
DETERMINATION OF MINIMUM TAX LIABILITY

157. Procedure to be followed for determining minimum liability.- (1) Where a registered person fails to file a return by the due date, an officer not below the rank of Assistant Commissioner, having jurisdiction, shall issue a notice to the registered person to file return within fifteen days failing which his minimum liability would be determined.

(2) If the registered person files the return within the time as stipulated in the notice, the notice shall abate. If otherwise, the officer shall proceed to determine the minimum liability in the manner as prescribed in the following rule.

(3) The assessment order determining the minimum liability shall be communicated to the registered person.

(4) If the registered person files the return and pays the due amount of sales tax for the tax period along with additional tax and penalty under section 33(1) of the Sales Tax Act, 1990, within one month of the determination made as above, the order of minimum tax liability will be considered to have been withdrawn. In case the registered person does not pay the amount of sales tax determined for the tax period, the tax liability determined will be recovered under section 48 of the Sales Tax Act, 1990.

(5) The determination made in the aforesaid manner shall be the minimum liability, and the payment thereof shall not absolve the registered person of further liability which may accrue or be determined at a later stage through audit or otherwise on the basis of available record under the provisions of law.

158. Criteria for determination of minimum liability.- (1) The minimum tax liability of the registered person for a tax period shall not be less than the highest amount of tax paid by the registered person in any of the tax periods during the previous twelve months.

(2) In case the tax paid in the previous twelve months is Nil, the minimum tax liability shall be calculated on the basis of monthly average of the sales declared by the registered person to the income tax department for the last assessment year.

(3) In case minimum tax liability cannot be determined in the manner given above, it shall be determined taking into account three or more of the following factors:

(a) Location of business;

(b) Type of business (i.e. retail etc);

(c) Item produced / supplied or service provided;

(d) No of persons employed;

(e) Capital employed in the business;

(f) Amount of utility bills i.e. phones, electricity, gas and water; and

[1]Chapter XVII inserted by SRO 918(I)/2019 dated August 07, 2019.

(g) Production capacity of machinery installed.

(4) The order communicating the minimum liability shall also communicate the criteria employed.]

[1][CHAPTER XVIIA
GREENFIELD INDUSTRIAL UNDERTAKING APPROVAL AND EXEMPTION RULES

158A. Application.- The provisions of this chapter shall apply to an industrial undertaking applying for approval for "Greenfield Industry" and exemption from levy of sales tax thereof, for the purposes of clause (12A) of section 2 and Serial No.150 of Table -I of Sixth Schedule to the Act.

158B. Filing of application for approval of Greenfield Industry.- (1) A registered person applying for approval of its industrial undertaking as "Greenfield Industry", as defined in sub-clause (12A) of section 2 and for exemption under Serial No.150 of the Table –I of Sixth schedule to the Sales Tax Act 1990, shall make an application electronically to the Commissioner Inland Revenue having jurisdiction in the form prescribed in Annexure-I along with documents prescribed in Annexure-II of this Chapter.

(2) The registered person shall also submit a hard copy of the prescribed application to the Commissioner Inland Revenue for the purposes of approval under sub-clause (12A) of section 2 and Serial No.150 of Table-I of Sixth Schedule to the Sales Tax Act, 1990 along with all the documents required under this Chapter.

158C. Processing of applications by the Commissioner.- (1) On receipt of an application under rule 158B, the Commissioner Inland Revenue may make such inquiries or call for such further information or documents as deemed necessary.

(2) After scrutiny of the application and the documents annexed thereto, the Commissioner Inland Revenue shall, forward the application to the Engineering Development Board, Government of Pakistan hereinafter referred to as "EDB" in this Chapter, for seeking its expert opinion as to whether the process or technology being employed by the said industrial undertaking is or is not already under use in Pakistan.

(3) Upon receipt of application forwarded by Commissioner Inland Revenue, the EDB shall process the same within the time stipulated by him and communicate its expert opinion / findings with regard to the query raised in sub-rule (2) to the Commissioner Inland Revenue.

158D. Approval of the application.- (1)After completion of all the formalities, the Commissioner Inland Revenue may, through an order in writing, approve the industrial undertaking for the purposes of sub-clause (12A) of Section 2 of the Act.

(2) The Commissioner Inland Revenue may, after recording the reasons in writing, refuse to grant approval for the purposes of sub-clause (12A) of Section 2 of the Act.

[1]Chapter XVIIA inserted by SRO 777(I)/2020 dated August 25, 2020.

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158E. Finalization of Applications.- The Commissioner Inland Revenue shall finalize the applications filed under Rule 158B within fifteen days of its receipt.

158F. Appeal against decision of a Commissioner Inland Revenue.- Any registered person dissatisfied with the decision of the Commissioner Inland Revenue under Rule 158D may prefer an appeal within sixty days of the receipt of the order to the Appellate Tribunal Inland Revenue under section 46 of the Act.

158G. Procedure for generation and transmission of exemption certificate in the WeBOC.- (1) In case of grant of approval as "Greenfield Industry", the exemption certificate shall be generated automatically by the IRIS on the basis of the approval as Greenfield industry granted by the Commissioner Inland Revenue.

(2) The exemption certificate shall be automatically transmitted from IRIS to WeBOC as per existing procedure.

158H. Procedure for availing sales tax exemption on import of plant and machinery.- (1) The registered person shall upload a copy of the order of approval as Greenfield Industry already issued by the Commissioner Inland Revenue in WeBOC at the time of preparations of Goods Declaration for the imported plant and machinery.

(2) The registered person shall claim in the Goods Declaration the exemption from sales tax on the imported plant and machinery as per Serial No. 150 of Table-1 of the Sixth Schedule to the Sales Tax Act 1990.

ANNEXURE-I

APPLICATION FOR APPROVAL AND EXEMPTION FOR GREENFIELD INDUSTRY
under Rule 158B(1)

To,
The Commissioner of Inland Revenue,
_____ Zone, _____ (Name of Tax office and City).

1. With reference to sub-clause (12A) of section 2 and Serial No. 150 of Table-I of the Sixth Schedule to the Sales Tax Act, 1990, I, the undersigned, hereby apply, on behalf of _____ (name of the industrial undertaking) for its approval and exemption as "Greenfield Industry".

2. Necessary particulars are set out in the Schedule, as required under the schedule to this application.

3. The following documents set out in sub-rule (1) of Rule 158B of the Sales Tax Rules 2006, are also enclosed.

(i) _____
(ii) _____
(iii) _____
(iv) _____
(v) _____

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1. I, the undersigned, undertake, to the effect that M/s _____ (name of the industrial undertaking) is:

i. Set up on land which has not previously been utilized for any commercial, industrial or manufacturing activity and is free from constraints imposed by any prior work;

ii. Built without demolishing, revamping, renovating, upgrading, remodeling or modifying any existing structure, facility or plant;

iii. Not formed by the splitting up or reconstitution of an undertaking already in existence or by transfer of machinery, plant or building from an undertaking established in Pakistan prior to commencement of the new business and is not part of an expansion project;

iv. Intends to employ a technology & process for manufacturing of _____ (*description of goods*) _____ that is not already in use in Pakistan.

v. Intending to manufacture taxable goods as stated above.

It is also certified that the information provided above is true and correct to the best of my knowledge and belief.

Signature_____

Name (in block letters). _____

Designation _____

Application must be signed either by the Director or Principal Officer in case of a company, or by Member or Partner in case of AOP or by the owner of the industrial undertaking.

SCHEDULE

PARTICULARS

(As required under Serial No. 2 of the Annexure-I)

2. Name of the industrial undertaking (in block letters) _____;

3. Full address of the industrial undertaking (in block letters) _____;

4. Date of registration along with principal activity/nature of business of the industrial undertaking _____;

5. Name(s) of owner(s) along with CNIC of land on which industrial undertaking is set up or intended to be set up _____;

6. Complete details of plant, machinery and building _____;

7. Details of Directors and shareholders with more than ten percent shareholding or Partners, as the case may be, of the industrial undertaking on the date of application:

i. Name_____;

ii. CNIC_____;

iii. NTN_____;

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iv. Estimated value of plant and machinery (USD/PKR) _____;

8. Estimated duties and taxes presently involved on the plant and machinery to be imported;

9. List of good(s) to be manufactured;

10. Production capacity of industrial undertaking per annum;

11. Estimated annual contribution of the undertaking to the national economy in the form of:

i. Employment;

ii. Duties and taxes;

iii. Import substitution;

iv. Export earnings (USD);

v. Any other (please specify);

12. Brief description of the process or technology intended to be employed.

Annexure-II

LIST OF DOCUMENTS TO BE ATTACHED

Under Rule 158B(1)

1. Certificate of Incorporation or partnership deed, whichever is applicable;

2. NTN/STRN certificate;

3. Memorandum and Articles of Association in the case of Limited Company;

4. GPS tagged photos of the site of industrial undertaking / land of the industrial undertaking;

5. Copies of CNIC and NTN of directors or partners (in case of AOP).

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[1][CHAPTER XVIIB

PROCEDURE FOR COLLECTION AND PAYMENT OF EXTRA TAX ON SUPPLIES OF ELECTRIC POWER AND NATURAL GAS CONSUMED BY UNREGISTERED PERSONS AND PERSONS OTHER THAN ACTIVE TAXPAYERS:

158I. Application.- The provisions of this Chapter shall apply to the supplies of electric power and natural gas consumed by persons having industrial or commercial connections.

158J. Mode and manner of collection.- (I)Every person supplying electric power or natural gas, shall charge and collect extra tax at the rate notified by the Federal Government, from every consumer having an industrial or commercial connection, where the bill for a month is in excess of rupees fifteen thousand, and the consumer's name does not appear on the Active Taxpayer' List.

(2) The amount of extra tax shall be shown separately in the bill or invoice for electric power or natural gas issued by the supplier.

(3) The supplier shall collect and pay the amount of extra tax in the manner given in section 6 of the Act.

158K. Conditions and limitations.- (1) The-amount of extra tax shall not be adjustable by the supplier or the consumer in their returns, and shall be paid in full by the supplier into the Treasury.

(2) The supplier of electric power or natural gas, as the case may be, shall require the consumer to communicate the sales tax registration number and then, verify it from the website of the Board, to confirm whether the person is actually registered and is on the active taxpayers list maintained by the Board.

(3) The supplier shall also confirm that the name, address and other particulars appearing in the registration profile are the same as those in the record of supplier.

(4) A person having multiple places of business shall ensure that all such places of business are properly declared and entered in his registration profile.

(5) When it is verified that the person exists on the active taxpayer list, the supplier shall incorporate the sales tax registration number in its billing system and ensure that it is printed on all subsequent bills. Thereafter, the supplier shall stop charging and collecting the extra tax from such person.

(6) The supplier shall start charging and collecting extra tax again from the consumer from the month in which he is de-registered or he ceases to exist on the Active Taxpayers List being maintained by the Board.]

[1]Chapter XVIIB inserted by SRO 777(I)/2020 dated August 25, 2020.

[1][CHAPTER XVIII
MISCELLANEOUS PROVISIONS

159. Grant of exemption under section 65 of the Act.- In order to avail exemption under section 65 of the Act, the following procedure shall be followed, namely:-

(a) if a registered person claims that the supplies made by him during a certain period qualify for exemption under section 65 of the Sales Tax Act, 1990, he may make an application to the Commissioner Inland Revenue having jurisdiction. The Commissioner Inland Revenue will examine the case, collect relevant information from other Commissioners Inland Revenues and, the Collectors of Customs, if so required. On receipt of such reports, if he is satisfied that the case falls within the scope of section 65, he will refer the same to the Revenue Division.

(b) in the reference to the Revenue Division, the Commissioner shall also highlight the reasons for non-payment, and if so warranted, he will also fix responsibility on the staff who failed to detect that a taxable item is being supplied or imported without payment of tax, thus causing loss of revenue. He will also initiate disciplinary action, if required, against the officials concerned and send a report to the Revenue Division;

(c) the case will be processed in the Revenue Division and if the conditions specified in section 65 are met the Federal Government may, by means of a notification in the official Gazette, exempt the relevant supplies, or imports, or both, as needed, from sales tax.

160. Accounting for advance payments against supplies.- In order to conform to definition of 'time of supply' in sub-section (44) of section 2 of the Act, the registered person receiving advance payment shall issue an advance receipt invoice at the time of receipt of advance mentioning the particulars as stipulated in section 23 to the extent as available. The output tax on such amount shall be reflected in the return for the tax period in which such advance payment is received. Such advance invoice shall be treated as tax invoice for the purposes of section 7 and 8 of the Act.

(2) When actual supply is made against an advance payment, the sales tax invoice shall be issued again with reference to the advance invoice and taking due credit of sales tax accounted for in advance on the goods so supplied.

(3) In case of cancellation of whole or part supply against which an advance payment was received, necessary adjustment shall be made by the supplier by issuing a credit note at the time of such cancellation and making corresponding adjustment.

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[1][**161. Input tax credit against supplies made by the persons registered in Azad Jammu and Kashmir and Gilgit Baltistan**.- (1) The input tax credit against invoices issued by persons registered under sales tax law of Azad Jammu and Kashmir and Gilgit Baltistan shall be available to a buyer registered under the Act in Pakistan, if such AJK and GB registered persons are enrolled with the Board's Computerized System and are also on the active taxpayer list maintained by AJK and GB sales tax authorities.

(2) AJK and GB registered persons at the time of their enrolment with the Board shall furnish an undertaking that they will provide their supply record and the return filed in AJK and GB as and when required by the respective RTO, CTO or LTO, where the respective buyers are registered to ascertain correctness of their sales to Pakistani registered persons.

(3) From such date when the AJK and GB authorities institute e-filing for their registered persons, the adjustment as aforesaid shall only be available against electronic data of supplies as provided to the Board by AJK and GB authorities.]

162. Supply of Sugar to Trading Corporation of Pakistan by the sugar mills.- (1) In case of a contract for purchase of sugar by the Trading Corporation of Pakistan (TCP) from the sugar mills, if the TCP does not remove the quantity of sugar purchased from the mill premises and also does not make the payment of sales tax amount involved to the sugar mill, the issuance of sales tax invoice by the sugar mills may be deferred till the time of removal of the sugar by TCP. At the time of such removal, or at the time of receipt of sales tax amount involved, whichever is earlier, the sugar mill shall issue the invoice for the amount of sales involved in stock removed or sales tax payment received, as applicable. Such invoice shall be reflected in the supplies declared in the return for the relevant tax period.

(2) In the event of removal of sugar by TCP for export purposes, the mill will issue a zero-rated tax invoice, against which no sales tax shall be payable, subject to the condition that TCP shall provide a copy of export goods declaration to the sugar mills for its record.

(3) TCP shall submit a monthly statement to the Commissioner Inland Revenue concerned, the sugar mill-wise record of purchases of sugar made and payments made and sugar removed and such Commissioner shall forward a copy thereof to the Commissioner having jurisdiction over the relevant sugar mills.

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[1]Rule 161 substituted by SRO 1064(I)/2021 dated August 24, 2021. Earlier it was inserted by SRO 918(I)/2019 dated August 07, 2019. Before substitution it read as follows:-

"161. Input tax credit against supplies made by the persons registered in AJK.- (1) The input tax credit against invoices issued by persons registered under sales tax law of Azad Jammu and Kashmir shall be available to a buyer registered under the Act in Pakistan, if such AJK registered persons are enrolled with the Board's Computerized System and are also on the active taxpayer list maintained by AJK sales tax authorities.

(2) AJK registered persons at the time of their enrolment with the Board shall furnish an undertaking that they will provide their supply record and the return filed in AJK as and when required by the respective RTO or LTU, where the respective buyers are registered to ascertain correctness of their sales to Pakistani registered persons.

(3) From such date when the AJK authorities institute e-filing for their registered persons, the adjustment as aforesaid shall only be available against electronic data of supplies as provided to the Board by AJK authorities."

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163. Sharing of petroleum products by Oil Marketing Companies.- (1) The oil marketing companies (OMCs) shall be entitled to share their product on loan-basis without payment of sales tax as stored at joint installation of the oil marketing companies (JIMCO) at Mehmood Kot, District Gujrat, Punjab. No sales tax invoice shall be issued for the product so shared between OMCs, provided that the OMCs shall not be barred from adhering to an internal invoicing system for the purpose of stock sharing.

(2) The sales tax invoice shall, however, be issued by an OMC when it makes further supply of such product obtained on loan-basis to another customer.

(3) Each OMC, benefiting from stock sharing facility under this rule, shall maintain, or cause to be maintained, a separate register for recording movements of stocks under sharing arrangements between OMCs, which shall contain such information about credit and debit of the shared or returned stocks as is necessary to identify the movement of such stocks between the concerned OMCs.

(4) The Terminal Operator of the facility shall certify the bona fides of all the credit and debit entries made in the stock sharing register by 10th of each month following the month to which the entries relate.

(5) The stock sharing register, duly certified by the Terminal Operator as aforesaid, shall be produced to the RTO or LTU concerned as and when so required.

(6) No adjustment, refund or remission of sales tax shall be allowed under any circumstances on account of variation or difference of the sales price of the exchanged or loaned stocks.

164. Making of zero-rated supplies to a duty-free shop.- (1) A duty free shop (DFS), duly licensed by the Customs authorities, and entitled to receive zero-rated supplies under serial No. 3 of the Fifth Schedule to the Act, for the purpose of making supplies to the passengers in terms of Customs baggage rules, may observe the following procedure for making zero-rated purchases:−

(a) The DFS shall get itself registered under the Act, furnish monthly returns and maintain records as stipulated under the Act.

(b) The DFS will apply to the respective Commissioner Inland Revenue for grant of authorization for taking sales tax free delivery of the goods intended to be purchased from a specified registered manufacturer. In the application DFS will exactly specify the description and quantity of goods besides particulars including sales tax registration number of the manufacturer-cum-supplier. Only such goods shall be included in the application as DFS intends to sell against duty free allowances under different baggage concessions.

(c) At the time of filling application under (a) above, DFS will furnish an indemnity bond in a proper form to the effect that in case goods intended to be purchased free of sales tax are used for the purpose other than the purpose of supplying the same against duty free allowance under different baggage concessions, DFS shall pay the amount of sales tax invoiced in such goods besides additional tax payable under section 34 of Sales Tax Act, 1990. Original indemnity bond shall be retained under safe custody in the concerned RTO or LTU and two attested photocopies of the accepted indemnity bond shall be given to DFS and DFS shall give one copy to the concerned manufacturer.

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(d) on the basis of authorization given by the Commissioner Inland Revenue, after acceptance of the indemnity bond furnished by DFS as aforesaid, the manufacturer shall deliver the goods against a zero-rated invoice issued in the name of DFS and quote the reference number and date of authorization issued by the Commissioner Inland Revenue. The zero-rated invoice shall show the value of goods in rupees as well as in US dollar. The goods shall be delivered to DFS only after affixing irremovable sticker containing a caution to the effect that it is meant exclusively for supply to and sales by DFS under customs baggage rules.

(e) DFS shall pay price of the goods in foreign currency (US dollars) which shall be surrendered by the manufacturer to the State Bank of Pakistan and manufacturer shall receive the payment in Pak rupees as per the prevailing State Bank of Pakistan's procedures and foreign exchange regulations.

(f) on receipt of goods DFS shall issue a certificate of receipt indicating the reference number and date of the aforesaid authorization and serial number and date of zero-rated invoice. This certificate shall be duly attested by the customs staff posted at duty free shops. A copy of this certificate shall be sent each to the manufacturer as well as to the Commissioner Inland Revenue.

(g) DFS shall maintain proper separate records of the zero-rated purchases and sales of goods purchased under this rule. Full particulars of the passengers buying these goods under baggage rules shall be invariably mentioned in the records. Similarly, the manufacturer shall maintain proper record relating to the supplies made to DFS without payment of sales tax. Both DFS and the manufacturer shall present these records to the sales tax staff for inspection or audit as and when required.

(h) the said documents shall be furnished in original with a set of photocopies and returned to the manufacturer after tallying an endorsement of verification on the photocopies by the officer-incharge of Refund Division of the Regional Tax Office (RTO). Refund shall be processed and sanctioned in accordance with chapter V of the Sales Tax Rules, 2006 treating the claimant as manufacturer-cum-exporter.

(i) DFS shall procure goods under this order to meet its requirements for a period not exceeding three months and shall ensure that these goods do not find way in the local market. DFS shall be responsible to pay sales tax and additional tax in case any such goods are found being sold in the local market.

(j) the indemnity bond furnished by DFS shall be released by the Commissioner Inland Revenue only after satisfying himself either through audit or otherwise that goods have been sold by DFS only against duty free allowances under the relevant baggage concessions.

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[1][**164A. Supply of used vehicles**.- (1) Where a registered person is engaged in the business of purchasing and selling used vehicles from general public on which sales tax had already been paid at the time of import or manufacturing, the value of the supply shall be worked out in accordance with the sub-rule (2).

(2) The value of supply shall be worked out in accordance with the following formula, namely:-

A-B

Where-

A is the consideration in money, including all charges and fees but excluding the amount of sales tax charged, received by the registered person from the buyer of the used vehicle; and

B is the consideration in money, including all charges and fees, paid by the registered person to the seller of the used vehicle:

Provided that the whole amount paid or received against the above-mentioned transactions is made through banking channel as required under section 73 of the Act:

Provided further that in case a vehicle is sold at a price lower than its purchase price, the value determined under this sub-rule shall be deemed to be zero.

(3) No input tax credit shall be allowed to the registered person which is attributable to any goods or services acquired for the purposes of selling used vehicles.]

165. Repeal.- The Sales Tax Rules, 2005, the Electronic filing of Sales Tax Return Rules, 2005, and the Sales Tax Refund on Zero-Rated Supply Rules, 2006, are hereby repealed.]

[1]Chapter XVIII inserted by SRO 918(I)/2019 dated August 07, 2019.

1-211-20-09-2021

[1][

[1]STR- 1 substituted by SRO 79(I)/2014 dated January 31, 2014. Earlier it was substituted by SRO 429(I)/2009 dated June 02, 2009 and by SRO 530(I)/2008, dated June 11, 2008.

Government of Pakistan
Federal Board of Revenue
Taxpayer Registration Form

STR- 1

FILLING INSTRUCTIONS Ph: 051- 111- 772- 772

Registry

1	Sheet No.	Usually only one sheet of this form is sufficient. However more sheets will be needed in case of more than 1- Business/Branches, more than 5- Business Activities or more than 1- Bank Accounts. For example, if 2- more sheets are attached than the first will have Sheet 1 to 3, and so on upto Sheet 3 or 3. If no sheet is attached, then write Sheet 1 of 1.
Application No.		This field is for official use. All the grey fields are for official use and should be left blank by the applicant.
2	Application Type	Check (√) the relevant box. If the box for **change in particulars** is selected the current **NTN** should also be provided. Grey box is for check digit. If a person has already obtained NTN and now wants to apply for Sales Tax/FED, he should tick (√) **Apply for Sales Tax/FED Registration**. If application is issuance of Duplicate Certificate, then Current NTN should also be provided. Current Certificate should be surrendered.
3	Category	Check (√) the relevant box showing the Person Category as **Company**, **AOP** or **Individual**. If Category is selected as **Company or AOP** then one of the types of companies/AOP should also be checked (√).
4	Status	Check the Status as **Resident** or **Non- Resident**. In case of Non- Resident the Country of Non- Resident Person should also be written.
5	CNIC/ PP No.	All **Resident Individuals** should write CNIC Number and **Non- Resident Individuals** should write Passport (PP) Number in this column. In cases of **Company** and **AOP** this column should be left blank.
	Gender	Gender is required only for Individual, for Company and AOP it should be left blank
6	Reg/ Inc. No.	In case of **Company**, write SECP incorporation number. In case of **AOP** write the [1][National Tax Number] of AOP if available, otherwise leave it blank.
	Birth/ Inc. Date	**Individual** should write the Birth Date and **Company/AOP** should write the date of incorporation/formation
7	Name	Name of Registered Person. **Individual** should write the name as appearing in the CNIC/Passport, **Company** should write the name as appearing in SECP and **AOP** should write the name as shown in the AOP Agreement.
8	Address	**Company** should write the address of Registered Office, **Individual** and **AOP** should write Mailing Address.
9	Principal Activity	Principal Activity of the Person being registered should be written here, in case of multiple business activities the Principal Activity at the time of registration should be determined on the basis of major revenue generating business activity. Detailed list of Business Activities can be accessed from FBR's web site http://fbr.gov.pk or https://e.fbr.gov.pk.

1-159-10-07-15

[1]Substituted for "registration number" by SRO 610(I)/2010 dated July 01, 2010.

		Individuals having only salary income should write **Salary Income** as Principal Activity. Professional should specify their profession as Principal Activity or Other Activity as the case may be.
	Activity Code	Activity Code is for official use, applicant should leave it blank.
10	Register for	Tick (√) the relevant boxes. All the relevant boxes should be checked.
	Revision N°	This is for official use, and should be left blank by the applicant.
		Representative/Auth Rep
11	Rep. Type	"Representative as defined u/s 172" or "Authorized Representative in case of Company not having Permanent Establishment in Pakistan, as defined u/s 223" of the Income Tax Ordinance 2001.
	In Capacity as	Capacity in which Representative/Authorized Representative is mentioned as defined u/s 172 or 223(2) of Income Tax Ord. 2001
12	Phone, Mobile, Fax	Phone, Mobile and Fax number of the Legal Representative or Individual (in case of Self) should also be written. Fax number is optional.
13	E- Mail	E- Mail address of the legal representative should be written here, which will be used to serve legal notices and correspondence
		Directors/ Partners
14	Total No. of Directors	Total Number of directors/shareholders/partners of the business.
	Total Capital	Total Capital of the business and shareholder wise share to be provided in case of Company. Particulars of all Partners should be provided for AOP
15	Type of Identification	Type of Identification: N=>NTN, C=>CNIC, P=> Passport Number, M=>CNIC number issued in Form- B by NADRA in case of Minors
	NTN/CNIC	NTN/CNIC of all the shareholders/directors/partners should be provided in this portion. More sheets should be added for more than 5.
	Name of Director	Name of Director/Shareholder/Partner.
	Capital	Capital share of owner in terms of capital amount, for Company only
	Share %	%age of share will be calculated by the system on the basis of share value provided in the capital column
16	Others	Others Share of owner in terms of capital amount
		Other Activities
17	Activity Code	Activity Code is for official use, applicant should leave it blank.
	Business Activity	Detailed list of Business Activities can be accessed from FBR's web at site http://fbr.gov.pk or http://e.fbr.gov.pk. Do not re- write the Principal Activity given at Sr- 9. Hence if there is no activity other than the Principal Activity, then this portion should be left blank. More activities can be added later through the Change Request as explained at Sr- 2 above.
		Business/Branches
18	Total Business/ branches	Total Number of Business/ Branches, details of which should be provided in the following columns.

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19	Business/ Branch Sr.	Serial Number of the business/Branch. Separate sheets are required to provide information about each additional business/branch including HQ
	Action Required	Cheque (√) the relevant box as Add Business, Change Particulars or Close Business/Branch
20	Business/ Branch Type	Type of Business/Branch such as Head Office, Sub- Office, Factory, Show Room, Godown, Sub Office, Outlet, etc
	Business/ Branch Name	Write name of the Business or Branch in accordance with the Business Branch Type selected
21	Nature of Premises	Nature of premises Possession as Owned, Rented or Others, along with CNIC/NTN/FTN and Name of the Owner should be written
22	Electricity Ref. No.	Electricity Consumer number of the connection installed at the business/HQ/ branch premises
Gas Connection installed		Tick the relevant box, showing the gas connection installed at the premises
Gas Consumer No.		If Gas connection is installed, then write here Gas Consumer number of the connection installed at the business/branch premises
[1][23	Details of business outlets/ branches	Please provide names of all business branches/outlets along with complete addresses etc. Use copies of this form if needed.
	Details of all brands names/ trademarks inn which dealing.	Shall provide details of all business brand names / trademarks etc. in which dealing. Use additional copies of this form if needed.]

Bank Accounts

24	Total Bank Accounts	Total Number of Bank Accounts, details of which should be provided in the following columns
25	Account Sr.	Serial Number of the Bank Account. Separate sheets are required to provide information about each additional bank account
	Action Requested	Check (√) the relevant box as **Add Account, Change Particulars** or **Close Account**
26	A/C No.	Bank Account No. as allotted by the bank
	A/C Title	Title of Account
	Type	Check (√) the relevant box showing Account Type such as **PLS** or **Current** as the case may be.
27	Bank Name	Write bank name in abbreviated form, e.g. **MCB** for Muslim Commercial Bank, **NBP** for National Bank of Pakistan, **City Bank** for City Bank
	City	Name of the City in which bank branch is located
	Branch	Name of the bank branch with branch Code
28	Start Date	Start Date of the bank Account, date should be written in the format of DD-MM- YYYY.
	Close Date	Close Date of the bank Account, in case the account is closed. This is applicable only when **Close Account** is selected as Action Requested

[1]Substituted by SRO 776(I)/2020 dated August 25, 2020.

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Employer

29	NTN/FTN	NTN/FTN of the Employer, in case of applicant having Salary Income as Principal Activity. (FTN=Free Tax Numbers allotted to Govt. Departments)
	Name	Name of Employer
30	Address	Address of Employer
	City	City of Employer's Head Office

Declaration

31	Declaration	Declaration to be signed by the applicant or his/her authorized representative.
32	Date	Date of signing the application, in the format of DD- MM- YYYY
	CNIC/PP No	CNIC/Passport No. of the applicant. Applicant can be the Person him/her authorized representative having written Authorization
	Name of Applicant	Name of Applicant as appearing in the CNIC/Passport
	Signatures	Signatures of the applicant.

Tax Registration Form can be submitted as follows:

1) Duly completed application form along with copies of required documents can be submitted at any of the (13) Regional Tax Offices or TFCs.
2) Online application can also be prepared by visiting the FBR website https://e.fbr.gov.pk. Online tutorial for assistance can also be downloaded
3) NTN Certificate should be received in person at RTO by the applicant or his authorized representative, after one working day of a successful telephonic verification. At the time of receiving the NTN Certificate, Original CNIC should be shown. If an authorized representative is to receive the NTN Certificate then Original Authority Letter and original CNIC of the authorized person should be shown at the RTO/TFC Counter.
4) Request for Change in Particulars is also processed as described in para 1- 32 above.
5) For Request of Duplicate Certificate, complete particulars should be provided. Current Certificate should be surrendered, if available. If current certificate is lost, then an affidavit on Stamp Paper of Rs. 10 should be attached with the application.

Application Modes

Attachments		For all applications: Copy of the last paid Electricity Bill of the connection installed at the address given in the Registry Portion of the form (STR- 1)
	For Individual	1) Copy of CNIC/Passport
	For Company	1) Copy of CNIC of Applicant 2) Copy of SECP Incorporation Certificate 3) Applications of all owners, if not already NTN holder
	For AOP	1) Copy of CNIC of Applicant 2) Copy of AOP Agreement, if applicable 3) Applications of all Partners, if not already NTN holder

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RTO/TFC

01) RTO Karachi, Opposite Sindh Secretariat 02) RTO Lahore, Nabah Road 03) RTO Peshawar, Jamrud Road 04) RTO Quetta, Chaman Housing Scheme 05) RTO Rawalpindi, Kachery Road 06) RTO Gujranwala, GT Road 07) RTO Sialkot, Kachary Road 08) RTO Faisalabad, New Civil Lines 09) RTO Hyderabad, Site Area 10) RTO Sukkur, Income Tax Building 11) RTO Multan, Shamsabad Colony 12) RTO Abbottabad, Main Mansehra Road 13) RTO Islamabad, Blue Area

List of TFCs available at http://fbr.gov.pk

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PARTNER / DIRECTOR DETAILS

STR– 1 (A)

For Official Use only (Date of Receipt _____)
(This information is required in respect of each director/ partner)

Please (Tick ✓) relevant

☐ Owner ☐ Member ☐ Director

(1) Full Name

(1A) Nationality

(2) Home Address

(3) Post Code Phone No.

(4) Bank Account Number

Bank Name

(5) National Tax Number

(6) N.I.C Number

(6A) Passport Number. (in case of foreign national)

(7) Are you running any other sales tax registered business? Yes ☐ No ☐
(If "yes" provide its sales tax registration number)

Registration Number

Signature Date

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[1] Para "(1A) and (6A)" inserted by SRO 470(I)/2007 dated June 9, 2007

INSTRCUCTIONS

National Tax Number **If this column is not filled, your application will not be entertained for registration.**

Specify <u>Collectorate</u> where you want your unit to be registered.

Part - 1

(1) Write complete Business Name.

(2) Write complete address of the Head office giving room/house/shop number, street name/number, city, post code, phone, fax, e-mail, electricity and gas consumer number, bank address and account number. Write complete address of all the branches, manufacturing units, godowns and outlets giving room/house/shop number, street name/number, city, post code, phone, fax, e-mail, electricity and gas consumer number. Specify bank account number, bank name & address.

In case of additional information for any of the above columns, please use separate sheet(s) and follow the same format.

(4)(a) Tick the category under which the business falls. In case of more than one type of business category, all the relevant boxes may be ticked.

(4)(b) The principal / main business activity which defines your business most closely is required to be ticked. (Tick only ONE activity)

(4)(c) Please give the name of the primary product dealt in.

(4)(d) Please provide name and type of service rendered.

Part - 2

(1)(a) (b) (c) Please give complete name of owner, N.I.C and N.T.N.

<u>Remember:</u> In case the columns N.I.C, N.T.N are not filled the application will not be entertained for registration.

(1)(d) (e) Please give date of commencement of business and initial capital employed.

(2) Each member of AOP is required to fill in attachment No. **STR-1 (A)**

(3)(a) (b) (d) (e) (f) (g) Please give Company's registration number, date of incorporation, limits, initial capital employed, date of commencement of business and tick the relevant "Type of Company"

(3)(c) Each director of company is required to fill in attachment No. **STR-1 (A)**

Part – 3 Please mention the name of goods supplied or intended to be supplied as manufacturer.

Part – 4 Please tick the relevant mode of maintenance of business records.

Part – 5 Tick only the appropriate box.

Part – 6 Please ensure that the declaration is signed by the authorized person.

Part – 7 **FOR OFFICIAL USE ONLY.**

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GENERAL ORDERS

Islamabad, the 12th June, 2004.

SALES TAX GENERAL ORDER NO. 3/2004

Subject: Consolidation Of Sales Tax General Orders.

In line with the Government's desire to simplify the tax laws and regulations, it has been decided to reduce the number of rules, notifications and General Orders in the Budget 2003-04. Consequently, the Sales Tax Rules, 2004 and Sales Tax Special Procedures, 2004 are being issued after updating and consolidating a number of Rules and Special Procedure Rules issued from time to time.

2. Similarly, various General Orders issued by the Board from time to time are also hereby consolidated and updated, to reflect the current status. This General Order shall replace the existing Sales Tax General Orders issued by the Board from time to time as specified in Part VII.

PART – I

TIME AND VALUE OF SUPPLY

(A) CLARIFICATION REGARDING TIME OF SUPPLY.

3. According to the definition of "time of supply" given in clause (44) of section (2) of Sales Tax Act, 1990, supply is deemed to take place at the earlier of the time of the delivery of goods or the time when any payment is received by supplier in respect of that supply. This means that sales tax is chargeable if the amount is received in advance. Although this concept is clear, problems arise when full payment is not received and only some percentage of the actual amount is received in advance. Similarly, in certain other situations, supplies are made in parts over a period of time. Thus, a supply can spread over a period of several months.

4. It is therefore, clarified that sales tax for a tax period should be charged only on that portion of money which is received or only on that portion of supply which is made during that tax period and not on the whole of amount which is to be received in due course or on the whole of the supply which has yet to be completed.

(B) VALUE OF TAXABLE SUPPLY.

5. Value of a supply has been defined in clause 46 of the section 2 of the Sales Tax Act, 1990, which does not allow any deductions except the sales tax itself and the trade discounts which are in conformity with normal business practices. On the question as to whether or not the mark up on credit sales be included in the assessable value for the purpose of assessment of sales tax, it is clarified that the mark up on credit sales should not be taken into account for arriving at the assessable value for the purpose of assessment of sales tax.

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(C) VALUE OF SUPPLY WHEN GOODS ARE REMOVED/SUPPLIED UNDER CHAPTER - X OF THE CENTRAL EXCISE RULES, 1944.

6. question has arisen as to whether for the purposes of clearances made under Chapter-X of the Central Excise Rules, 1944, the amount of central excise duty remitted would also be included in the value of taxable supply or not.

7. Since the amount of central excise duty is remitted under Chapter - X of the Central Excise Rules, 1944, and is also not actually paid to the seller, the bond submitted under rule 192 of the Central Excise Rules, 1944, cannot be considered as "money" received by supplier.

8. Therefore, the amount of Central Excise Duty remitted under Chapter - X of the Central Excise Rules, 1944, and accordingly not received by the supplier of the taxable goods shall not form an ingredient of the value of taxable supply under section 2(46) of the Sales Tax Act, 1990.

(D) VALUE OF SUPPLY IN RESPECT OF ELECTRICAL ENERGY BY IPPs INCLUDING HUBCO & KAPCO.

9. A question has arisen as to the value of supply of the electricity supplied by independent Power Projects (IPPs) to M/s. WAPDA and M/s. KESC. The contracts between M/s. WAPDA/KESC and different IPPs envisage a tariff structure comprising a number of categories e.g. the consideration of money on account of Energy Purchase Price (E.P.P.), Capacity Purchase Price (C.P.P.), Energy Purchase Price Premium, Excess Energy Bonus and Supplemental Charges (S.C.) etc.

10. The EPP is payable by WAPDA/KESC on account of purchase of "electrical energy" while the consideration received by I.P.Ps on account of CPP is for net capacity of the plant which is to be paid during the contractual period. The payment of CPP, etc. is not reliable to the supply of electricity.

11. The issue has been examined in the Central Board of Revenue and it is ruled that the value of supply of electricity by IPPs is the amount received on account of Energy Purchase Price only. Therefore, any amount in excess of EPP received on account of Capacity Purchase Price, Energy Purchase Price Premium, Excess Bonus, Supplemental Charges etc. is not to be included in the value of supply as defined in clause (46) of section 2 of the Sales Tax Act, 1990. However, the assessment of sales tax is to be done in accordance with the provision of sections 7, 8 and all other relevant provisions of the Act, rules and notification. The IPPs will be entitled to claim full input tax adjustment against the sales tax paid on purchase of furnace oil and other tax-paid purchases for making supply of electricity subject to the provisions of section 8 and the notifications issued thereunder.

12. This ruling applies only to IPPs including HUBCO and KAPCO, because of their peculiar arrangements with WAPDA/KESC and is not applicable to any other person, including Captive Power Projects, engaged in the production and supply of electricity.

(E) SALES TAX ON GOODS PRODUCED BY VENDORS FROM THE RAW MATERIALS SUPPLIED BY THE PRINCIPALS.

13. In cases where raw materials and/or semi-manufactured goods are supplied by a principal to a vendor for further processing, the following chargeability of sales tax and value of taxable supply shall be determined as follows:–

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(a) The first issue is whether a vendor is providing a "service" *e.g.* printing, textile processing, corrugation, *etc.* or is a manufacturer: The definition of "manufacture" in section 2 (16)(c) of the Sales Tax Act, 1990, covers the processes and operations of assembling, mixing, cutting, diluting, bottling, packaging, repackaging or preparations of goods in any other manner. A "manufacturer" is a person who is involved in any of the said processes. Therefore, vendors, by very nature of their job, are manufacturers and liable for registration.

(b) The definition of "supply" in section 2(33) of the Act states that "supply" includes sale, lease or *other disposition of goods* in the course or furtherance of business carried out for consideration. Supply by such vendor is covered by words "other disposition of goods" and hence is chargeable to sales tax.

(c) The next question is about the value on which such vendor shall charge and pay the tax. According to the definition laid down in section 2 (46) of the Act, "value" is the consideration in money against which the registered person supplies the goods. Therefore, a vendor is required to charge sales tax on the consideration/charges of conversion. If during this "disposition of goods", he has used tax-paid raw materials procured by the vendor himself, tax credit of the same shall be available to the vendor.

(d) The aforesaid principle will *inter alia* apply even to cases where goods are chargeable to sales tax on the basis of retail price. The principal will pay tax on the basis of retail price whereas the vendor will be liable to pay tax only on his gross conversion charges.

(e) There is, however, one exception to the foregoing. Under section 2 (46)(f), in case of processing of non-taxable raw materials, the value of processed goods will be the open market price of finished goods and not the processing charges alone.

PART – II

DOCUMENTARY PROCEDURES

(F) SUBMISSION OF APPLICATION FOR SALES TAX REGISTRATION, FURNISHING OF RETURN-CUM-PAYMENT CHALLAN AND ISSUANCE OF SALES TAX INVOICES, ETC, IN URDU.

14. A registered person is allowed under section 22 of the Sales Tax Act, 1990, to maintain and keep the records of goods purchased and supplies made by him in English or Urdu language.

15. For the further convenience of taxpayers, the Central Board of Revenue is pleased to direct that all other forms prescribed under the law or notified under any sales tax notification or Rules, e.g. application for registration, sales tax return-cum-payment challan, sales tax invoice, etc. may also be kept and used as the case may be, in either English or Urdu language at the discretion of the registered / person.

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(G) REPORTS REGARDING NON-ACCEPTANCE OF MONTHLY RETURNS FILED LATE BY THE DESIGNATED BRANCHES OF NATIONAL BANK OF PAKISTAN.

16. It was reported that some of the designated branches of the National Bank of Pakistan were not accepting the prescribed return-cum-payment challans from registered persons if presented at the bank counter after the prescribed due date (generally, the 15th day of a month).

17. It is clarified that in case where a registered person submits the prescribed return-cum-payment challans after the prescribed due date, the designated branch of National Bank of Pakistan should still accept the same. The bank's acceptance of such late-tendered return-cum-payment challans shall invariably be considered without prejudice to the additional tax and any other action as prescribed under the Sales Tax Act, 1990, for such late-filing or against such late-filers. In other words, while officers of the Sales Tax Collectorate shall proceed against the late-filers in accordance with the law, the designated branches of National Bank of Pakistan shall not refuse late-submission of the prescribed return-cum-payment Challans.

18. This directive has the concurrence of the National Bank of Pakistan (Head Office), Karachi, vide their letter No. MDD/SES/98 dated 12.09.1998 received in response to the CBR's fax C.NO. 3(56)–STP/96, dated the 12th September, 1998. All designated branches of the National Bank of Pakistan may be guided accordingly.

(H) DECLARATION OF COUNTS/DENIERS AND CONSTRUCTION OF TEXTILE GOODS IN SALES TAX INVOICES ISSUED BY MANUFACTURERS, PRODUCERS, WHOLESALERS, STOCKISTS, DEALERS AND DISTRIBUTORS.

19. It has been observed that in certain cases, the counts /deniers and construction of textile goods have not been declared in the tax invoices issued by registered persons making taxable supplies thereof. This causes problems in verification of value (as the value of textile goods is directly relatable to the counts/ deniers and construction thereof) and also of its use in the goods in which these have been used as inputs.

20. All textile mills and persons making taxable supplies of textile items (specially yarns and fabrics) should specify the count/denier and construction thereof in the tax invoices issued by them.

(I) DETERMINATION OF MINIMUM TAX LIABILITY.

21. Consequent upon the addition of section 11(5) in the Sales Tax Act, 1990, the Central Board of Revenue is pleased to specify the following conditions to determine minimum tax liability of a registered person who fails to file a return:

(a) the minimum tax liability of the registered person shall not be less than the highest amount of tax paid by the registered person in any of the previous twelve months.

(b) In case tax paid in the previous twelve months is Nil, the minimum tax liability shall be calculated on the basis of monthly average of the sales declared by the registered person to the income tax department for the last assessment year.

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(c) In case minimum tax liability cannot be determined in the manner given above, it shall be determined taking into account three or more of the following factors:

(i) Location of business;

(ii) Type of business (i.e. retail etc);

(iii) Item produced / supplied or service provided;

(iv) No of persons employed;

(v) Capital employed in the business;

(vi) Amount of utility bills i.e. phones, electricity, gas and water;

(vii) Production capacity of machinery installed;

22. If the registered person pays the due amount of sales tax for the month along with additional tax and penalty under section 33(1) of the Sales Tax Act, 1990, within one month of the determination made as above, the notice of minimum tax liability determination will be considered to have been withdrawn. In case the registered person does not pay the amount of sales tax determined for the tax period, the tax liability determined will be recovered under section 48 of the Sales Tax Act, 1990 without issuance of Show Cause Notice.

23. Determination and / or payment of minimum tax liability for a tax period shall not be the final tax liability and the registered person shall be liable to discharge actual liability which may accrue or determined at a later stage through audit.

(J) FORMAT OF BANK GUARANTEE IN STAY CASES.

24. In order to standardize the format of guarantees accepted by Collectorates in litigation/cases where recovery of sales tax is ordered to be stayed against a Bank Guarantee to the satisfaction of the respondent department viz. the Federal Government, Central Board of Revenue, Collector or any subordinate officer, a draft of the acceptable Bank Guarantee is at Annex A. In such cases, the officers of sales tax shall require the petitioners to submit the Guarantee in the enclosed format, with such modifications/alterations as are considered necessary and appropriate by the said respondent officer/department for his satisfaction.

FORMAT OF BANK GUARANTEE

The Collector of Sales Tax,

_____

We _____(Bank)_____ do hereby bind ourselves on this _____ day of _____, 200_ on behalf of M/s_____, (the petitioner in W.P No. _____), to pay to the Government of Pakistan through the Collector of Sales Tax, _____an amount of Rs. _____ (Rupees (in words) _____only) being sales tax involved in Writ Petition No. _____ filed by M/s._____, in the Honourable _____ Court, _____Bench, _____ in terms of its ad-interim order dated _____ passed in C.M. Application No._____ relating to the said Writ Petition.

2. This unconditional Guarantee shall be binding on us till its discharge in terms *of* the decision of the case in W.P. No._____ and we agree and undertake to make payment of the above sum of sales tax amounting to Rs._____ (Rupees (in words) _____), to the Government of Pakistan within seven days of the receipt *of* demand from the Collector of Sales Tax or his Sales Tax Officer_____, duly authorized by him in this behalf, without delay and default, on the happening of any of the following events, whichever is earlier:--

(i) Honourable _____ Court's Order, if any, altering its interim order dated _____ in a manner that the amount becomes payable to the Government; or

(ii) Afflux of time on expiry of the prescribed period in terms of clause (4-A) of Article 199 of the Constitution of Pakistan; or

(iii) Honourable _____ High Court's judgement in W.P. No._____ as and when passed, holding that the sales tax involved in the bank guarantee was payable by the petitioner M/s._____

Authorised signature of the Bank

Authorised signature of the Bank with Official bank Seal.

PART – III

REFUND

(K) SANCTION OF REFUND CLAIMS OF IMPORT-RELATED SALES TAX BY THE COLLECTORATES OF CUSTOMS.

25. A question was raised whether a Collectorate of Customs can allow refunds of sales tax paid at the import stage due to inadvertence, error or misconception. On the basis of advice received from Law and Justice Division, it is clarified that refund of import-related sales tax paid in excess due to inadvertence, error or misconception arising out of classification dispute, SRO application dispute or valuation dispute can be decided and allowed by the customs importing station. However, before processing import-related refund claims, the concerned Collectorate of Customs must seek confirmation from the concerned Collector of Sales Tax that no adjustment of input/refund of the said amount has been claimed by the applicant or paid by the Sales Tax department, to avoid double payment of refund. The concerned Collectorate of Sales Tax on receipt of a reference from Collectorate of Customs, shall issue required confirmation within thirty days to the effect that no adjustment of input/refund of the amount involved has been claimed by the registered person in the Sales Tax Collectorate

26. While applying for refund, the applicant must endorse a copy of the refund application to the Refund Division of the Sales Tax Collectorate. The refund sanctioning authority of the Customs Collectorate shall mention in his sanction order the number and date, etc. of Sales Tax Collectorate's confirmation of input/refund having not been allowed earlier. A copy of the sanction order shall invariably be endorsed to the Refund Division of the concerned Sales Tax Collectorate.

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(L) INTERPRETATION OF SECTION 66 OF THE SALES TAX ACT, 1990.

27. A question was raised that while section 66 of the Sales Tax Act, 1990 disallows refund of tax claimed to have been paid or overpaid due to inadvertence error or misconception unless the claim is made within one year of the date of payment, what would be the fate of such refund claims which have accrued in consequence of the decisions made by appellate fora but where the time limitation of one year specified in the said section 66 has expired.

28. On consultation by the Board, Law Justice & Human Rights Division has advised that the period of claming refund under section 66 of the Sales Tax Act, 1990 is not applicable in matters pending with judicial or quasi-judicial fora. In any particular case where the issue has been taken to a competent statutory forum for adjudication, the decision of such Court or Tribunal has to be honoured irrespective of the period consumed in such litigation or any delay in the execution of such decision.

(M) FORMAT OF BANK GUARANTEE TO BE FURNISHED BY COMMERCIAL EXPORTERS IN TERMS OF SRO 203(I)/2003 DATED 27.02.2003.

29. The Central Board of Revenue is pleased to prescribe the following format of bank guarantee to be furnished by commercial exporters in terms of S.R.O. 203(I)/2003, dated the 27th February, 2003 if they want to claim refund of sales tax before issuance of the Bank Credit Advice (BCA) confirming remittance of sales proceeds of their exported goods.

FORMAT OF BANK GUARANTEE

Whereas the Collector of Sales Tax, _____ has consented to release / sanction refund claim pertaining to the period _____, filed by _____(commercial exporter)_____ on _____, in respect of shipping bill(s) # _____ dated _____, pending production of Bank Credit Advice (BCA) from the country to which goods have been exported or from the letter of credit opening bank and verification of payment of sales tax by suppliers, on furnishing a Bank Guarantee equivalent to the amount of input sales tax, Rs. (in figures) [Rupees (in words)] involved against the purchases used in the manufacture of goods exported vide the said shipping bill(s).

Whereas we the _____(Bank)_____ do hereby undertake to make payment of aforementioned amount of input sales tax, along with additional tax @ 2% per month and penalty @ 3% on demand to the Collector of Sales Tax, or any Officer authorized by him in this regard without objection or reservation or any reference to the above named commercial exporter, within seven days of the receipt of the demand notice.

In case we the _____(Bank) _____ fail to make the payment within seven days of the said demand, the _____(Bank) ____ shall be liable to pay a compensation @ 20% per annum for the period from the expiry of the seventh day to the date when the actual payment is made to the Collector of Sales Tax. The Guarantee shall remain valid till payment of whole of the amount demanded along with compensation as prescribed above or receipt of release orders issued by the Collector of Sales Tax, whichever is earlier.

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We the ____(Bank) _____ bind ourselves to pay, unconditionally, the amount of sales tax etc. mentioned above, in case no release order is received from Collector of Sales Tax, _____ , before the expiry of this Bank Guarantee on _____.

For and on behalf of the _____(Bank)_____.

Witnesses:

Name_____	Name_____
NIC No._____	NIC No._____
Address_____	Address_____
Signature_____	Signature_____

(N) BLACKLISTING AND SUSPENSION OF REGISTRATION.

30. In order to ensure that the Sales Tax Collectorates follow a uniform policy for blacklisting and suspension of sales tax registration of suspected persons under section 21(2) of the Sales Tax Act, 1990 and for subsequent proceedings in such cases, the Board is pleased to make the following procedure:

Blacklisting

31. Under section 21(2) of the Sales Tax Act, 1990, a registered person may be blacklisted or his registration suspended pending further inquiry where the Collector is satisfied that he has issued fake invoices, evaded tax or committed tax fraud.

32. Before blacklisting or suspending the registration of any registered person, the Collectorate shall make efforts to confirm the facts and veracity of the information. In case of reported non-availability at the given address, it may be checked from the Registration Division whether the person submitted any information about change in address, the given address may be visited by an officer of the Collectorate, or an attempt may be made to trace the person from documents such as National Identity Card, income tax records, bank account, etc. In case of reported non-access to the premises and/or non-production of record, a notice may be issued through registered post to the person to allow access/produce records, clearly indicating that refusal or delay will result in blacklisting or suspension of his registration.

33. If the Collector is satisfied that the person needs to be blacklisted or his registration suspended, he shall first issue notice to the registered person and give him an opportunity of being heard. In case the registered person does not respond to the notice within the specified time, or his reply is not satisfactory, the Collector may issue order for blacklisting or suspension of his registration, mentioning reasons for such the same. Copies of the order shall be endorsed to the registered person concerned, all other Sales Tax Collectorates, the Sales Tax Wing computer system and the STARR computer system. Each Collectorate shall circulate all such lists to their refund, audit and other concerned staff to ensure that no refund is paid or input adjustment is taken on invoices issued by such persons.

Removal from blacklisting or suspension

34. After issuing order for blacklisting or suspension of registration/ enrolment, the Collectorate should proceed to conduct inquiry under section 21(2) of the Sales Tax Act, 1990, and in case of confirmation of the offence, proceed to take legal and penal action under the relevant provisions of the Sales Tax Act, 1990. Such inquiry may extend to suppliers and buyers of the blacklisted/ suspended person to ascertain whether any inadmissible inputs or refunds have been taken by them.

35. Where the case is not established against a suspected person, the Collector shall issue an order revoking the blacklisting or suspension of registration/enrolment, endorsing copies to the person concerned, all other Sales Tax Collectorates, the Sales Tax Wing computer system, and the STARR system for deletion from their lists. Each Collectorate shall circulate copies of all such orders to their concerned staff for information.

36. Unless the Collector specifies otherwise, such orders shall have effect from the date of original blacklisting or suspension of registration/enrolment of the concerned person, so that invoices issued by him during the intervening period are acceptable.

37. In case audit of the blacklisted/suspended person was already conducted before initiating the inquiry under section 21(2) of the Sales Tax Act, 1990, and such audit report is approved by an officer not below the rank of an Additional Collector, it may be accepted for the purpose of revoking the blacklisting or suspension/enrolment. However, if the audit report is not so approved, and upon inquiry, an offence is established against the blacklisted/suspended person, appropriate action shall also be taken against the officials who submitted the defective audit report.

38. In case of Sales Tax House, Karachi, the order for blacklisting/ suspension shall be issued by the Collector of Sales Tax (Headquarters) on the advice of Collector of Sales Tax (Enforcement) or (Audit) or on his own information. The order for revoking any blacklisting/suspension order shall be issued by the Collector of Sales Tax (Headquarters) immediately on receipt of a clearance report from the Collector of Sales Tax (Enforcement) or (Audit) after completion of the inquiry under section 21(2) of the Sales Tax Act, 1990, or audit, as the case may be. Each such order shall cite the reference number of the relevant letters from Collector (Enforcement) or (Audit).

PART – IV

AUDIT

(O) SALES TAX AUDIT.

39. With a view to streamlining the audit of registered units/persons including composite units paying excise duty as well as sales tax and to eliminate the grievances of trade and industry in this regard, the following criteria are laid down for conduct of audit of registered persons:-

(a) the routine, scheduled audit of any registered person shall be conducted only once during a financial year. However, in exceptional circumstances and under the specific instructions in writing by the Collector concerned, a particular registered person can be re-audited for that financial year or within that financial year;

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(b) in case of composite units manufacturing and supplying excisable and sales taxable goods, a joint audit will be conducted by the team of officials of Sales Tax and Excise Collectorates. Whenever such a registered person is selected by Sales Tax Collectorate for audit, the respective Excise Collectorate shall be informed at least 10 days in advance and the Collector of Central Excise may nominate his representative for conducting a joint audit. The team will prepare a report for the respective Collectorates regarding any discrepancy in the records and any tax liability thereon; and

(c) the staff of the Directorate General of Intelligence and Investigation (Customs, Excise & Sales Tax) and the Directorate General of Inspection, Internal Audit and Training (Internal Audit and Inspection Wing) shall not undertake any audit of any registered person except under specific written authorization by the CBR in each such individual case. However, in case of any information regarding evasion of sales tax or any other illegal activity on the part of any registered person, the respective Directorate will pass on the information to the concerned Collector of Sales Tax who will order for the audit of that particular person by sales tax auditors/special auditors. The representative of the said Directorate/Directorate General may also be associated at the time of conducting such audit.

(P) AUDIT MONITORING AND CONTROL.

40. Audit of registered persons is conducted by auditors and senior auditors of the department as well as by the Special Auditors appointed under section 32-A of the Sales Tax Act, 1990.

41. Selection of registered persons for audit should not be left to the auditors /senior auditors or the Audit Division itself. Rather the selection of registered persons and assignment of an auditor/senior auditor for a particular registered person should be done through computer programming. Only the Collector/ Additional Collector may select registered persons manually, on the basis of his choice or information or direction from CBR, for the purpose of audit. However, such a manual selection may not generally exceed 10% of the total audits conducted. The same auditor/senior auditor or Special Auditor should not, as a general rule, audit the same registered person more than once in 2 years. In other words, auditors/audit teams for particular registered persons should keep on changing.

42. The following procedure is laid down in order to ensure transparency in the whole process.

(a) Audit should be conducted in a systematic and organized in a way to ensure that a registered person is subjected to audit not more than once in a year, unless, of course, some emergent situation calls for another audit during the aforesaid period.

(b) The registered person should be informed about the audit and details of records to be audited at least 15 days before the scheduled date of audit.

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(c) Audit should be completed normally within 3 to 4 days unless situation requires more time, for which written permission should be granted by an officer not below the rank of Assistant Collector on receipt of written request of the senior auditor or auditor containing plausible reasons for extension of the duration of audit.

(d) The audit reports, duly signed by the senior auditors or auditors containing approval of the Deputy/Assistant Collector Incharge of Audit Division should be submitted to the Additional Collector within 14 days from the date of commencement of audit.

(e) On receipt of the Audit Report, the officer incharge of the Audit Division, not below the rank of an Assistant Collector, shall critically evaluate the same with a view to ensure the following:--

(i) that the audit has been conducted purely in a professional manner;

(ii) that the audit was comprehensive and did not overlook or left any important area of audit deliberately or negligently;

(iii) the provisions of sales tax law have been quoted correctly;

(f) The Deputy/Assistant Collector Incharge Audit shall forward the audit report to the Additional Collector and the Collector within 3 days of receipt of the audit report after making his comments on each aspect as detailed at para (e) above. Recovery action/demand notice/show cause notice if necessary, should not be delayed but rather should be pursued vigorously.

(g) If the Collector is convinced that the audit was not conducted effectively or the audit report was not prepared properly or that there is an apparent lack of professional outlook, malafideintent or negligence, he should proceed against the senior auditor, auditor and Deputy/Assistant Collector, Incharge Audit Division, as he may deem fit.

(h) Audits by Special Auditors under section 32-A shall be conducted in accordance with chapter VI of the Sales Tax Rules, 2004, and the Terms of Reference in this regard. Their report shall also be scrutinized by the Audit Division of the Collectorate and shall be submitted to the Additional Collector/Collector accordingly.

(i) One copy each of such of the audit reports (whether by departmental auditors or by the Special Auditors) which reflects detection of sales tax amounting to Rs. 1 million or above or which points out towards a serious procedural lapse should invariably be sent to the Secretary ST-AIU Section of CBR and also to the Director General of Training & Research (Customs, Central Excise & Sales Tax), CDA Block No. 3 (Old CBR Building), Islamabad for record and study.

(j) On receipt of audit report as mentioned at para (i), above, the AIU Section shall critically examine the same propriety of the audit report. In case of any important detection, the matter shall be brought into the knowledge of Member (Sales Tax) for further necessary action.

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Q) AUDIT PROCEDURE.

43. In order to further streamline the procedure regarding audit of registered persons and to facilitate taxpayers, the following procedure shall be adopted by the audit officers of sales tax: –

(a) All officers dealing with audit matter shall ensure that all correspondence, notices and orders issued by the Collectorate, which are sent to the registered persons or any other person, should bear the seal and signature with telephone/fax numbers and e-mail address of the officer issuing it.

(b) All senior auditors and auditors shall affix their signatures on records checked during the audits with official seals.

(c) The concerned Deputy/Assistant Collector, on completion of routine audit of a specific period, shall forward the audit report to the registered person within four weeks of submission of the report.

(d) After approval of the audit report, the senior auditor/auditor shall issue a signed and sealed certificate of completion of audit to the registered person in the format appended to this Order as Annex "A".

44. This order will however, not in any way curtail the powers of Collector of Sales Tax or Central Board of Revenue to order for re-audit for the reasons to be recorded or audit by the functionaries of the department of the Auditor General of Pakistan or any other department legally authorized to conduct audit of the records of the registered person.

AUDIT COMPLETION CERTIFICATE

This is to state that the audit of M/s _____ (address), bearing Sales Tax Registration No. _____, has been carried out by the undersigned on a test basis for the Period/Year ended _____.

The audit has been performed on a routine basis as per the provisions of the Sales Tax Act, 1990 and the schedule issued by the Assistant Collector, Audit Division _____ for the month of _____.

SENIOR AUDITOR / AUDITOR

(R) FUNCTIONS OF MEMBER AUDIT IN RELATION TO SALES TAX.

45. The post of Member (Audit) was specifically created to cater for the supervisory and monitoring needs of audit in the field formations of Central Board of Revenue. In order, therefore, to specify and streamline the functions of Member (Audit) relating to sales tax audit, the Central Board of Revenue is pleased to specify that Member (Audit) shall perform the following functions:-

(a) development and review of audit strategy (short term and long term), the selectivity criteria, audit re-assessment and analysis system, post-audit monitoring system, monitoring system for audit detections and recoveries of detected amounts and re-engineering of audit processes;

(b) preparation and follow-up of audit schedules for desk audit, snap audit and comprehensive audit, excluding refund audit and investigative audit;

(c) scrutiny and analysis of audit reports on selective basis and issuance and monitoring of guidelines for the preparation of audit reports and review of the formats of audit report writing from time to time;

(d) preparation and updation of the sales tax Audit Manual and industrial notes;

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(e) preparation of monthly, quarterly and annual audit reports indicating the overall audit performance of the Sales Tax department at national level;

(f) coordination for audit efforts between different taxes including interchange of data acquired as a result of audit;

(g) handling of special audits and related matters;

(h) liaison with DRRA for sales tax audit purposes;

(i) handling of all audit-related issues with Federal Tax Ombudsman and consequent actions;

(j) assessment of the audit training needs, preparation of audit training modules and coordination for audit-related training of the Sales Tax department in consultation with Member, Sales Tax;

(k) consultations with Member (Legal) for expeditious adjudication of cases detected through audit; and

(l) removal of grievances of the taxpayers community pertaining to audit matters in consultation with Member (Sales Tax).

46. In the Central Board of Revenue, Member (Audit) shall be assisted by one Chief (Audit), one Secretary (Audit Policy) and one Secretary (Audit Operations). In the field, all the Assistant Collectors or Deputy Collectors and Additional Collectors handling audit matters at Collectorate's level shall work under the control and guidance of Member (Audit). 66% of total number of auditors/senior auditors in each Collectorate shall be posted to conduct audit other than refund audit and investigative audit. The inter-Collectorate posting and transfer of auditors and senior auditors posted for conducting audit shall be made by Member (Audit) in consultation with Member (Sales Tax).

(S) JOB DESCRIPTION OF COST ACCOUNTANTS.

47. The Cost Accountants in the CBR (Sales Tax Wing) and in the Collectorates of Sales Tax will work under the administrative control of Chief (Sales Tax) and Collector or the Additional Collector in charge of sales tax, respectively.

48. The functions to be performed by cost Accountant are as under:-

(a) To develop selection criterion for audit of the taxpayers in coordination with the Collector, Additional Collector and Deputy/Assistant Collector (Audit);

(b) To examine and tender his opinion on any audit report referred to him by Deputy/Assistant Collector (Audit);

(c) To personally conduct audit of large taxpayers under special circumstances if so desired by Collector or Additional Collector (Audit);

(d) To study the Financial Report referred to him of large companies prepared by their own auditors, compare it with the taxpayers profile and submit his report to the Additional Collector (Audit) for further necessary action;

(e) To ensure that the Sector Notes and Industry Notes are updated and are relevant at all times through liaison with CBR, and to make proposals, through the Collector, for updating, modifications and amendments therein for CBR's approval;

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(f) To ensure that the Audit Manual is updated and is relevant at all times through liaison with CBR, and to make proposals, through the Collector, for updating, modifications and amendments therein for CBR's approval;

(g) To be responsible for the training of all audit officers, staff and audit managers within the Collectorate. Such training will include:-

(i) Guidance on costing techniques and analysis of financial statements;

(ii) Calculation of installed capacity and operating capacity of industrial units;

(iii) Comparative sectoral studies with reference to input tax and output tax ratios;

(iv) Calculation of input output coefficients and percentages of wastage;

(v) Critical examination of the declared value of supply with reference to input cost inventory and value addition at various stages of activity;

(vi) Critical examination of the declared turnover as filed under the Sales Tax Act, 1990 and /or the Companies Ordinance; and

(vii) Computerized auditing and audit of computer records;

(h) Any other assignment given by the CBR, the Collector or the Additional Collector (Audit), or any reference made or advice sought by Deputy/Assistant Collector (Audit) for achieving the purposes of the Sales Tax Act, law and procedures thereof.

49. The Cost Accountant will be a resource person for the Collector in respect of tendering professional advice in the matters relating to audit, training of senior auditors, auditors and other officials of Collectorate. He will be required to tender prompt and comprehensive advice whenever requested for the same by the Collector, Additional Collector and Deputy/Assistant Collector.

PART – V

MISCELLENEOUS

(T) PROCEDURE FOR GRANT OF EXEMPTION FROM SALES TAX IN TERMS OF SECTION 65 OF SALES TAX ACT, 1990.

50. In order to give effect to the provisions of section 65 of Sales Tax Act, 1990, the following procedure shall be followed:–

(a) If a registered person claims that the supplies made by him during a certain period qualify for exemption under section 65 of the Sales Tax Act, 1990, he may make an application to the Collector having jurisdiction in the area where the registered person is located. The Collector will examine the case, collect relevant information from other Collectors and if he is satisfied that the case falls within the scope of section 65, he will refer the same to the Revenue Division;

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(b) Before making a reference to the Revenue Division the Collector will also fix responsibility on the staff who failed to detect that a taxable item is being cleared without payment of tax and thus caused loss of revenue. He will initiate disciplinary action, against the officials concerned and send a report to the Revenue Division;

(c) The case will be processed in the Revenue Division and if the conditions specified in section 65 are met the Federal Government may, by means of a notification in the official Gazette, exempt the said supplies from sales tax.

(U) PROCEDURE FOR MAKING ZERO-RATED SUPPLY OF LOCALLY MANUFACTURED GOODS TO DUTY FREE SHOP.

51. Supplies to duty free shops are entitled to zero-rating under serial No. 3 of the Fifth Schedule to the Sales Tax Act, 1990, provided clearances from duty free shops are made against various baggage rules issued by the CBR, Islamabad under the Customs Act, 1969 and treated as import for the purpose of levy of sales tax. Under serial No. 33 of the Sixth Schedule to the Sales Tax Act, 1990, personal wearing apparel and *bonafide*baggage imported by overseas Pakistanis and tourists is exempt from sales tax provided the same is also exempt from customs duty under various baggage rules. Currently, baggage concessions are covered under Chapter II of the Customs Rules, 2001.

52. M/s Duty Free Shop Limited (hereinafter-called DFSL) have approached the Board for prescribing a procedure for the procurement of locally manufactured goods under zero-rated scheme as aforesaid. The following procedure is, therefore, laid down for immediate compliance:-

(a) DFSL will apply to the respective Collector of Sales Tax for grant of authorization for taking sales tax free delivery of the goods intended to be purchased from a specified registered manufacturer. In the application DFSL will exactly specify the description and quantity of goods besides particulars including sales tax registration number of the manufacturer-cum-supplier. Only such goods shall be included in the application as DFSL intends to sell against duty free allowances under different baggage concessions.

(b) At the time of filling application under (a) above, DFSL will furnish an indemnity bond in a proper form to the effect that in case goods intended to be purchased free of sales tax are used for the purpose other than the purpose of supplying the same against duty free allowance under different baggage concessions, DFSL shall pay the amount of sales tax invoiced in such goods besides additional tax payable under section 34 of Sales Tax Act, 1990. Original indemnity bond shall be retained under safe custody in the Collectorate and two attested photocopies of the accepted indemnity bond shall be given to DFSL and DFSL shall give one copy to the concerned manufacturer.

(c) On the basis of authorization given by the Collector of Sales Tax after acceptance of the indemnity bond furnished by DFSL as aforesaid, the manufacturer shall deliver the goods against a zero-rated invoice issued in the name of DFSL and quote the reference number and date of authorization issued by the Collector. The zero-rated invoice shall show

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the value of goods in Pak rupees as well as in US dollar. The goods shall be delivered to DFSL only after affixing irremovable sticker containing a caution to the effect that it is meant exclusively for supply to and sales by DFSL under duty free allowances of the baggage concessions.

(d) DFSL shall pay price of the goods in foreign currency (US dollars) which shall be surrendered by the manufacturer to the State Bank of Pakistan and manufacturer shall receive the payment in Pak rupees as per the prevailing State Bank of Pakistan's procedures and foreign exchange regulations.

(e) On receipt of goods DFSL shall issue a certificate of receipt indicating the reference number and date of the aforesaid authorization and serial number and date of zero-rated invoice. This certificate shall be duly attested by the customs staff posted at duty free shops. A copy of this certificate shall be sent each to the manufacturer as well as to the Collector of Sales Tax.

(f) DFSL shall maintain proper separate records of the tax-free purchases and tax-free sales of goods purchased under this order. Full particulars of the persons buying these goods under duty free allowances shall be invariable mentioned in the records. Similarly, the manufacturer shall maintain proper record relating to the supplies made to DFSL without payment of sales tax. Both DFSL and the manufacturer shall present these records to the sales tax staff for inspection or audit as and when required.

(g) The manufacturer shall be entitled to input tax adjustment in respect of goods supplied to DFSL against zero-rated invoices and in case excess input tax credit is not available, the manufacturer shall be entitled to refund of the input tax involved in such goods on the basis of the following documents:–

(ii) Input tax invoices/bill of entry;

(iii) Zero-rated invoices;

(iv) Authorization issued by the Collector of Sales Tax;

(v) Certificate of receipt issued by DFSL duly attested by Customs;

(vi) Proof of surrendering to the State Bank of Pakistan foreign exchange received from DFSL; and

(vii) Proof of transportation of goods in case goods have been transported through commercial or third party means.

(h) The said documents shall be furnished in original with a set of photocopies and returned to the manufacturer after tallying an endorsement of verification on the photocopies by the officer-in-charge of Refund Division of the Sales Tax Collectorate. Refund shall be processed and sanctioned in accordance with chapter V of the Sales Tax Rules, 2004 treating the claimant as manufacturer-cum-exporter.

(i) DFSL shall procure goods under this order to meet its requirements for a period not exceeding three months and shall ensure that these goods do not find way in the local market. DFSL shall be responsible to pay sales tax and additional tax in case any such goods are found being sold in the local market.

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(j) The indemnity bond furnished by DFSL shall be released by the Collector of Sales Tax only after satisfying himself either through audit or otherwise that goods have been sold by DFSL only against duty free allowances under the relevant baggage concessions.

53. The foregoing provisions, shall mutatis mutandis, be applicable to other Duty Free Shops, duly licensed by the Collectorate having jurisdiction.

(V) SALES TAX ON SERVICE PROVIDED BY CUSTOMS AGENTS.

54. Payment of sales tax on services rendered or provided by customs agents is a requirement in terms of Ordinances issued by the four provinces and the Federal Capital Area. For a correct implementation of the said requirement, the following procedure shall be observed:–

(a) the sales tax registration number of the customs agent shall be quoted along with the license number on the bill of entry (home consumption, into-bond and ex-bond), shipping bill, Pakistan Customs Declaration, baggage declaration, rebate/refund or duty drawback claim as the case may be; and

(b) in addition to already prescribed requirements a photo-copy of the last month's bank-receipted sales tax return of the customs agent shall be appended with the bill of entry, shipping bill, baggage declaration, rebate/refund or duty drawback claim so filed. For example bills of entry filed after 15th June, 2004 shall be appended with a photo-copy of the bank-receipted sales tax return for May, 2004 filed on or before 15th June, 2004.

(c) in case any agent fails to submit the return-cum-payment challan as mentioned in (a) above, customs documents filed through him shall not be entertained.

(W) PAYMENT OF APPEAL FEE UNDER SECTION 45B AND 46 OF THE SALES TAX ACT, 1990.

55. In the light of the provisions contained in the second proviso to sub-section (1) of section 45, sub-section (3) of section 46 and sub-section (2) of section 47 of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to direct that above referred all fee amounts shall be deposited in the Government Treasury (or in any designated branch of the National Bank of Pakistan) under the head "0220000-Sales Tax".

56. The original copy of the duty paid challan shall be attached with the appeal/application so filed with the competent authority as referred to above.

(X) BENEFITS OF SALES TAX REGISTRATION.

57. The VAT-mode regime envisages a self-policing and self-assessment based sales tax system. It relieves the registered persons of inventory controls and physical supervision. The registered persons also become entitled to claim input tax credits and adjustments against their output tax liability. This benefit of multi-stage tax (tax leviable on the marginal/incremental value-addition) is not available to unregistered manufacturers and suppliers. Being a consumption tax,

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the respective seller (of each stage) can pass on the burden to the buyer and incidence of the tax is eventually borne by the final consumer. A registered person can also transact business with and supply goods to the government, semi-government and defence departments and other autonomous corporations DFIs, banks, airlines and limited companies etc., who are otherwise authorized to deduct advance income tax under the Income Tax Ordinance, 2001.

58. All persons liable to be registered as manufacturers, producers wholesalers, dealers, distributors, suppliers, importers or retailers are therefore, well advised to get themselves registered under the Sales Tax Act, 1990 so as to benefit from the said fiscal monetary and trade advantages.

59. The aforesaid legal provision and ensuing benefits, privileges and immunities make it unambiguously clear that the advantage of sales tax compliance and sales tax registration far outweigh the misapprehensions and misconception against it. All traders, businessmen, manufacturers, producers, wholesalers, dealers, distributors, importers, suppliers and retailer of sales taxable goods are accordingly advised in their own interest to get themselves registered under the Sales Tax Act, 1990. Non–registration would render the offenders liable to legal actions and added burden of sales tax by way of additional tax and penalties which are mandatory under the Sales Tax Act, 1990.

60. The Sales Tax Collectorates, F.P.C.C. & I., Chambers of Commerce & industry, EPB, Trade & Industry, Associations and Groups are also requested to inform all concerned about the benefits, privileges and advantages of registration and compliance of sales tax law and procedures made thereunder

(Y) ADVISORY COMMITTEES IN THE COLLECTORATES OF SALES TAX.

61. For achievement of revenue targets, the Government has laid emphasis on greater interaction amongst the taxpayers, their representative trade bodies and tax collectors for better coordinative revenue generating activities and for solution of problems faced by the taxpayers' community as well as the tax collection machinery in this process. For this purpose, there is a dire need to reactivate and re-invigorate the Advisory Committees already functioning at Collectorate levels. The composition of these committees also requires to be reconsidered for the purposes of giving representation to FPCCI, local Chamber of Commerce & Industry, OICCI, various Trade & Industry Associations/ Groups and certain individual taxpayers (like those paying substantial amount of taxes honestly and regularly) so as to ensure their enhanced cooperation, participation, guidance, voluntary compliance and redressal of problems/ inconveniences.

62. All Sales Tax Collectors are, therefore, advised to take following actions in this regard:–

(a) Constitute the Advisory Committee, if already not constituted, (or re-constitute it in terms of this STGO) within 7 days and report the composition to the Board;

(b) Hold regular meeting of the Advisory Committee at least on bi-monthly basis. Minutes of the meetings should invariably be issued within 7 days of the meeting;

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(c) The representation in the Committees should be comprehensive, covering all important trade bodies and individuals, as aforesaid in paragraph 70 above;

(d) Where Collectors are not available, Committees should operate at Additional Collectors level with participation of all concerned, as above;

(e) Receipt of revenue and recovery of arrears may also be discussed in the meetings along with the difficulties / problems faced by the Collectorates / manufacturers / trading community; and

(f) Performance of the Committee be regularly monitored and evaluated at Collectorate level, as the case may be, under intimation to the Board. Issues requiring action by CBR should be referred to the Board separately too, along with a copy of the minutes of the meeting.

(Z) JOB DESCRIPTION OF COLLECTORS OF SALES TAX, SALES TAX HOUSE KARACHI.

63. The following functions shall be supervised by the Collectors of Sales Tax, Sales Tax House, Karachi.

(1) COLLECTOR (HEADQUARTERS)

(a) Registration and De-Registration.

(b) Assessment, processing and analysis of sales tax returns.

(c) Information Processing and Management Information System.

(d) General Administration of Sales Tax House, Karachi.

(e) Taxpayers Facilitation and Education.

(f) Matters relating to Federal Tax Ombudsman.

(g) Matters relating to Establishment.

(h) Human Resource Development.

(i) Co-ordination with CBR and other outside agencies.

(j) Any other function given by CBR for achieving the purposes of Sales Tax Act, Law and Procedures thereof.

(2) COLLECTOR (AUDIT)

(a) Audit of registered persons.

(b) Audit selection and allocation strategy.

(c) Risk based audit through profiling and analysis.

(d) Review of audit reports for quality and integrity.

(e) Recovery of un-disputed liability detected during audit.

(f) Monitoring of audit schedule etc.

(g) Maintenance and analysis of audit records and audit related database.

(h) Matters relating to External Audit (Revenue Receipt Audit) including Public Accounts Committee.

(i) Any other function given by CBR for achieving the purposes of Sales Tax Act, Law and Procedures thereof.

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[1][(j) Post Refund Audit.

(k) Investigative audits after action under Section 38 of the Sales Tax Act.]

(3) COLLECTOR (ENFORCEMENT)

(a) Processing and sanctioning of refund claims filed under Sections 10 and 66 of the Sales Tax Act.

[1][ ]

(c) Co-ordination for submission of contravention reports/ show cause notices to the proper Adjudication forum for adjudication.

(d) Ensuring department's representation before the adjudication and appellate forums and courts.

(e) Dealing with non-filers and untraceable units.

(f) Industrial surveys as required under concessionary notifications.

(g) Recovery of all government dues recoverable under the Sales Tax Act and Central Excises Act.

(h) Investigation and Prosecution.

[1][ ]

(j) All matters relating to Central Excise.

(k) Enforcement issues related to Services Sector.

(l) Any other function given by CBR for achieving the purposes of Sales Tax Act, Law and Procedures thereof.

(AA) RESPONSIBILITIES OF COLLECTORS UNDER SECTIONS 45, 45B, 46 AND 47 OF SALES TAX ACT, 1990.

64. Attention is invited to the provisions of sections 45, 45B, 46 and 47 of the Sale Tax Act, 1990. Respective Collectors are advised to take necessary steps to ensure that they receive, monitor and scrutinize each and every order-in-original, order-in-appeal, appellate order / decision passed by the Tribunal for the purposes of determination of propriety and justification of filing of appeal under sections 45B, 46 and 47 of the Act or of filing an application under section 47(7) of the Act as the case may be, within the prescribed limitation. For this purpose, the Collectors may consider creating special cell in the Collectorate. The Collector may also ensure that no appeal/application, where justified, necessary and appropriate, is delayed or defaulted. The Directors of Intelligence & Investigations and Inspection & Audit, where they themselves do not file the appeal/application, shall also assist the concerned Collector of Sales Tax in this regard in relation to such sales tax cases which were detected / reported by them.

65. The Collectors/Directors are also advised to ensure that a fully-conversant and duly-briefed departmental representative appears (along with relevant records) before the Appellate Collector / Appellate Tribunal whenever a sales tax case, relevant to their jurisdiction, comes up for hearing before the said Collector (Appeals)/Tribunal.

[1]Clauses (b) and (i) of Para 63(3) shifted and renumbered as clauses (j) and (k) of Para 63(2) by G.O. 4 of 2004 dated September 4, 2004.

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PART – VII

REPEAL

66. The following Sales Tax General Orders are hereby rescinded, namely:-

S. No.	Sales Tax General Order Number and date		
(1)	(2)		(3)
1	5 of 1991	, the	23rd October,1991.
2	1 of 1992	, the	29th July, 1992.
3	6 of 1994	, the	6th June, 1994.
4	6 of 1995	, the	1st June, 1995.
5	4 of 1996	, the	5th November, 1996
6	5 of 1996	, the	11th November, 1996.
7	1 of 1997.	, the	15th July, 1997.
8	2 of 1997	, the	26th August,1997.
9	3 of 1997	, the	29th August,1997.
10	4 of 1997	, the	11th October,1997.
11	1 of 1998	, the	17th June,1998.
12	2 of 1998	, the	29th June, 1998.
13	3 of 1998	, the	31st July, 1998.
14	4 of 1998	, the	12th August,1998.
15	5 of 1998	, the	28th August,1998.
16	6 of 1998	, the	31st August,1998.
17	7 of 1998	, the	24th September,1998.
18	8 of 1998	, the	30th November,1998.
19	9 of 1998	, the	12th December,1998.
20	10 of 1998	, the	22nd December,1998.
21	1 of 1999	, the	7th January,1999.
22	2 of 1999	, the	16th February,1999.
23	3 of 1999	, the	27th March,1999.
24	4 of 1999	, the	8th April,1999.
25	5 of 1999	, the	29th June,1999.
26	6 of 1999	, the	28th July,1999.
27	7 of 1999	, the	29th July,1999.
28	8 of 1999	, the	18th September,1999.
29	9 of 1999	, the	22nd September,1999.
30	10 of 1999	, the	29th September,1999.
31	11 of 1999	, the	2nd October,1999.

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32	12 of 1999	, the	12th November, 999.
33	13 of 1999	, the	28th December,1999.
34	1 of 2000	, the	24th January, 2000.
35	2 of 2000	, the	11th April, 2000.
36	4 of 2000	, the	1st September,2000.
37	1 of 2001	, the	26th May, 2001.
38	2 of 2001	, the	30th June, 2001.
39	1 of 2002	, the	31st August, 2002.
40	3 of 2002	, the	24th September,2002.
41	4 of 2002	, the	1st November, 2002.
42	5 of 2002	, the	8th November, 2002.
43	6 of 2002	, the	26th December, 2002.
44	1 of 2003	, the	27th February, 2003.
45	2 of 2003	, the	7th June,2003.
46	3 of 2003	, the	23rd June, 2003.
47	4 of 2003	, the	7th August, 2003.
48	5 of 2003	, the	5th December, 2003.
49	6 of 2003	, the	20th December, 2003.

(Dr. Ashfaq Ahmed Tunio)
Secretary (ST L&P)

C. No. 3(3)ST-L&P/2004 Islamabad, the 20th April, 2004.

SALES TAX GENERAL ORDER NO. 1/2004

Subject: **Condonation of Time Limit Under Section 74 of The Sales Tax Act, 1990.**

A large number of applications are being received in the Board for condonation, under section 74 of the Sales Tax Act, 1990, of the delay in transfer of payment through banking channels beyond the prescribed time limit of 120 days as required under section 73 of the Act. Processing of these applications has led to unnecessary involvement of the Board in operational matters besides creating hardship for taxpayers.

2. In order to mitigate the hardship of taxpayers, the Board, in exercise of powers conferred by section 74 of the Sales Tax Act, 1990, is pleased to condone the delay in payment in terms of section 73 beyond the prescribed period of 120 days, subject to the following conditions:

(i) the payment has been verifiably transferred through banking channels from the business account of the buyer to the business account of the seller as specified in section 73 of the Sales Tax Act, 1990;

(ii) the invoice relating to the transaction contains the full and correct name, address and registration number of both the supplier and the buyer besides other particulars specified in section 23 of the Act;

(iii) the amount of tax involved has been paid;

(iv) the transaction does not involve any closed, de-registered or blacklisted/suspended registration person;

(v) no case of tax fraud has been made out against the buyer or the seller; and

(vi) in case the delay is more than 60 days (beyond the prescribed period of 120 days specified in section 73), the Collector of Sales Tax concerned is satisfied that the delay is genuine and due to circumstances beyond the control of the applicant.

3. By means of this order, all cases of delay of upto 60 days stand condoned automatically, provided the conditions at (i) to (v) above are fulfilled, and the taxpayers do not have to approach any sales tax official for prior verification/certification. Such verification will be done at the time of audit. However, in case of delay beyond 60 days (which should be rare in case of genuine business transactions), the condonation will operate only when the Collector, after examining the case, is satisfied that the delay was genuine and due to circumstances beyond the control of the applicant.

C.No. 3(12)ST-L&P/2003 Islamabad, the 27th May, 2004.

1-192-15-07-19

SALES TAX GENERAL ORDER NO. 2/2004.

Subject:- **Condonation Of Out-Of-Tax Period Input Adjustment**

It has been reported to the Board that a number of cases have been made out and are pending in adjudication or appeal due to the fact that the input tax was claimed or adjusted by the registered person out of the relevant tax period.

2. In several such cases, the Appellate Tribunal or the High Court ordered for waiver of additional tax and penalty on the ground that this was merely a procedural lapse on the part of the taxpayer in which no loss of Government revenue was involved. In fact, in cases where the taxpayer claimed input tax adjustment in a period subsequent to the period in which it should have actually been claimed in terms of section 7 of the Sales Tax Act, 1990, the taxpayer has suffered a loss on account of such late claiming and excess payment of tax in the correct tax period.

3. Since late claiming of input tax is only a procedural lapse and no loss of the Government revenue is involved, the Board, in exercise of powers under section 74 of the Sales Tax Act, 1990, is pleased to condone the delay in claiming or adjusting input tax, provided the following conditions are fulfilled:-

(i) the tax invoice or bill of entry on which input tax is claimed is genuine, in the name of the claimant, and contains all details specified in section 23 of the Sales Tax Act, 1990;

(ii) no input tax adjustment has earlier been taken on the same tax invoice or bill of entry;

(iii) in case of a tax invoice, payment was made in terms of section 73 of the Sales Tax Act, 1990; and

(iv) in case the input tax adjustment was claimed after three months of the tax period in which it should have been claimed in terms of section 7, the registered person files an application to the Collector of Sales Tax having jurisdiction giving reasons for such delay, and such Collector, on being satisfied that no input tax has been previously claimed or adjusted on such tax invoice or bill of entry, issues a written order permitting such adjustment.

4. Thus, all cases in which input tax was claimed or adjusted by a registered person within three months after the tax period in which it should actually have been claimed in terms of section 7 of the Sales Tax Act, 1990 stand condoned and the taxpayers need not approach any official of sales tax for this purpose. The fulfillment of the conditions mentioned above shall be verified at the time of audit. However, in cases where input was claimed after three months of the appropriate tax period, an order of the Collector of Sales Tax concerned is required for availing the benefit of this General Order.

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1-192-15-07-19

C. No. 3(13)ST-L&P/03 Islamabad, the 21st April, 2005

SALES TAX GENERAL ORDER NO. 01 OF 2005

SUBJECT: ELECTRONIC FILING OF SALES TAX RETURN AT LARGE TAXPAYERS' UNIT (LTU) KARACHI

In order to provide for electronic filing of sales tax return by units registered in the Large Taxpayers' Unit, Karachi in terms of Rule 17 of Sales Tax Rules, 2004, notified vide SRO 485(I)/2004 dated 12-06-2004, the Central Board of Revenue is pleased to direct that the procedure specified below shall be followed for electronic filing of return and transmission of data from bank.

1. Scope of Electronic Filing of Return. The following categories of taxpayers of LTU shall be eligible for electronic filing of sales tax return:

(a) the taxpayers who hold an account with National Bank of Pakistan, PNSC Branch

(b) Nil filers.

2. Manner and Procedure for Electronic Filing of Return.

(a) A dedicated web site **www.nbpltu.com** has been hosted for the purpose.

(b) A taxpayer desirous of filing of monthly sales tax return electronically shall obtain a pin code from National Bank of Pakistan, PNSC Branch. The taxpayer can change the pin code for secrecy reasons.

(c) At the time of filing of return, he shall sign on through the browser **www.nbpltu.com** and enter his user ID and password (pin code) to access the software.

(d) After logging in he shall fill the sales tax return form and electronically submit the form for payment and simultaneously get a print out of the filed form for his record.

(e) On soft submission of return the bank shall electronically confirm receipt thereof through e-mail i.e. balance transfer from the taxpayer's account to CBR LTU Collection account. If the required balance is not available in the taxpayer's account, intimation through e-mail be made by the bank to the taxpayer. The taxpayer on receiving the information shall deposit sufficient/required amount in his account and re-submit the return as per the procedure.

(f) For Nil filers the confirmation from bank regarding the soft submission would be treated as filing of return. As regards the returns involving payment of tax, this receipt would only mean confirmation of submission of return. The bank would debt the account of the taxpayer to the extent of amount payable by the taxpayer as the due tax for the given tax period and electronically issue a final receipt to the effect. This final receipt would endorse electronic filing of tax return.

(g) The bank shall electronically transmit the soft data of returns filed.

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3. All legal provisions as provided for in the Sales Tax Act, 1990 and as notified by the Central Board of Revenue from time to time shall apply to electronic filing of returns.

(Aamer Amin Bhatti)
Secretary (ST&CE L&P)

Islamabad, the 1st September, 2005

SALES TAX GENERAL ORDER NO. 03 OF 2005

SUBJECT:– REPAYMENT OF SALES TAX TO DUTY FREE SHOPS ON LOCALLY MANUFACTURED GOODS.

Under serial No. 3 of the Fifth Schedule to the Sales Tax Act, 1990 read with the main para (U) of PART V of the Sales Tax General Order No. 3 of 2004, dated 12th June, 2004, supplies made to duty free shops are entitled to the facility of zero-rating subject to the fulfillment of conditions laid down therein. These shops have reported to the Board that there are several manufacturers who, for some peculiar business reasons, do not sell their products to duty free shops on zero-rate basis with the result that these shops cannot meet their diversified inventorial requirements and eventually their sale business suffers. In view of the fact that their duty free sales under different duty free baggage concessions cannot be subjected to the incidence of sales tax, these shops have requested the Board for repayment of sales tax paid by them on the goods sold free of customs duty under the baggage rules.

2. Board has examined the request of duty free shops and is pleased to clarify that the principal purpose of entry at serial No. 3 of the Fifth Schedule is not to charge sales tax at any stage of the supply of goods sold by duty free shops free of customs duty under different baggage rules. Hence if these shops have paid any amount of sales tax on the purchase of such goods from the manufacturers, they are entitled to claim and take repayment (refund) of the same provided these goods have been sold free of customs duty under the relevant baggage concessions.

3. In order however, to streamline such sales tax refund payments to duty free shops, Board is pleased to prescribe the following procedure:-

(i) Refund shall be claimed and allowed only in respect of such goods as have been sold by duty free shops under different baggage rules free of customs duty.

(ii) Duty free shops shall as usual file the prescribed monthly sales tax return showing the relevant tax paid purchases and the refundable amount of tax in the relevant columns of the return.

(iii) In order to obtain refund payment, duty free shops shall produce to the concerned Collector of Sales Tax, original sales tax invoices with a set of photocopies thereof and a statement in the following format, namely:–

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S.No.	Name of the Manufacturer	Sales Tax Invoice No. & Date	Description of Goods	Quantity Purchased	Quantity Sold	Name and passport No. with date of issue of the passenger to whom sold	Remarks
1	2	3	4	5	6	7	8

(iv) The above statement shall be furnished on electronic media as well as in hard form duly attested by the Customs staff posted in the concerned duty free shop.

(v) The purchase invoices once furnished shall not be required to be submitted again in case goods covered therein are sold and refund thereon is claimed in piecemeal in different tax periods.

(vi) The original sales tax invoices shall be returned to these shops after all the relevant goods covered therein have been sold and the amount of sales tax involved therein has been refunded as admissible and each of such invoice shall be returned after making endorsement of an official certificate 'fully used for sales tax refund' by the concerned officer of sales tax.

(vii) Duty free shops shall observe all the foreign exchange regulations applicable on their trading business.

4. The admissible refund under this order shall be paid within fifteen days of the filing the said statement.

5. The concerned Collectorates of Sales Tax shall properly maintain both computerized and manual records of all refunds claimed by and paid to duty free shops under this order.

(Ahmad Reza Khan)
Secretary (ST&FE-L&P)

C. No. 3(12)ST-L&P/2004 Islamabad, the 26th September, 2005

SALES TAX GENERAL ORDER NO. 04/2005

SUBJECT: SPECIAL PROCEDURE FOR COLLECTION AND PAYMENT OF SALES TAX ON VEHICLES – INSTRUCTION REGARDING.

1-192-15-07-19

The Federal Government through its notification SRO 951(I)/2005, dated 14.09.2005, has issued a special procedure for the collection and payment of sales tax on motor vehicles including three and two wheelers. In this regard, a new chapter, i.e. Chapter XVII has been added in the Sales Tax Special Procedure Rules, 2005. While assemblers and importers of vehicles will be filing their monthly sales tax returns in the format prescribed under rule 15 of the Sales Tax Rules, 2005, a separate format has been prescribed for the monthly sales tax

return-cum-payment-challan for dealers of vehicles vide Annex II of the said notification. In order to facilitate the dealers of vehicles for the filling of the relevant columns of their monthly sales tax returns and to assist them in the filing of such sales tax returns, the Central Board of Revenue is pleased to issue the guidelines and instructions as follows:-

COLUMN

SUB-COLUMN

GUIDELINES

(01) In this column, dealer shall mention his Sales tax registration number.

(02) In this column, dealer shall mention his National Tax Number.

(03) In this column, dealer's name and telephone number as declared and mentioned in his application for sales tax registration and registration certificate shall be mentioned.

(04) In this column dealer shall mention the number of the relevant month with year for which the return is being filed.

(05)(a) In this sub-column dealer shall enter the total value of such vehicles that he has sold on behalf of the assemblers and importers as authorized dealer in respect of which sales tax on commissions has already been paid by the assemblers and importers.

(b) In this sub-column dealer shall mention the total value of vehicles which he has sold after purchase on which he is required to pay sales tax. The amount of net sales tax payable on the sale of such vehicles may also be mentioned. Input tax adjustment in case of these vehicles shall be available only to the extent allowed under rule 131 of the Sales Tax Special Procedure Rules, 2005.

(c) In this sub-column, a dealer shall give the total value of old, used and second hand vehicles which have been sold through him and on which he is required to charge, collect and pay sales tax taking 10% of the sale price as assessable value for the purpose of calculating sales tax liability. A dealer is also required to pay sales tax on the amount of commissions charged on the sale of such vehicles. No input tax adjustment is admissible in respect of such vehicles.

(d) In this sub-column, a dealer shall enter the total value of other taxable supplies like auto parts etc, if any, along with the amount of sales tax payable thereon. Input tax adjustment on such supplies is available in terms of sections 7 and 8 of the Sales Tax Act, 1990. Zero-rated supplies, if any, may also be covered in this value without accounting or mentioning the amount of sales tax involved thereon.

(e) In this column, a dealer shall mention the total value of such supplies as are exempt from payment of sales tax. No input tax adjustment is admissible in respect of such supplies.

(06)(a) in this sub-column, the dealer shall state the total value and amount of sales tax of his tax-paid imports. The value and the amount of sales tax in respect of vehicles covered under the second proviso to sub-rule (4) of rule 131 of the said rules may be covered in this sub-column.

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(b) In this sub-column, the dealer shall enter the total value and amount of sales tax involved in the taxable purchases made by him.

(c) Here, only the value of exempt imports and purchases, if any, shall be mentioned.

(d) In this sub-column, the value of utilities like telephone, gas and electricity alongwith sales tax paid thereon shall be declared. Adjustment of such sales tax is admissible only if the dealer is using these utilities exclusively in connection with his registered business provided that all the relevant requirements or conditions of the Sales Tax Law are fulfilled.

(07) In this column, all arrears including default surcharge, if any, which is payable along with other liabilities on the return, shall be mentioned.

(08) In case dealer is filing return after due date, he is required to pay penalty as well as default surcharge in terms of section 33 and 34 of the Sales Tax Act, 1990, in addition to sales tax payable under section 3 ibid.

2. In order to calculate and declare the net payable amounts of sales tax, the first box under the head 0220000 shall be used to enter the sales tax amount payable on all kinds of commissions charged by a dealer. In the second box under the head 02250000, net payable sales tax amount on the supply of imported and purchased vehicles whether new or old shall be declared. In the third box, the amount of sales tax payable on the sale of old, second hand and used vehicles shall be declared. The sales tax amount payable on the commissions charged on such vehicles shall however, not be included here, which shall be shown in the first box as aforesaid. Sales tax payable on all other supplies (other than vehicles) shall be declared in the fourth box. In all these boxes the net sales tax amounts payable by a dealer shall be declared and other amounts intended to be paid on account of arrears and penalties, if any, shall be added to work out the total payable sales tax liability of0 the relevant tax period.

3. The return shall be prepared and filed in triplicate. The bank shall send copy to the Sales Tax Collectorate while copy shall be retained by the bank and one copy shall be returned to the registered person. If there is any change in the tax rate during a tax period, separate returns will have to be filed by the dealer for each tax rate for the corresponding periods. A return is to be filed for each tax period, even if no tax is payable or no taxable transaction has taken place. Failure to file a return or pay the tax by the due date shall attract levy of default surcharge and imposition of penalties. However, if no tax is payable during a tax period, such default surcharge will not be charged. A revised return may be filed to correct any omission or wrong declaration in the previous return. The return is required to be certified as correct. The person who makes return and signs the return must be the authorized representative of the dealer. It may be ensured that the entries in the return are correct, before signing and filing it in the designated branch of National Bank of Pakistan.

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4. The Collectors of Sales Tax & Federal Excise are directed to proactively publicize these guidelines/instructions and extend maximum assistance and facilitation to the dealers of automobiles in their efforts to comply with sales tax obligations. Seminars may be conducted at Collectorates level in coordination with the concerned associations.

(AHMED REZA KHAN)
Secretary (ST&FE-L&P)

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Islamabad, the 5th June, 2006

SALES TAX GENERAL ORDER 01 OF 2006

Subject: PROCEDURE FOR PAYMENT OF SALES TAX AGAINST ADVANCE RECEIPTS

In order to streamline the payment of sales tax against advances, in terms of sub- section (44) of section 2 of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to prescribe the following procedure:

1. Payment of Tax.– A registered person shall charge sales tax at the rate specified in sub-section (1) of section 3 of the Act against any advance payment received and the same will be included in the output tax to be declared in the sales tax return of the tax period in which such payment is received by him.

2. Tax invoices.— (1) A registered person at the time of receipt of advances may issue a serially numbered "Advance Payment Receipt" in the format as prescribed in Annex to this Order. Sales tax invoice required to be issued under section 23 of the Act against such advances may be issued at the time of actual delivery of goods. No tax shall be payable at the time of issuance of tax invoice in pursuance of advance payment receipt issued by the registered person on which tax has already been paid at the time of receipt of advances. However, the registered person will mention the advance payment receipt number and date in such invoice for the purpose of cross-referencing.

(2) Advance Payment Receipt shall be treated as tax invoice for the purposes of section 7 and 8 of the Act.

3. Adjustment of advances.— (1) Where a registered person has deposited the tax at the time of receipt of advance and such supply or part thereof is cancelled or its value is changed, consequent to which the tax charged and deposited on advances needs to be adjusted or the sales tax return needs to be.modified, the registered person may issue a credit note and make corresponding adjustment against output tax in the monthly sales tax return.

(2) Where a registered person deposited tax on advances then the time limit for the issuance of debit or credit note, as prescribed in rule 22 of the Sales Tax Rules, 2006, shall not be applicable.

Annex

Advance Payment Receipt

Serial No. _____

Sales Tax Registration No. _____

M/s _____(Sellers' Name) _____

(_____Sellers' Address _____)

Tel: _____

Fax: _____

Buyer's Name & Address: _____

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S.No.	Description	Quantity/No. Weight /Volume	Value of goods exclusive of Sales Tax	Amount of Sales Tax involved	Amount of Sales Tax received in advance	Balance amount of Sales Tax Payable if any
Total						

Signature of authorized person

[C. No. 3(1)ST-L&P/2001]

Abdul Hameed Memon
Secretary (ST-L&P)

C. No. 3(7)ST-L&P/06 Islamabad, the 20th June, 2006.

SALES TAX GENERAL ORDER 02 OF 2006

Subject: ADDITION OF ITEMS TO THIRD SCHEDULE OF THE SALES TAX ACT, 1990 - PRINTING OF RETAIL PRICE

The Finance Bill, 2006, proposes to include some additional items to the Third Schedule of the Sales Tax Act, 1990, which will be subject to payment of sales tax on the basis of retail price. These items are toilet paper, tissue paper, spices sold in retail packing bearing brand names and trade marks, electric bulbs including energy saving lamps, fluorescent tube lights, snacks including potato chips sold in retail packing, shoe polish and shoe cream.

2. It has been pointed out that several manufacturers have stock of finished goods in hand on which the retail price is not printed or embossed as stipulated in section 2(27) of the Act. It has been further pointed out that it is not possible or feasible to print or emboss the retail price on such stock.

3. In realization of the genuine problem faced by the taxpayers, the Board, in exercise of its powers under section 55, ibid., is pleased to allow that the stocks of items as specified above as in hand, which would now be subject to sales tax on the basis of retail price, can be affixed with the retail price by means of stamping or pasting stickers printed with the retail price calculated in accordance with the provisions of section 2(27) of the Act. This permission shall apply to stocks in respect of which following conditions are fulfilled:

(i) the manufacturer shall inform the Collector of Sales Tax, having jurisdiction, about the stocks as in hand on 30th June 2006, with full description and quantity, on which the retail price is not printed in accordance with the provisions of the Act; along with the retail price effective from 1st July 2006;

(ii) the Sales Tax in respect of such items shall be paid in accordance with the retail price as effective from 1st July 2006;

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(iii) the manufacturer shall advertise the retail price in the leading daily newspapers in English, Urdu and other regional languages, at least twice a week till such time such stocks are supplied. The advertisement in this regard shall mention the date from which the retail prices are applicable; and

(iv) the stocks so affixed with the retail price are supplied by 31st August, 2006, or within such extended period as allowed by the Collector having jurisdiction on a written request by the manufacturer, provided that such extended period shall not exceed sixty days.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P)

C. No. 3/13-STB/98 Islamabad, the 28th July, 2006.

SALES TAX GENERAL ORDER NO. 03/2006

SUBJECT: ISSUES RELATING TO STEEL SECTOR – INSTRUCTIONS REGARDING.

To streamline the sales tax regime applicable for the steel sector under SRO 678(I)/2006 dated 30.06.2006, the Central Board of Revenue, in exercise of the power conferred under section 55 of the Sales Tax Act, 1990, is pleased to issue the following instructions:

(i) Under SRO 678(I)/2006 dated 30.06.2006, fixed value addition per tonne of Rs. 3600/- and Rs. 2470/- has been prescribed for steel melters and Rs. 1800/- for the steel re-rollers. The net sales tax payable on account of the aforesaid value addition comes to be Rs. 540/- PMT and Rs. 370/- PMT for the steel melter and Rs. 270-/- PMT for the re-rollers. After the issuance of the aforesaid notification, steel re-rollers are issuing sales tax invoices showing Rs. 270/- PMT as the amount of sales tax chargeable from customers due to which the various industries using long steel products have agitated that the steel re-rollers are not passing on the input tax of Rs. 3300/- PMT leviable on imported/Pakistan Steel billets and consequently the downstream industry is entitled to input tax adjustment of Rs. 270/- PMT only, which has substantially increased their net liability as their end products are chargeable to sales tax @ 15%.

(ii) Keeping in view the genuine hardship of the downstream industry, it is directed that the steel re-rollers shall issue sales tax invoices reflecting sales tax of Rs. 270/- PMT and Rs. 3300/- PMT to the buyers entitling the downstream industry to obtain adjustment of sales tax paid on billets.

(Wajid Ali)
Secretary (ST&FE-Budget)

1-192-15-07-19

C. No. 3/13-STB/98 Islamabad, the 8th September, 2006.

SALES TAX GENERAL ORDER NO. 06/2006

SUBJECT: ISSUES RELATING TO STEEL SECTOR -- AMENDMENT IN SALES TAX GENERALORDER NO. 03/2006.

To streamline the sales tax regime applicable for the steel sector under SRO 678(I)/2006 dated 30.06.2006, the Central Board of Revenue, in exercise of the power conferred under section 55 of the Sales Tax Act, 1990, is pleased to make following amendment in Sales Tax General Order No. 03/2006 dated 28.07.2006, namely:–

After clause (i) and (ii), a new clause (iii) shall be inserted as follows:

(iii) Similarly re-rolling mills producing MS products from locally produced ingots and billets (except Pakistan Steel Mills billets) shall issue sales tax invoices for MS products supplied to downstream industry reflecting sales tax of Rs. 270/- PMT and Rs. 2410/- PMT enabling the downstream industry to obtain input adjustment of sales tax paid on scrap and melting stage.

(Wajid Ali)
Secretary (ST&FE-Budget)

Islamabad, the 10thJanuary, 2007

SALES TAX & FEDERAL EXCISE
GENERAL ORDER NO. 1 OF 2007

Subject: **Mitigating The Hardship Of Islamabad Based Taxpayers.**

Whereas, the newly established Regional Tax Office (RTO), Rawalpindi shall have jurisdiction extended to the entire Civil Division of Rawalpindi, the Islamabad Capital Territory and the Northern Areas. Consequently, all taxpayers registered with the Collectorate of Sales Tax and Federal Excise, Rawalpindi shall now fall under the administrative jurisdiction / control of the Regional Tax Office at Rawalpindi.

02. Whereas, for the sake of convenience of the taxpayers as well as Diplomatic Missions based in Islamabad Capital Territory, the Central Board of Revenue, in exercise of the powers conferred by section 55 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, is pleased to direct that the taxpayers and Diplomatic Missions based in Islamabad Capital Territory shall continue to be dealt with in the existing office building of the Collectorate of Sales Tax & Federal Excise, Islamabad, situated in Sector I-9/3, Islamabad.

03. At least three Deputy/Assistant Collectors along with their staff and other concerned officers/officials shall be available throughout the week (excluding holidays) during the prescribed office hours to attend the aforementioned clients.

04. The Collector, Regional Tax Office, Rawalpindi, being In-charge of the Collectorate of Sales Tax & Federal Excise, Rawalpindi, as well, shall also spare at least two days of the week when he shall be available at Collectorate Office in Islamabad to monitor working of the Collectorate as well as to attend Islamabad based taxpayers and Diplomatic Missions' officials. The said clients, if intend to visit the Collector on any day other than the fixed days, they may visit him at his office in the Regional Tax Office at Rawalpindi.

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05. This issues with the approval of the Member (ST&FE), CBR, Islamabad.

C. No.5/8-STB/2005 Islamabad, the 6th February, 2007

SALES TAX GENERAL ORDER NO. 02/2007

SUBJECT: REFUND CLAIMS RELATING TO LOCAL SUPPLIES MADE BY THE FIVE EXPORT-ORIENTED ZERO-RATED SECTORS -- INSTRUCTIONS REGARDING

The issue of refund of input tax against zero-rated local supplies made by five export oriented zero-rated sectors in respect of the goods which were purchased on payment of sales tax prior to 06.06.2005 has been examined in the Board.

02. The Central Board of Revenue is pleased to direct that as per the provisions of SRO 992(I)/2005 dated 21.09.2005 read with SRO 487(I)/2006 dated 26.05.2006, for manufacturers-cum-exporters and commercial exporters, refund of input tax for the five zero-rated sectors in respect of purchases made on payment of sales tax prior to 06.06.2005 shall only be payable if such goods have been exported by 31.12.2005 and no refund shall be admissible against local supply thereof.

(Wajid Ali)
Secretary (ST&FE-Budget)

C. No. 3(6)ST-L&P/2002 Islamabad, the 24th April, 2007

GENERAL ORDER

(Federal Excise/ Customs/ Income Tax / Sales Tax)

Subject: INTER-TAX REFUND / ADJUSTMENT PROCEDURE.

A number of requests have been received by the Board from taxpayers for adjusting liabilities of one tax against refund of another. In order to facilitate taxpayers, the matter has been examined in the Board. It has been decided that any liability of customs duty, federal excise duty, sales tax or income tax payable by a taxpayer (whether current or arrears) may, on the written request of the concerned taxpayer, be adjusted against his refund of any of these taxes which has been sanctioned / approved by a competent authority. Following procedure and conditions will apply:–

(i) The refund claim has been duly processed and found to be admissible under relevant law / rules, whether wholly or partially;

(ii) The taxpayer submits an application for inter-tax adjustment to both the officers concerned citing relevant particulars of the refund claimed and the tax payable by him;

(iii) The application for inter-tax adjustment may be submitted at any time before or after approval / sanction of the refund claim, but at least 30 days before the due date for filling the return or payment of the tax involved;

(iv) The competent officer shall issue a refund cheque in the name of the appropriate Collector of Customs / Federal Excise & Sales Tax or Commissioner of Income Tax, which shall be deposited in the Treasury in the proper head of account. A copy of the payment slip, adjustment memo or challan shall be provided to the taxpayer who shall mention its particulars in his relevant tax return or declaration;

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(Abdul Hameed Memon)
Secretary (ST&FE-L&P)

C. No. 3(12)ST-L&P/04 Islamabad, the 30th July, 2007

SALES TAX GENERAL ORDER NO. 03/2007

SUBJECT: ISSUES RELATING TO COMMERCIAL IMPORTERS

Under SRO 645(I)/2007 dated 27.06.2007, two percent ad valorem sales tax is to be levied and collected at import stage on goods imported by commercial importers in addition to the tax chargeable under sub-sections (1) and (2) of section 3 of the Sales Tax Act, 1990. The detailed procedure in this respect has been provided in the Sales Tax Special Procedures Rules, 2007, as amended by SRO 678(I)/2007 dated 06.07.2007. Various queries have been received in the Board which are being clarified as under:

(i) The provisions of Chapter X of the Sales Tax Special Procedures Rules, 2007, shall not apply to the persons registered as manufacturers whether or not registered in any other category.

(ii) 2% tax envisaged in the said notification shall be paid on the same value on which 15% sales tax is determined.

(iii) The unsold stocks lying with the commercial importers on 9th June 2007 shall continue to be subject to the provisions of the Sales Tax Special Procedures Rules, 2006. In case such stocks are sold by 30th June 2007, the same shall be accounted for in quarterly return for the period April-June 2007, as prescribed in aforesaid rules. If such stocks are sold thereafter, the differential amount shall be calculated in the same manner as provided on the said return, and this amount shall be reflected against column 'others' in the new return being prescribed under the Sales Tax Rules, 2006.

(iv) In respect of stocks imported during the period 9th June 2007 to 30th June 2007 on which no tax on value addition basis was paid, the same shall be deemed to have been imported under the Sales Tax Special Procedures Rules, 2006, and the sales tax due shall be paid as arrears.

(v) Under rule 58C of the Sales Tax Special Procedures Rules, 2007, the registered buyers of goods from the commercial importers shall not be entitled to adjust sales tax in excess of the amount shown on such invoices:

ILLUSTRATION:

Import Value including Customs Duty	Rs. 100
Sales tax paid on import (15% + 2%)	Rs. 17
Invoice to be issued as under:	
Sale Value excluding Sales tax	Rs. 150 (say)
Sales tax charged	Rs. 17
The buyer shall adjust Rs. 17	

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(vi) If a commercial importer supplies goods at a higher value addition (more than 13.33%), he may issue sales tax invoice showing sales tax chargeable on actual value and discharge his tax liability accordingly.

(vii) The supplies by the commercial importers to withholding agents specified under SRO 660(I)/2007 dated 30.06.2007 shall be subject to withholding one-fifth of sales tax invoiced. The commercial importers shall charge sales tax on actual value of supplies. In case, there is any excess deduction, they will be entitled to refund/ adjustment of the same.

(viii) 2% sales tax payable under SRO 645(I)/2007 is in lieu of sales tax payable on local supplies after value addition. [1][ ]

(ix) The commercial importers, for tax period July 2007 and afterwards, shall file new sales tax return as being prescribed under the Sales Tax Rules, 2006. Only persons who are registered exclusively as commercial importers shall file the said return on quarterly basis.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P)
Ph: 051-9204043, Fax: 051-9207470

C. No. 3(3)ST-L&P/07-Pt Islamabad, the 21st August, 2007

SALES TAX GENERAL ORDER NO. 04/2007

Subject: Procedure For Electronic Filing Of Sales Tax And Federal Excise Return Through CBR's Computerized System (E.Cbr.Gov.Pk).

In exercise of the powers conferred under section sub-section (6) of section 4 and sub-rule (10) of rule 18 of the Sales Tax Rules, 2006, the Central Board of Revenue is pleased to prescribe the following procedure for electronic filing of sales tax and federal excise return through the computerized system prescribed under section 50A of the Sales Tax Act, 1990:

(i) All the registered persons who are required to file returns electronically under rule 18 of the Sales Tax Rules, 2006, shall observe the procedure prescribed in this General Order in respect of the returns due on 15th August 2007 and afterwards.

(ii) E-filing procedures in force before 1st July 2007 shall be discontinued and those taxpayers who wish to file any returns for the tax periods June 2007 or earlier shall have to do so manually.

(iii) The electronic returns can be filed directly by a registered person or through an e-intermediary licensed under the Sales Tax Rules, 2006.

(iv) A user ID, PIN code and secure password shall be assigned to each user of the Computerized System i.e. a registered person or an e-intermediary, who enrols himself for electronic filing.

[1]Words "It should not be included in value for calculating withholding income tax" omitted by General Order No. 17 of 2009 dated March 19, 2009.

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(v) In case of registered persons who have already been filing returns electronically, shall be contacted through email and asked to visit a specific link for activation of their account. After activation, unique user identifier (user ID), comprising of unique identification name/ number, password and PIN code shall be sent to the registered user through email.

(vi) Persons, not already registered, shall visit the CBR's web portal or Computerized System at **e.cbr.gov.pk** and select "registration → e-enrolment" option from the menu and provide basic information as required. They shall be then required to fill in a form containing the particulars already available in the System. The intending user shall also be able to correct or update the particulars/ details already in the System. The name of an authorized person shall be mentioned on the form. The form shall be printed and signed by the competent person. The authorized person shall visit the Tax Facilitation Centre of respective Collectorate along with the printed form and his original Computerized National Identity Card. The officer incharge of the Facilitation Centre/ Division, not below the rank of an Assistant Collector, shall verify the particulars on the form with those in the System and after being satisfied in this respect shall approve the allocation of user ID, which shall be sent to the address provided. The Board, however, can waive any of the aforesaid requirements.

(vii) To file the return, the registered user shall logon at **e.cbr.gov.pk** by using assigned User ID. Following steps will be followed:

Select Declaration → Sales Tax → Sales Tax Return

- Select the Tax Period [Month, Year] from the drop down list Click the Monthly Return link
- Return form will be displayed which will be filled in accordance with the instructions in the Sales Tax Rules, 2006.
- E-filing can be completed in following stages:

  Preparation: The user shall fill in all the relevant fields. (The return can be saved at any time during preparation process to avoid data loss)

  Verification: The return can be verified by the person having access to PIN code. He shall press the Verify Button given at the bottom of form and follow the instructions.

  Payment: Payment can be made by selecting either of two options provided in the form as below:

  (i) Payment Challan: This option is to be utilized by persons who want to deposit tax amount in a branch of National Bank which is not online with CBR. The payment challan shall be printed and taken to the bank where payment shall be made and CPR no. shall be obtained. This number shall be fed in the System using the 'Feed CPR' button.

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(ii) e-Payment: This option can be availed by persons opting to deposit tax amount in an NBP branch which is online with CBR server. After verifying the return, e-Payment button can be clicked and a payment slip number shall be generated which can be taken to the bank and amount deposited against the same. The bank shall accept the payment and provide an acknowledgement.

Submission: The user shall click the Submit button and a message shall appear at the top stating that your return has been submitted. Return Submission Certificate can be printed by clicking the Print Certificate button. It can also be saved on user's computer in PDF/Excel format.

– In case of no business activity during the relevant period i.e. when there are no sales, purchases etc. and no payment is due, the user shall click the 'Null Return' button and then can proceed for submission of the printing the return without following through all the steps provided above.

(viii) The Collectorates / RTOs shall feed manually filed returns in the respective RTOs/ Collectorates through the new module similar to that available on the web portal.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P)
Ph: 051-9204043, Fax: 051-9207470

C. No. 3/13-STB/98 Islamabad, the 25th August, 2007

SALES TAX GENERAL ORDER NO. 05/2007

Subject: Payment Of Sales Tax By Steel Melters And Re-Rolling Mills Operating On Self-Generation Basis.

To streamline the collection of sales tax from the steel melters and re-rollers operating on self-generation basis, the following mechanism is hereby prescribed in consultation with All Pakistan Steel Melters Association and The Pakistan Steel Re-Rolling Mills Association and after the survey of units operating on self-generation basis:

(i) Steel melters producing electricity with the help of gas generators shall calculate their sales tax liability on the basis of the gas bill for the relevant tax period as per the following formula:

Sales tax payable through sales tax return = HM^{3} x 1562 – (sales tax paid on gas bill).

(ii) Re-rolling mills operating on self-generated electricity shall discharge their tax liability in the following manner:

Monthly sales tax payable through sales tax return = mill size (No. of inches) x 30,850

The registered person shall deduct sales tax paid on diesel consumed from the payable amount as above provided the taxpayer holds valid sales tax invoice.

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Example: Mill size = 6 inches

Sales tax payable per month = 6 x 30850 – sales tax paid on diesel consumed

02. In case a rolling mill operating on self-generation basis remains closed for 7 or more days consecutively during a tax period, the registered person shall inform on telephone/fax to the respective Collector of Sales Tax and the representative of the Association prior to the closure of the mill. A survey report shall accordingly be prepared by the monitoring committee comprising of the sales tax officer(s) nominated by the concerned Collector of Sales Tax and representatives of Pakistan Steel Re-Rolling Mills Association and the tax liability of the said mill shall be determined on the basis of above formula for the number of days the mill remains in operation during the month.

(Wajid Ali)
Secretary (ST&FE-Budget)

C.No.1(22)STM&Reforms/2006 Islamabad, the 28th August, 2007

SALES TAX & FEDERAL EXCISE GENERAL ORDER NO. 06/2007

Subject: Transfer Of Jurisdiction Of The Collectorate Of Sales Tax & Federal Excise, Rawalpindi, To The Regional Tax Office, Islamabad.

Whereas, the jurisdiction of the erstwhile Collectorate of Sales Tax & Federal Excise, Rawalpindi i.e. Islamabad Capital Territory and the Northern Areas, has been transferred to the Regional Tax Office, Islamabad, vide Notification S.R.O. 872(I)/2007 dated 28th August, 2007.

02. Now, therefore, in exercise of the powers conferred by section 55 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, the Central Board of Revenue, is pleased to direct that the Collector, Regional Tax Office, Islamabad, shall exercise jurisdiction over the taxpayers based in the Islamabad Capital Territory and the Northern Areas, for the purpose of the two Acts.

03. The Sales Tax & Federal Excise General Order No.1 of 2006 dated the 10th January, 2006, is hereby withdrawn.

04. This issues with the approval of the Member (Sales Tax & Federal Excise), CBR, Islamabad.

(RAZA ASHFAQ SHEIKH)
Second Secretary (ST-Reforms)

1-192-15-07-19

C.No.3(7)ST-L&P/2006 (Pt) Islamabad, 26th June, 2008

SALES TAX GENERAL ORDER No. 22 OF 2008

SUBJECT: REVISION OF SALES TAX RATE W.E.F. 1ST JULY 2008 - PRINTING OF RETAIL PRICE.

After the amendments in the Sales Tax Act, 1990, through the Finance Act, 2008, the applicable rate of sales tax on items in Third Schedule of The Sales Tax Act, 1990, has been increased to 16% with effect from 1st July 2008 through the Finance Bill 2008. Manufacturers of items specified in Third Schedule to the Sales Tax Act, 1990, have reported difficulty in printing sales tax @ 16% of retail price on their existing stocks which have already been printed with sales tax @ 15% of the retail price.

2. The Board, recognizing the enormity and impracticability of the task of re-printing of sales tax amount, in exercise of powers under section 55 of the Sales Tax Act, 1990, is pleased to allow the usage of existing packing material and stock printed with sales tax amount @ 15% for a period of three months starting from 1st July 2008, subject to the following conditions:

(i) the manufacturer shall inform the Collector of Sales Tax, having jurisdiction, about the stocks as in hand on 30th June, 2008, with full description and quantity, on which sales tax is printed @ 15%;

(ii) the Sales Tax in respect of supplies of such stocks shall be paid @ 16% with effect from 1stJuly 2008;

(iii) the manufacturer shall advertise the retail price, sales tax @ 16% and total consumer price of such goods in the leading daily newspapers in English, Urdu and other regional languages, at least once a week till such time these stocks are supplied; and

(iv) this permission shall not apply to cases where actual retail price excluding sales tax is different from the one printed.

(Abdul Hameed Memon)
Secretary (ST&FE-L&P)

C. No. 4/57-STB/97 Islamabad, 08th July, 2008

SALES TAX GENERAL ORDER No. 32 OF 2008

SUBJECT: <u>ISSUES RELATING TO SOLVENT EXTRACTION UNITS</u>.

Whereas, a Committee headed by the Collector, Sales Tax and Federal Excise, RTO, Islamabad was constituted vide Board's Circular dated 20.03.2008 to examine the issues relating to show cause notices issued and draft contravention reports prepared against various solvent extraction units (hereinafter referred to as the "units") located in the jurisdiction of Regional Tax Office, Multan on the basis of audit of sales tax records for the tax period 2003-04 and July, 2004 to January 27th 2006. The report of the Committee has been examined by the Board. In order to resolve the long outstanding issues of the units, the Federal Board of Revenue is pleased to direct in terms of section 55 of the Sales Tax Act, 1990 as under:

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(a) The total sales tax liability of a unit for the period 01.07.2004 to 27.01.2006 shall be equal to 0.75% of the C&F value of imports of oilseeds made during this period or as declared by the unit, whichever is higher, after deducting the output tax already paid on supplies. No credit or adjustment on account of input tax paid at import stage or that paid against utility bills/chemicals consumed during the process of extraction shall be allowed against the aforesaid total sales tax liability. The input tax credit against zero-rated supplies/exports (if any) shall, however, be allowed/adjusted from the aforesaid total liability.

(b) Sales tax refunds, if obtained by any unit on account of excess input tax paid during the aforesaid period shall be added to the aforesaid total tax liability, which shall be recoverable from that unit. However, no default surcharge or penalty will be recoverable on this account. For illustration purposes, the tax liability in respect of units will be calculated as under:

(i) Tax liability in respect of units, who have not obtained any refunds, on account of excess paid input tax, during the period from 01.07.2004 to 27.01.2006:

(A) Tax payable as per the formula (i.e. 0.75% of C&F value or as declared by the unit whichever is higher) ---- Rs. 1000

(B) Output tax (if any), already paid ----- Rs. 100

(C) Adjustment/credit on account of zero-rated supplies of soyabean meal (if claimed) ---- Rs. 200

Net tax recoverable ------ (A) – (B + C) = Rs. 700/-

(ii) Tax liability in respect of units, who have obtained any refunds, on account of excess paid input tax, during the period from 01.07.2004 to 27.01.2006:

(A) Tax payable as per the formula (i.e. 0.75% of C&F value or higher percentage declared by the unit) ---- Rs. 1000

(B) Output tax (if any), already paid ----- Rs. 100

(C) Adjustment/credit on account of zero-rated supplies of soyabean meal (if claimed) ---- Rs. 200

(D) Refund obtained on account of excess input tax --- Rs. 200/-

Net tax recoverable ------ (A+D) – (B+C) = Rs. 900/-

(2) The valuation of oil extracted from imported oilseeds shall be determined as follows:

(a) In case of supplies made to registered persons, the minimum value of supply shall be the value declared by the units;

(b) In case of supplies made to unregistered persons the value of supply shall be Rs. 40.30 per kg or the value declared by the solvent extraction unit, whichever is higher; and

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(c) All the supplies, excluding those, accounted for and shown as the supplies made to registered persons, in the sales tax records, shall be deemed to be supplies made to unregistered persons, and sales tax liability in respect thereof shall be calculated as per the above valuation criterion.

(3) The percentage recovery of oil shall be taken to be not less than 38.5% (by weight) of the imported oilseeds of all origins or as declared by the unit, whichever is higher;

(4) For the determination of tax liability of units for the period 2003-04, the formula given in para-1 of this General Order shall be applied. However, the adjustment of input tax shall not be less than 15.88% of the C&F value of imports of oilseeds made during this period and the refund on account of unadjusted input tax (other than refund of 10.5% admissible under SRO 335(I)/2004 dated 24.05.2004) shall not exceed 4.12% of the C&F value of imports of oilseeds made during this period;

(5) Refunds (if any) accruing on the basis of any of the above provisions of this General Order shall be inadmissible;

(6) The Collectorates shall resolve the disputes with the units in the light of provisions of this General Order and present the same to the adjudicating authority during the adjudication of show cause notices issued to the units;

(7) For the calculation of tax liability under the provisions of this General Order, a Committee shall be constituted to calculate the liability of each unit. The Committee shall be headed by an Additional Collector of Sales Tax having one member from the Collectorate and one nominee of All Pakistan Solvent Extractors' Association (APSEA);

(8) The unit which fails to discharge his tax liability as determined under this General Order shall be subjected to detailed investigative audit, and in that case, their tax liability shall be determined on the basis of parameters described in paras-2, 3 & 4 above; and

(9) The units who deposit sales tax under this General Order shall be deemed to have discharged their full and final sales tax liability for the tax periods 01.07.2003 to 27.01.2006.

(Asif Abbas)
Second Secretary (ST-Budget)

C.No.3(1)ST-L&P/08 Islamabad, 21st November, 2008

SALES TAX GENERAL ORDER No. 54 OF 2008

SUBJECT: EXERCISE OF POWERS BY FEDERAL BOARD OF REVENUE UNDER SECTION 74 OF THE SALES TAX ACT, 1990.

Section 74 of the Sales Tax Act, 1990, empowers the Federal Board of Revenue to extend any deadline or time limit provided in the Act for making any application or performing an act. The Board receives several requests for condoning time delays or allowing extension in exercise of aforesaid powers. Almost all such cases require confirmation of factual position. In order to ensure uniformity and transparency in such cases, the Board is pleased to prescribe the following procedure for exercise of aforesaid powers, namely:-

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(i) The registered person shall apply to the Collector having jurisdiction for extension of time period specifying the grounds for delay.

(ii) The Collector after considering the grounds mentioned and any other information called for by him shall send his categorical recommendations regarding rejection or approval of the request specifying the reasons.

(iii) In case of positive recommendations, the Collector shall also suggest the period of extension.

(iv) In case, a request is directly received in the Board, the same shall be forwarded to the concerned Collector for action as aforesaid. However, in cases where the Board is satisfied that sufficient information is available, the orders as deemed fit may be passed without referring the matter to the Collector.

(v) The Collector shall forward his recommendation to the Board within fifteen days of the receipt of the application in RTO/ LTU. In case the Collector calls for further information, the said period shall be reckoned from the day of receipt of such information.

(vi) After receipt of recommendations from the Collector, the Board shall examine the request and the recommendations and communicate approval or rejection of the request to Collector as well as to the applicant.

(Muhammad Sadiq)
Secretary (ST&FE-L&P)

C.No.1(5)FED/2009 Islamabad, 15th September, 2009

SALES TAX GENERAL ORDER No. 35 OF 2009

Subject: Extension in Time Limitation under Section 74 of the Sales Tax Act 1990 for Issuance of Debit/Credit Notes by Insurance Companies in Terms of Section 9 of the Act read with rule 22 of Sales Tax Rules 2006.

The Insurance Association of Pakistan has approached the Board that the Insurance Companies have to encounter undue encumbrance in seeking extension in limitation imposed by sub-rule (4) of rule 22 of the Sales Tax Rules 2006 for issuance of debit / credit notes, especially when a policy is discarded or changed by a client. Though the SRO 394(I)/ 2009 dated 21.05.2009 empowers the Collector to grant extension upto one year on case to case basis yet the recourse to that action entails individual applications by the concerned registered persons, time and again, for resolution to individual problems.

2. With a view to mitigating the hardship faced by the Insurance Companies, the Board, in exercise of powers conferred under section 74 of the Sales Tax Act, 1990, is pleased to allow them extension in the time limitation for issuance of Debit Credit Note from 180 days to 365 days.

(Muhammad Sadiq)
Secretary Tariff (ST&FE)

1-192-15-07-19

C.No.3(5)ST-L&P/2010 Islamabad, 20th January, 2010

SALES TAX GENERAL ORDER No. 01 OF 2010

Subject: Fiscal Relief to Rehabilitate the Economic Life in NWFP/FATA, instalment in arrears.

In pursuance to Ministry of Finance U.O. dated 7-1-2010 the FBR has decided to allow instalments in deposit of arrears by taxpayers / registered persons belonging to violence-hit areas of NWFP and FATA, given in this order.

2. Following procedure shall be observed in allowing instalments to the registered persons/ taxpayers namely:-

(i) Filing of application for instalment of arrears.--The taxpayer shall file application to the Chief Commissioner Regional Tax Office Peshawar /Abbottabad for allowing him instalment in payment of outstanding arrears of sales tax stretching over a period of not exceeding three years.

(ii) Processing of the application.- The Chief Commissioner shall cause the application of the taxpayer/ registered person examined and processed by an officer subordinate to him not below the rank of Additional Commissioner.

(iii) Decision by Commissioner.- After satisfying himself about the propriety of the application, the Chief Commissioner, or as the case may be, the Commissioner, shall pass an order to that effect.

3. Taxpayers of Violence affected areas.- For the purposes of this order, violence affected areas shall cover the following districts / areas of the NWFP and FATA:

(i) Most Affected Areas

Bajur Agency	FATA
Mohamand Agency	
Khyber Agency	
Orakzai Agency	
Kurrum Agency	
North Waziristan Agency	
South Waziristan Agency	
Malakand Agency	PATA
District Swat	
District Buner	
District Shangla	
District Upper Dir; &	
District Lower Dir	

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District Hangu District Bannu; and District Tank [1][District Peshawar]	Settled Areas
(ii) Moderately Affected Areas	
District Kohat District Charsadda District Peshawar District D.I. Khan; and District Batagram Lakimarwat Swabi Mardan [1][District Nowshera]	

4. Exclusion.- The facility of instalment under this STGO shall not be applicable to arrears on account of beverages, cement, sugar and cigarette.

5. Application to Excise Duty Arrears.- Subject to paragraph 4 this order shall, mutatis mutandis, be applicable to arrears of excise duty.

(Muhammad Sadiq)
Secretary ST&FE (L&P)

C.No.2(1)ST-L&P/2000(Pt) Islamabad, 27th January, 2010

SALES TAX GENERAL ORDER No. 03 OF 2010

Subject: Refund of Sales Tax by Customs Collectorates.

In exercise of the powers conferred by sub-section (2) of section 50 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to order that following further amendment in the Sales Tax General No. 03/2004 dated the 12th June 2004, shall be made, namely:-

"In the aforesaid General Order, paragraphs 25 and 26 shall be substituted by the following, namely:-

25. (1) Sales Tax refund filed by registered person for import-related sales tax paid in excess due to inadvertence, error or misconception arising out of classification dispute, SRO application dispute or valuation dispute may be decided and allowed by the Customs importing station subject to sub paragraph (2) below.

[1]Words inserted by General Order No. 12 of 2010 dated April 03, 2010.

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(2) In the case of registered person while applying for refund to the concerned Customs Collectorate, the applicant must endorse a copy of the refund application to the Refund Division of the concerned RTO / LTU. Before processing import-related refund claims, the concerned Collectorate of Customs must seek confirmation from the concerned Regional Tax Office (RTO) that no adjustment of input/refund of the said amount has been claimed by the applicant or paid by the Sales Tax authorities, to avoid double payment of refund. The concerned RTO / LTU on receipt of a reference from Collectorate of Customs, shall issue required confirmation within thirty days to the effect that no adjustment of input/refund of the amount involved has been claimed by the registered person in the RTO / LTU.

26. "(1) For the unregistered persons, the import related refund shall be processed at the Customs stations concerned with out prior reference to RTO / LTU.

(2) Notwithstanding any thing contained in the preceding paragraphs, the Sales tax refund files after authorization / issuance of refund payment order by the relevant officers of the customs stations shall be sent through proper channel in the case of registered person to the RTO / LTU concerned and in the case of unregistered person to the nearest RTO where the customs station is located. The refund sanctioning authority of the Customs Collectorate shall mention in his sanction order the number and date, etc. of RTO's / LTU's confirmation of input / refund, in the case of registered person, having not been allowed earlier. On receipt of such sanction order from customs station to the RTO/ LTU the payment of import related refund will be made by the Chief Accounts Officer, of that RTO / LTU. The amount of such sales tax refund shall be debited from the head of sales tax (on imports).

(Muhammad Sadiq)
Secretary ST&FE (L&P)

C.No.3(7)ST-L&P/2010 Islamabad, 30th March, 2010

SALES TAX GENERAL ORDER No. 11 OF 2010

Subject: Delivery Of Sales Tax Registration Certificates To Registered Persons Of GilgitBaltistan.

The Northern Areas Gemstone & Mineral Association has made a representation to the Board stating that they have to approach the RTO, Islamabad from far flung areas of Gilgit-Baltistan in order to obtain Sales Tax Registration and then they again have to visit the RTO in person to receive the registration certificate.

2. The matter has been examined and as the Board's letter C. No. Misc/GST/CRO/2004 dated 26.10.2007 requires mandatory personal appearance by the registrant before the Additional Commissioner concerned, therefore, in order to mitigate the hardship faced by importers (registrants), the Board, in exercise of powers conferred under section 55 of the Sales Tax Act, 1990, is pleased to direct that until delivery of sales tax registration certificates is made possible through an office in Gilgit-Baltistan, the Chief Commissioner RTO, Islamabad may, in addition to the mode of delivery prescribed vide FBR's letter referred to above, deliver certificates to any of the following persons on behalf of a registered person from Gilgit-Baltistan, subject to proper identification:

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(i) A member of Northern Areas Chamber of Commerce and Industry, Gilgit;

(ii) An office bearer / member of Executive Committee of Northern Areas Gemstones & Mineral Association, Gilgit;

(iii) A blood / legal relative like father, brother, son, daughter or spouse; or

(iv) A duly authorized representative who is also a member of a High Court Bar or a District Bar Council.

(Azood-ul-Mehdi)
Second Secretary (ST-L&P)

C.No.3(8)ST-L&P/2009 Islamabad, 10th May, 2010

SALES TAX GENERAL ORDER No. 18 OF 2010

Subject: Input tax adjustment to Pakistani registered persons against their purchases from AJK registered persons: Procedure Thereof.

The current FBR integrated database consisting of e-filed Sales Tax / Federal Excise returns, e-filed Income Tax returns and Custom clearances made through PACCS / one Customs allows input adjustments to the sales tax registered persons in Pakistan only. Clause (e) of sub-section (14) of section 2 of the Sales Tax Act, 1990, however, entitles adjustment of input tax levied under Sales Tax Act, 1990, as adapted in State of Azad Jammu and Kashmir (AJK), on supplies of goods received by a registered person in Pakistan from their suppliers in AJK

(AJK units). As the return data of AJK units does not appear in FBR integrated database, the supplies from them appear from non-registered persons and thus not entitled to input adjustment by Pakistani registered persons.

2. In their representation dated 22nd January 2010 M/s Sheraz Industries (Pvt) Limited, Rawalpindi, a unit of AJK, has agitated the matter of not allowing input adjustment to their buyers registered in Pakistan, who do not want to purchase from them as they cannot claim input adjustment.

3. In order to mitigate their genuine problem the Board is pleased to lay down the following procedure for input adjustment in such cases:

(i) All the units registered in AJK who are selling goods to registered persons in Pakistan will give undertaking to the respective RTOs/LTUs in Pakistan that they will supply all data/ record needed by Pakistani tax authorities to ascertain correctness of their sales to Pakistani registered person.

(ii) After receipt of requisite undertakings the concerned RTO/LTU in the Pakistan may manually allow input adjustment to Pakistani registered persons after fulfilling all the conditions of section 7, 8 and 73 of the Sales Tax Act, 1990, and the rules notified thereunder.

(Azood-ul-Mehdi)
Second Secretary (Law & Procedure)

1-192-15-07-19

C.No.3(1)ST-L&P/2010 Islamabad, 13th May, 2010

SALES TAX GENERAL ORDER No. 19 OF 2010

Subject: Filing and processing of expeditious refunds by it system of FBR.

In exercise of the powers conferred under section 50 of the Sales Tax Act, 1990 and to streamline the refund processing under section 10 of the said Act, the Federal Board of Revenue is pleased to direct that, following procedure shall be followed by the IT System of FBR for receiving, processing and payment of the sales tax refunds filed under Rule-26A of Sales Tax Rules 2006:-

(1). Electronic Submission of Refund Claim under Rule 26A of Sales Tax Rules 2006

The registered person eligible for claiming expeditious refund will file refund application on RCPS format by logging in at FBR web portal. He will also complete declaration given at Annex-A electronically.

(2). Qualification Criteria for Expeditious Processing and Payment of Refunds

An ERC qualifies for Expeditious Payment of Refund if it satisfies all the following conditions:

(i). The applicant is manufacturer-cum-exporter registered in RTO Lahore (or other RTOs / LTUs, with effect from tax period July 2010).

(ii). Registered Person is Active Taxpayer.

(iii). The amount of refund claim has also been claimed in the corresponding Sales Tax / F. E. Return.

(iv). All declarations at Sr. 1-12 (except Sr-4 & 6) of ERC are "Yes". Provided that a refund claimant against whom there is no recovery shall declare "Yes" at SR. No. 4 of Annex-A. In case of 'No', claimant has to feed the recoverable amount.

(v). The Registered Person will be paid amounts cleared by RMS.

(3). Electronic Intimation to the Registered Person

(i). If an ERC qualifies for expeditious payment of refund as stated in sub-para (2), then the registered person shall be intimated by e-Mail as prescribed in Annex-B.

(ii). If an ERC does not qualify for expeditious payment of refund as stated in sub-para (2), then the registered person shall be intimated by e- Mail as prescribed in Annex-C.

(4). Electronic Advice to RTO/LTU

(i) If an ERC qualifies for expeditious payment of refund as stated in sub-para (2), then the respective tax office shall be advised by e-Mail as prescribed in Annex-D and a system-approved Refund Payment Order (RPO) shall be placed in the Inbox of the treasury officer of the RTO for issuance of cheque to the registered person.

(ii) Simultaneously the refund claim shall be forwarded electronically to the concerned audit division of tax office for post refund audit.

(Azood-ul-Mehdi)
Second Secretary (ST-L&P)

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Annex-A

(See para 1(1) of STGO /2010 dated)

FEDERAL BOARD OF REVENUE

ELECTRONIC REFUND CLAIM (ERC)

(Under Rule 26A OF SALES TAX RULES 2006)

From : NTN : XXXXXX-X STRN : XXXXXXXXXXX

Name : M/s XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

To : Commissioner, Inland Revenue, RTO / LTU XXXXXXXXXX

Tax Period: MM-YYYY Amount of refund claimed: Rs. _____

(As per return)

Electronic refund claim u/s 10 of the Sales Tax Act 1990 of the registered person mentioned above for tax period MM-YYYY in the RCPS format is enclosed. I further solemnly declare that:

Sr.	Description of declaration	Declaration
1.	The registered person is registered as Manufacturer-cum-Exporter for this refund claim period.	O Yes O No
2.	No short shipment and export GD objection by Customs is involved in any of the exports mentioned in this refund claim.	O Yes O No
3.	All the payments for purchases were made through banking instruments, by the registered person, as required under section 73 of the Sales Tax Act, 1990.	O Yes O No
4.	Recoveries against the registered person ordered through the following orders may not be recovered from this refund claim as registered person wants to pay after decision of Appellate Tribunal/ ADRC/Court. Name of Tax Order No. & Date Amount (i) (ii) (iii)	O Yes O No
5.	This refund is claimed only to the extent of stock consumed.	O Yes O No
6.	The Registered Person belongs to Zero-rated sector.	O Yes O No
7.	Refund claim amount has not been adjusted / claimed earlier.	O Yes O No
8.	No short payment is due against any of the returns filed so far.	O Yes O No
9.	All the utility connections like electricity, gas and telephone for which inputs are claimed in this refund are used in the business premises and full payment of those bills have been made.	O Yes O No

10.	The brought forward input tax amount in this claim from carry forward input tax amount of the previous claim(s) does not include quantities of raw material consumed in the exported goods covered in this claim.	O Yes O No
11.	The Registered Person has maintained all the record pertaining to this refund claim including invoices, credit notes, debit notes, goods declarations, bank credit advices, etc. and the same will be produced as and when required by the authorized officer(s) of FBR.	O Yes O No
12.	All the information provided in the RCPS format and this declaration is correct and the registered person shall be liable to legal action under the Sales Tax Act, 1990 in case of any mis-declaration noticed by FBR staff posted in HQ or field formations.	O Yes O No

I declare that an amount of Rs. _____ claimed as refund relates to Sales Tax paid on raw materials consumed in the exported goods and the amount of Rs. _____ being carried forward relates to sales tax paid on raw materials presently in stock with the registered person.

I further understand that any of the responses to declarations at Sr-1 to 12 (except 4 & 6) as "No" shall disqualify this claim for processing under rule 26A of Sales Tax Rules 2006.

Date : DD-MM-YYYY

Annex-B

(See para 1(3)(i) of STGO /2010 dated)

FEDERAL BOARD OF REVENUE
RISK MANAGEMENT SYSTEM
EXPEDITIOUS REFUND CLEARANCE INTIMATION (ERCI)

DD-MM-YYYY

NTN : XXXXXX-X

STRN : XXXXXXXXXXX

Name : XXXXXXXXXXXXXXXXXXXXXXXXX

Dear Registered Person

Your refund claim filed on DD-MM-YYYY for the tax period MM-YYYY has been processed by Risk Management System of FBR as follows:

a) Refund amount claimed = Rs. ----------

b) Refund amount cleared = Rs. ----------

c) Refund amount deferred for manual processing = Rs. ----------

Your tax office has been advised to issue the cheque for the cleared amount. After payment of refund, a post refund audit will be conducted under the Sales Tax Rules, 2006 and recovery will be made, if any.

Remaining portion of the refund claimed by you, if any, which is not cleared by RMS shall be treated as deferred and shall be processed under normal procedure and you may be asked to produce some documents related to the claim.

1-192-15-07-19

eFBR System

This is system generated notification and thus does not require signature.

Annex-C

(See para 1(3)(ii) of STGO /2010 dated)

FEDERAL BOARD OF REVENUE
RISK MANAGEMENT SYSTEM
EXPEDITIOUS REFUND REJECTION ADVICE (ERRA)

DD-MM-YYYY

NTN : XXXXXX-X

STRN : XXXXXXXXXXX

Name : XXXXXXXXXXXXXXXXXXXXXXXXX

Dear Registered Person

Your refund claim filed on DD-MM-YYYY for the tax period MM-YYYY has been processed by Risk Management System of FBR, which has not cleared any amount. Therefore your claim has been forwarded for normal processing under the refund Rules 2006.

Your tax office may require certain documents to manually process this refund claim.

eFBR System

This is system generated notification and thus does not require signature.

Annex-D

(See para 1(4)(i) of STGO /2010 dated)

FEDERAL BOARD OF REVENUE
RISK MANAGEMENT SYSTEM
EXPEDITIOUS REFUND CLEARANCE ADVICE (ERCA)

DD-MM-YYYY

The Commissioner (Inland Revenue)

------ Name of Division -----

----- Name of Tax Office ------

Refund claim filed, under Rule-26A of Sales Tax Rules, 2006, on DD-MM-YYYY for the tax period MM-YYYY has been processed by Risk Management System of FBR as follows:

NTN : XXXXXX-X

STRN : XXXXXXXXXXX

Name : XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

a) Refund amount claimed = Rs. ----------

b) Refund amount cleared = Rs. ----------

c) Refund amount deferred for manual processing = Rs. ----------

d) Date of Processing by RMS = DD-MM-YYYY

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Please issue the cheque for the above-mentioned cleared amount within seven working days of the date of processing by RMS. For issuance of the refund cheque, a refund payment order (RPO) has been placed in the inbox of the treasury officer.

Remaining refund claim not cleared by RMS, if any, has been deferred and shall be processed by the RTO / LTU as per normal refund rules.

After payment of refund, a post refund audit under the Sales Tax Rules, 2006 will be conducted for which the refund claim data will be forwarded to the RTO immediately upon issuance of the refund cheque.

eFBR System

This is system generated notification and thus does not require signature.

C.No.3(7)ST-L&P/2006(Pt) Islamabad, 01st July, 2010

SALES TAX GENERAL ORDER No. 20 OF 2010

Subject: Revision of Sales Tax rate w.e.f. 01st July 2010 - Printing of Retail Price.

After the amendments in the Sales Tax Act, 1990, through the Finance Act, 2010, the applicable rate of sales tax on items in the Third Schedule of the Sales Tax Act, 1990, has been increased from 16% to 17% with effect from 1st July 2010 through the Finance Bill 2010. Manufacturers of items specified in Third Schedule to the Sales Tax Act, 1990, have reported difficulty in printing sales tax @ 17% of the retail price on their existing stocks which have already been printed with sales tax @ 16% of the retail price.

2. The Board, recognizing the enormity and impracticability of the task of re-printing of sales tax amount, in exercise of powers under section 55 of the Sales Tax Act, 1990, is pleased to allow the usage of existing packing material for a period of three months starting from 1st July, 2010, subject to the following conditions:

(i) the manufacturer shall inform the Commissioner of Inland Revenue, having jurisdiction, about the stocks as in hand on 30th June, 2010, with full description and quantity, on which sales tax is printed @ 16%;

(ii) the sales tax in respect of supplies of such stocks shall be paid @ 17% with effect from 1st July 2010;

(iii) the manufacturer shall advertise the retail price, sales tax @ 17% and total consumer price of such goods in the leading daily newspapers in English, Urdu and other regional languages, at least once in a week in July 2010 and thereafter once a month in August and September, 2010; and

(iv) This permission shall not apply to cases where actual retail price excluding sales tax is different from the one printed.

(Azood-ul-Mehdi)
Second Secretary (ST-L&P)

1-192-15-07-19

C.No.3(7)ST-L&P/2006(Pt) Islamabad, 23rd September, 2010

SALES TAX GENERAL ORDER No. 35 OF 2010

SUBJECT: Revision of Sales Tax rate w.e.f. 1st July 2010 – Printing of Retail Price

After the amendments in the Sales Tax Act, 1990, through the Finance Act, 2010, the applicable rate of sales tax on items in the Third Schedule of the Sales Tax Act, 1990, was increased from 16% to 17% with effect from 1st July 2010 through the Finance Bill 2010. Manufacturers of items specified in Third Schedule to the Sales Tax Act, 1990, reported difficulty in printing sales tax @ 17% of the retail price on their existing stocks which had already been printed with sales tax @ 16% of the retail price.

2. The Board, recognizing the enormity and impracticability of the task of re-printing of sales tax amount, in exercise of powers under section 55 of the Sales Tax Act, 1990, was pleased to allow the usage of existing packing material for a period of three months starting from 1st July, 2010, vide STGO 20 of 2010 dated 1st July, 2010.

3. Certain taxpayers have subsequently requested to further extend the period as a portion of their stock of printed packing materials still remain unused. Keeping in view the aforesaid position the Federal Board of Revenue is pleased to allow, subject to conditions enumerated in the aforesaid STGO, a further period of two months to consume their packing material up to 30th November, 2010, after which no further extension will be allowed.

(Azood-ul-Mehdi)
Second Secretary (ST-L&P)

C.No.3(1)ST-L&P/2010 Islamabad, 24th September, 2010

SALES TAX GENERAL ORDER No. 37 OF 2010

SUBJECT: Establishment of Centralized Sales Tax Refund Office (CSTRO)

The Centralized Sales Tax Refund Office (CSTRO), specified in Rule-27 of the Sales Tax Rules, 2006, is hereby established in the Federal Board of Revenue, with immediate effect, for centralized payment of all refund claims processed under the aforesaid rules. Admn Wing of FBR is being requested to place the services of Chief Accounts Officer, RTO, Islamabad at the disposal of Chief (CSTRO). The said Chief Accounts Officer will act as co-signitory of sales tax and federal excise refund chequesalongwith Chief (CSTRO).

(Azood-ul-Mehdi)
Second Secretary (L&P)

1-192-15-07-19

C.No.3(7)ST-L&P/2006(Pt) Islamabad, 30th November, 2010

SALES TAX GENERAL ORDER No. 49 OF 2010

Subject: Revision of Sales Tax Rate w.e.f. 1st July 2010 – Printing of Retail Price

After the amendments in the Sales Tax Act, 1990, through the Finance Act, 2010, the applicable rate of sales tax on items in the Third Schedule of the Sales Tax Act, 1990, was increased from 16% to 17% with effect from 1st July 2010 through the Finance Bill 2010. Manufacturers of items specified in Third Schedule to the Sales Tax Act, 1990, reported difficulty in printing sales tax @ 17% of the retail price on their existing stocks which had already been printed with sales tax @ 16% of the retail price.

2. The Board, recognizing the enormity and impracticability of the task of re-printing of sales tax amount, in exercise of powers under section 55 of the Sales Tax Act, 1990, was pleased to allow the usage of existing packing material for a period of three months starting from 1st July, 2010, vide STGO 20 of 2010 dated 1st July, 2010. Upon a subsequent request from taxpayers a further extension in time was granted up to 30th November, 2010, vide STGO 35 of 2010 dated 23rd September, 2010.

3. Certain taxpayers have now further requested to extend the period as a portion of their stock of printed packing materials still remain unused. Keeping in view the aforesaid position the Federal Board of Revenue is pleased to allow, subject to conditions enumerated in the aforesaid STGO, a further period of one month to consume their packing material up to 31st December, 2010, after which no further extension will be allowed.

(Azoodul Mehdi)
Second Secretary (ST-L&P)

C.No.3(7)ST-L&P/2006(Pt) Islamabad, 23rd December, 2010

SALES TAX GENERAL ORDER No. 50 OF 2010

Subject: Revision of Sales Tax Rate w.e.f. 1st July 2010 – Printing of Retail Price

After the amendments in the Sales Tax Act, 1990, through the Finance Act, 2010, the applicable rate of sales tax on items in the Third Schedule of the Sales Tax Act, 1990, was increased from 16% to 17% with effect from 1st July 2010 through the Finance Bill 2010. Manufacturers of items specified in Third Schedule to the Sales Tax Act, 1990, reported difficulty in printing sales tax @ 17% of the retail price on their existing stocks which had already been printed with sales tax @ 16% of the retail price.

2. The Board, recognizing the enormity and impracticability of the task of re-printing of sales tax amount, in exercise of powers under section 55 of the Sales Tax Act, 1990, was pleased to allow the usage of existing packing material for a period of three months starting from 1st July, 2010, vide STGO 20 of 2010 dated 1st July, 2010. Upon subsequent requests from taxpayers further extensions in time were granted, first up to 30th November, 2010, vide STGO 35 of 2010 dated 23rd September, 2010 and then up to 31st December, 2010, vide STGO 49 of 2010 dated 30th November, 2010.

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3. Certain taxpayers have now again requested to extend the period for consumption of their already printed packing materials. Keeping in view the aforesaid position the Federal Board of Revenue is pleased to allow, subject to conditions enumerated in STGO 20 of 2010 dated 1st July, 2010, a further period of three months to consume their packing material up to 31st March, 2011, after which no further extension will be allowed.

(Azoodul Mehdi)
Second Secretary (ST-L&P)

C.No.3(1)ST-L&P/2010 Islamabad, 23rd December, 2010

SALES TAX GENERAL ORDER No. 51 OF 2010

Subject: Filing and Processing of expeditious Refunds by IT System of FBR.

In exercise of the powers conferred under section 50 of the Sales Tax Act, 1990 and to streamline the refund processing under section 10 of the said Act, the Federal Board of Revenue is pleased to direct that the following amendment shall be made in its Sales Tax General Order No. 19 of 2010 dated 13.05.2010, namely:-

In the aforesaid General Order, for Annex-A the following shall be substituted, namely:-

Annex-A

(See para 1(1) of STGO /2010 dated)

FEDERAL BOARD OF REVENUE EXPEDITIOUS REFUND SYSTEM (ERS) (Under Rule 26A OF SALES TAX RULES 2006)

From : NTN : XXXXXX-X STRN : XXXXXXXX

Name : M/s XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

To : Commissioner, Inland Revenue, RTO / LTU XXXXXXXXXX

Tax Period : MM-YYYY Amount of refund claimed :Rs. _____
(As per return)

Electronic refund claim u/s 10 of the Sales Tax Act 1990 of the registered person mentioned above for tax period MM-YYYY in the RCPS format is enclosed. I further solemnly declare that:

Sr.	Description of declaration	Declaration
1	The registered person is registered as Manufacturer-cum-Exporter for this refund claim period.	O Yes O No
2	Tick either 'A' or 'B' **(A)** No short shipment is involved in this case and value of exported goods is Rs _____ which involves refund of S. T. amounting to Rs _____. or	O A
	(B) Short shipment is involved in this case but value of exported goods (excluding short shipment) is Rs. _____ involving sales tax refund of Rs. _____.	O B

3	All the payments for purchases were made through banking instruments, by the registered person, as required under section 73 of the Sales Tax Act, 1990	O Yes O No
4	Recoveries against the registered person ordered through the following orders may not be recovered from this refund claim as registered person wants to pay after decision of Appellate Tribunal/ ADRC/Court. Name of Tax Order No. & Date Amount (i) (ii) (iii)	O Yes O No
5	This refund is claimed only to the extent of stock consumed.	O Yes O No
6	The Registered Person belongs to Zero-rated sector.	O Yes O No
7	Refund claim amount has not been adjusted / claimed earlier.	O Yes O No
8	No short payment is due against any of the returns filed so far.	O Yes O No
9	All the utility connections like electricity, gas and telephone for which inputs are claimed in this refund are used in the business premises and full payment of those bills have been made.	O Yes O No
10	The brought forward input tax amount in this claim from carry forward input tax amount of the previous claim(s) does not include quantities of raw material consumed in the exported goods covered in this claim.	O Yes O No
11	The Registered Person has maintained all the record pertaining to this refund claim including invoices, credit notes, debit notes, goods declarations, bank credit advices, etc. and the same will be produced as and when required by the authorized officer(s) of FBR.	O Yes O No
12	All the information provided in the RCPS format and this declaration is correct and the registered person shall be liable to legal action under the Sales Tax Act, 1990 in case of any mis-declaration noticed by FBR staff posted in HQ or field formations.	O Yes O No

I declare that an amount of Rs. _____ claimed as refund relates to Sales Tax paid on raw materials consumed in the exported goods and the amount of Rs. _____ being carried forward relates to sales tax paid on raw materials presently in stock with the registered person.

I further understand that any of the responses to declarations at Sr-1 to 12 (except 2, 4 & 6) as "No" shall disqualify this claim for processing under rule 26A of Sales Tax Rules 2006.

Date : DD-MM-YYY

(Azoodul Mehdi)
Second Secretary (ST-L&P)

1-192-15-07-19

_____

C.No.3(1)ST-L&P/2010 Islamabad, 08th January, 2011

SALES TAX/ FE GENERAL ORDER No. 01 OF 2011

Subject: Filing and Processing of expeditious Refunds by IT System of FBR.

In exercise of the powers conferred under section 40 of the Federal Excise Act, 2005 the Federal Board of Revenue is pleased to direct that provisions of Sales Tax General Order No. 19 of 2010 dated 13.05.2010 shall apply *mutatis mutandis* to cases of refund of duties of excise under Federal Excise Act, 2005.

(Azoodul Mehdi)
Second Secretary (ST/FE-L&P)

C.No.3(7)ST-L&P/2006(Pt) Islamabad, 24th June, 2011

SALES TAX GENERAL ORDER No. 03 OF 2011

Subject: Revision of Sales Tax rate w.e.f. 1st July 2011 – Printing of Retail Price.

After the amendments in the Sales Tax Act, 1990, through the Finance Act, 2011, the applicable rate of sales tax on items in the Third Schedule of the Sales Tax Act, 1990, has been reduced from 17% to 16% with effect from 1st July 2011 through the Finance Bill 2011. Manufacturers of items specified in Third Schedule to the Sales Tax Act, 1990, have reported difficulty in printing sales tax @ 16% of the retail price on their existing stocks which have already been printed with sales tax @ 17% of the retail price.

2. The Board, recognizing the enormity and impracticability of the task of re-printing of sales tax amount, in exercise of powers under section 55 of the Sales Tax Act, 1990, is pleased to allow the usage of existing packing material for a period of one month starting from 1st July, 2011, subject to the following conditions:

(i) the manufacturer shall inform the Commissioner of Inland Revenue, having jurisdiction, about the stocks as in hand on 30th June, 2011, with full description and quantity, on which sales tax is printed @ 17%;

(ii) the sales tax in respect of supplies of such stocks shall be paid @ 16% with effect from 1st July 2011;

(iii) the manufacturer shall advertise the retail price, sales tax @ 16% and total consumer price of such goods in the leading daily newspapers in English, Urdu and other regional languages, at least once in a week in July 2011; and

(iv) This permission shall not apply to cases where actual retail price excluding sales tax is different from the one printed.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)

1-192-15-07-19

C.No.3(5)ST-L&P/2007 Islamabad, 27th June, 2011

SALES TAX/ FE GENERAL ORDER No. 04 OF 2011

Subject: Monitoring Committee for the Steel Sector.

In exercise of the powers conferred by Rule 58M of the Sales Tax Special Procedure Rules, 2007, the Federal Board of Revenue is pleased to constitute committee(s) comprising of the following members for monitoring of the collection of sales tax from Steel sector under Chapter XI of the Sales Tax Special Procedure Rules, 2007, for the areas mentioned in the Table:

S. #	Name of Division / Area	Name of Nominees
1.	Lahore / Faisalabad	2. Mian Ahmed Hassan, M/s. Batala Steel (Pvt) Ltd., 16-KM Shaikhpura Road, Lahore. ii. Mian Muhammad Saeed, M/s. Madina Steel Industries, C/o, Dawood Steel Casting, Momanpura Road, Daroghawala, Lahore. iii. Mian Muhammad Ashraf, M/s. Punjab Concast (Pvt) Ltd., 13-Km, Shaikhpura Road, Lahore
2.	Islamabad / Hatter	2. Mr. Khalid Javed, M/s. Ittehad Foundry, Near R-Castl, E-Industrial Estate, Hattar (Distt. HAripur). ii. Mr. Javed Iqbal, M/s. Karachi Steel (Pvt) Ltd., Plot No. 191-192, Sector 1/10, Industrial Area, Islamabad.
3.	Karachi	i. Mr. ImdadHussain, M/s. Frontier Foundry (Pvt) Limited, Plot No. 166, Road B-7, Hayatabad Industrial Estate, Peshawar.
4.	Peshawar	i. Mr. Muhammad Dawood Khan, M/s. Hattat Steel Re-rolling Mills, Plot No. 8-9, Phase-4, Industrial Estate, Hattar (Distt. Hariput).
5.	Gujranwala/ Sialkot/ Daska and Narowal	2. Ch. Abdul Majeed, M/s. Rafique Steel Casting, S.I.E. No. 2, Gujranwala. ii. Maj. I AnjumPervaz, M/s. Khawaja Steel Industries, Khawaja Nagar, Dewan Road, Eminabad, Gujranwala. iii. Mr. Liaqat Ali, M/s. Islamabad Steel Furnace, S.I.E No. 2, Gujranwala.

2. The Chief Commissioner of the respective RTOs or an officer not below the rank of Commissioner nominated by him shall be Chairman of the Monitoring Committee to monitor the activity and collection of sales tax from Steel sector within their respective jurisdiction. The Chairman of the monitoring Committee shall hold regular meetings on his own or on request of the members of the Committee so that due tax is collected in an effective and efficient manner from this sector.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)

1-192-15-07-19

C.No.3(5)ST-L&P/2007(Pt) Islamabad, 26th August, 2011

SALES TAX/ FE GENERAL ORDER No. 09 OF 2011

Subject: Monitoring Committee for the Steel Sector.

In exercise of powers conferred by Rule 58M of the Sales Tax Special Procedure Rules, 2007, the Federal Board of Revenue is pleased to constitute Committee(s) comprising of the following members for monitoring of the collection of sales tax from Steel Re-Rolling Sector under Chapter XI of the Sales Tax Special Procedure Rules, 2007, for the areas mentioned in the Table:-

S#	Name of Division/ Area	Name of Nominees
1.	Lahore/ Faisalabad / Gujranwala/ Sialkot/ Daska and Norwal	i. MianManzoor Ahmed, Vice Chairman, Pakistan Steel Re-Rolling Mills Association, M/s. New Shalimar Steel Industries (Pvt) Ltd., Lahore. ii. Mr. AsmatPervaiz Malik, Ex-Chairman PSRMA, Member Executive Committee, Pakistan Steel Re-Rolling Mills Association, Lahore.
2.	Karachi/ Hyderabad/ Sukkur/ Quetta	i. Mr. Dewan Abu ObaidaFarooqui, Chairman, Pakistan Steel Re-Rolling Mills Asociation, M/s. Dewan Steel Mills, Karachi. ii. Sheikh KhurramIshiaq, Vice-Chairman, Pakistan Steel Re-Rolling Mills Association, M/s. Ittehad Industries, Karachi. iii. Mr. Mohammad Latif Chaudhry, Ex-Chairman, Pakistan Steel Re-Rolling Mills Association, Mehran Iron & Steel, Hyderabad. iv. Mr. Abbas Akber Ali, M/s. Amreli Steels Limited.
3.	Islamabad/ Rawalpindi	i. Mr. Khalid Javed, M/s. Ittehad Steel Re-Rolling Mills, Islamabad. ii. Malik Javed Iqbal, M/s. Karachi Steel Re-Rolling Mills, Islamabad. iii. Mr. Mohammad SulemanArif, M/s. Potohar Steel Industries, Islamabad.
4.	Peshawar/ Hattar	i. Mr. NomanWazir, M/s. Frontier Foundry, Peshawar.

2. The Chief Commissioner of the respective RTOs or an officer not below the rank of Commissioner nominated by him shall be Chairman of the Monitoring Committee to monitor the activity and collection of sales tax from Steel sector within their respective jurisdiction. The Chairman of the monitoring Committee shall hold regular meetings on his own or on request of the members of the Committee so that due tax is collected in an effective and efficient manner from this sector.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)

1-192-15-07-19

C.No.3(5)ST-L&P/2007(Pt) Islamabad, 26th August, 2011

SALES TAX/ FE GENERAL ORDER No. 10 OF 2011

Subject: Monitoring Committee for the Steel Sector.

In exercise of powers conferred by Rule 58M of the Sales Tax Special Procedure Rules, 2007, the Federal Board of Revenue is pleased to constitute Committee(s) comprising of the following members for monitoring of the collection of sales tax from Steel Ship Breakers Sector under Chapter XI of the Sales Tax Special Procedure Rules, 2007, for the areas mentioned in the Table:-

S#	Name of Division/ Area	Name of Nominees
1.	Karachi and Quetta/ Gaddani	1. Mr. DewanRizwanFarooqui, Karachi. 2. Mr. Suleman Ahmed Jiwani, Karachi. 3. Mr. Muhammad Sharif Paracha, Karachi. 4. Mr. Shoaib Sultan Khawaja, Karachi..

2. The Chief Commissioner of the respective RTOs or an officer not below the rank of Commissioner nominated by him shall be Chairman of the Monitoring Committee to monitor the activity and collection of sales tax from Steel sector within their respective jurisdiction. The Chairman of the monitoring Committee shall hold regular meetings on his own or on request of the members of the Committee so that due tax is collected in an effective and efficient manner from this sector.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)

C.No.3(5)ST-L&P/2007(Pt) Islamabad, 13th October, 2011

SALES TAX/ FE GENERAL ORDER No. 15 OF 2011

Subject: Monitoring Committee for the Steel Sector.

In exercise of powers conferred by Rule 58M of the Sales Tax Special Procedure Rules, 2007, the Federal Board of Revenue is pleased to make the following amendments in its Sales Tax General Order No. 04 of 2011 dated 27.06.2011 namely:-

In the aforesaid General Order, in the table, after serial number 5 in column (1) (2) and (3), the following new serial number shall be added, namely:-

S#	Name of Division/ Area	Name of Nominees
6.	Karachi, Hyderabad/ Sukkur and Quetta	i. Mr. Abbas Akberali M/s. Amreli Steel, D/89, Shershah Road, S.I.T.E., Karachi.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)

1-192-15-07-19

C.No.3(7)ST-L&P/2011 Islamabad, 30th June, 2012

SALES TAX GENERAL ORDER No. 35 OF 2012

Subject:Amendment in Sales Tax General Order 03/2004 dated 12th June, 2004.

The Federal Board of Revenue is pleased to direct that in Sales Tax General Order No. 03/2004 dated 12-06-2004, para 30, 31, 32, 33, 34, 35, 35, 37 and 38 shall be substituted as under, namely:-

"(N) Blacklisting and suspension of Registration

31. In order to ensure that the Large Taxpayers Units (LTU) and Regional Tax Offices (RTO) follow a uniform policy for suspension and blacklisting of sales tax registered persons under section 21(2) of the Sales Tax Act, 1990 read with Rule 12 of the Sales Tax Rules, 2006, and for subsequent proceedings in such cases, the Federal board of Revenue is pleased to make the following procedure:

Suspension

32. Where a Commissioner, having jurisdiction, is satisfied that a registered person has issued fake invoices, evaded tax or committed tax fraud, registration of such person may be suspended by the Commissioner through the system, without prior notice, pending further inquiry. The basis for such satisfaction may *inter alia* include the following:

(a) Non-availability of the registered person at the given address;

(b) Refusal to allow access to business premises or refusal to furnish records to an authorized Inland Revenue Officer;

(c) Abnormal tax profile, such as taking excessive input tax adjustments, continuous carry-forwards, or sudden increase in turnover;

(d) Making substantial purchases from or making supplies to other blacklisted/ suspended persons;

(e) Non-filing of sales tax returns.

(f) On recommendation of a commissioner of any other jurisdiction.

(g) Any other person to be specified by the Commissioner.

33. The suspension of registration shall take place through a written order of the Commissioner concerned, giving reasons for suspension. This order shall be endorsed to the registered person concerned, all other LTUs/RTOs the FBR/PRAL computer system, the STARR computer system and the Customs Wing computer system for information and necessary action as per law.

34. A registered person who does not file sales tax return for six consecutive months shall be suspended by the system without any notice.

35. In cases, where the buyers and suppliers of any such person, whose registration is being suspended, belongs to another LTU/RTO, and these buyers /suppliers are also required to be suspended, the Commissioner shall intimate the Chief Commissioner of the concerned LTU/RTO in whose jurisdiction such buyers/suppliers fall, in writing explaining the complete facts of the case and the reasons on the basis of which these buyers/suppliers are to be suspended, to initiate proceedings for suspension/blacklisting of the buyers/suppliers.

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36. No input tax adjustment/refund shall be admissible to the registered person during the currency of suspension. Similarly, no input tax adjustment/refund shall be allowed to any other registered persons on the strength of invoices issued by such suspended person (whether issued prior to or after such suspension), during the currency of suspension.

37. The Commissioner shall, within seven days of issuance of order of suspension, issue a show cause notice (through registered post or courier service) to the registered person to afford an opportunity of hearing within 15 days of the issuance of such notice clearly indicating that he will be blacklisted in case:

(a) there is no response to the notice.

(b) has not provided the required record

(c) has not allowed access to his business record/ premises.

(d) any other reason specified by the commissioner.

38. In case show cause notice is not issued within 07 days of the order of suspension, the order of suspension shall become void *ab initio*.

38A. In case of non-availability of the suspended person at the given address, the notice may be affixed on the main notice board of the LTU/RTO.

38B. On receipt of the reply to the notice and after giving an opportunity of hearing to the registered person, if the Commissioner is satisfied, he may order for revoking of suspension of the registered person.

Blacklisting

38C. In case, after giving an opportunity of hearing, the offence is confirmed, the Commissioner shall issue an appealable self-speaking order for blacklisting of the registered person, and shall proceed to take legal and penal action under the relevant provisions of the Act.

38D. The order of blacklisting shall contain the reasons for blacklisting, the time period for which any refund or input tax claimed by such or by any other registered person on the strength of invoices issued by him from the date of his registration shall be inadmissible, any recovery to be paid or penalties to be imposed.

38E. The order of blacklisting shall be issued within 90 days of the issuance of the notice of hearing. In case, the order of blacklisting is not issued within this time period the suspension of registered person shall become void *ab initio.*

38F. Copies of the order shall be endorsed to the registered person concerned, all other LTUs/RTOs, the FBR/PRAL computer system, the STARR computer system and the Customs Wing computer system. Each LTU/RTO shall circulate all such lists to their refund sections, audit sections and other concerned staff to ensure that the order implemented in letter and spirit by all concerned.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)

1-192-15-07-19

C.No.Mis/GST/CRO/2012/Pt-II Islamabad, 13th February, 2013

SALES TAX/ FE GENERAL ORDER No. 04 OF 2013

Subject: Transfer of Business.

The taxpayers are registered for Income Tax through a unified taxpayer registration form (TRF-01/STR-01) as one of three types of persons namely, Individual, Association of persons (AOP) or Company. Each person (Individual, AOP or Company) is identified by his unique identifier which is National Tax Number (NTN). The NTN to individual is issued on the of CNIC and to a company on the basis of Incorporation Number issued by SECP.

2. In order to implement Sub Rule (4) of Rule 7 of Sales Tax Rules, 2006, which was added vide SRO. 589(I)/2012 dated 01-06-2012, for change of nature of business, following procedure shall be adopted:-

(A) From one Individual to another Individual

An application on STR-01 form will be submitted manually to the Local Registration Office (LRO) along with an affidavit jointly signed by all the partners confirming the dissolution of the AOP and requesting for changing the status of the AOP to the Company. The LRO will forward the application along with NOC for change of status from AOP to company to Manager E-Registration, PRAL for updating status in the system. In case any fresh NTN has already been obtained by the company, the same shall be surrendered by the applicant and it will be cancelled in the registration system. PRAL shall establish a link between all the declarations filed earlier by the taxpayer in its capacity as AOP with those to be filed in future as Company. This link will beavailable in the e-folders of both the taxpayer and tax officer. In case of online NTN inquiry, following remarks will be displayed under the name of company.

"Formerly registered as AOP ---------- Name of AOP ---------- "

PRAL will also make necessary changes in the data base so that the taxpayer is able to electronically file all the declarations in its capacity as AOP and Company according to the corresponding tax periods.

(B) From one Individual to another Individual

An application on STR-01 form will be submitted manually to the Local Registration Office (LRO) along with an affidavit jointly signed by both the individuals requesting for transfer of business from one Individual to the other Individual. The LRO will forward the application along with NOC for transfer of business from one Individual to the other Individual to Manager E-Registration, PRAL for changing ownership in the system.

New NTN will be issued to the taxpayer, if already not issued. The business name from the old NTN will be closed w.e.f. the date of transfer of business to the new NTN.

In case of inquiry of old NTN:

"Business name XXXXXXXX has been transferred from the NTN: NNNNN-N w.e.f.: DD-MM-YYYY"

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A link between the new NTN and old NTN will be created in the e-folder of the taxpayer as well as tax officer.

3. As CNIC is a permanent identity of a citizens of Pakistan and it is not allotted to any other individual, therefore the NTN issued against the CNIC shall not be allotted to an AOP.

(Abdul SattarAora)
Chief, Inland Revenue (Automation)

C.No.3(7)ST-L&P/2006(Pt)-91617 Islamabad, 05th July, 2013

SALES TAX GENERAL ORDER No. 28 OF 2013

Subject:Revision of Sales Tax Rate w.e.f. 13th July, 2013 – Printing of Retail Price.

After the amendments in the Sales Tax Act, 1990, through Finance Act, 2013, the applicable rate of sales tax has been increased from 16% to 17% with effect from 13th June, 2013. The list of items chargeable to sales tax on retail price basis also been expanded w.e.f. 13th June, 2013. The manufacturers of items specified in Third Schedule to the Sales Tax Act, 1990, may face difficulty in printing retail price on their existing stocks of packing material which have already been printed with sales tax @ 16% of the retail price or has been printed without retail price.

2. The Board, recognizing the enormity and impracticability of the task of printing and re-printing of retail price and sales tax amount, in exercise of powers conferred under section 55 of the Sales Tax Act, 1990, is pleased to allow the use of existing packing material for a period of two month starting from 13th June, 2013, subject to the following conditions:-

(i) the manufacturer shall inform the Commissioner of Inland Revenue, having jurisdiction, about the stocks as in hand on 12th June, 2013, with full description and quantity, on which sales tax is printed @ 16% or on which no retail price is printed;

(ii) the sales tax in respect of supplies of such stocks shall be paid @ 17% with effect from 13th June, 2013;

(iii) the manufacturer shall advertise the retail price, sales tax @ 17% and total consumer price of such goods in the leading daily newspapers in English, Urdu and other regional languages, at least once in a week in July and August, 2013;

(iv) This permission shall not apply to cases where actual retail price excluding sales tax is different from one printed.

(Fahad Ali Chaudhary)
Secretary (ST&FE-L&P)

1-196-31-12-19

C.No.3(7)ST-L&P/2006(Pt)-94374-R Islamabad, 12th July, 2013

SALES TAX GENERAL ORDER No. 30 OF 2013

Subject:Revision of Sales Tax Rate w.e.f. 13th[June], 2013 – Printing of Retail Price.

In the aforesaid General Order, in the subject, the word "July" shall be read as "June".

(Fahad Ali Chaudhary)
Secretary (ST&FE-L&P)

C.No.3(7)ST-L&P/2011 Islamabad, 16th August, 2013

SALES TAX/ FE GENERAL ORDER No. 34 OF 2013

Subject: Uniform Procedure for actions under sub-section (4) of Section 21 of the Sales Tax Act, 1990.

In order to provide for a uniform procedure for actions to be taken under sub-section (4) of section 21 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to prescribe the following procedure, namely:-

2. Action under sub-section (4) of section 21 of the Sales Tax Act, 1990 (hereinafter referred to as "the said provision') shall be initiated only when there are reasons to believe that a registered person, with a collusive arrangement, is engaged in claiming fraudulent input tax or refunds, or is issuing fake or flying invoices. These reasons may include:-

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(i) On physical verification/visit, the registered person is found not to exist at the declared address, or it is found that no genuine taxable activity is taking place at the premises, or there are insufficient facilities for conducting the quantum of taxable activities which are declared in the sales tax returns;

(ii) The taxable activity being declared is not reasonably commensurate with the capital investment declared, the manufacturing facilities, or the size and nature of the business;

(iii) The registered person is claiming input tax or refunds out of which substantial portion is claimed against sales tax invoices issued by blocked, suspended or blacklisted persons;

(iv) The registered person is found to have claimed input tax adjustment or refund against fake or fictitious Goods Declarations, or Goods Declarations of other persons;

(v) Non-filing of sales tax returns in the preceding tax period; and

(vi) On recommendation of a Commissioner of another jurisdiction that the registered person is engaged in unlawful activities as specified in sub-section (4) of section 21 of the Sales Tax Act, 1990.

3. Before issuing any order for blocking of refunds or input tax adjustments of a registered person, the reasons shall be recorded in writing by the Board, the Commissioner or the officer authorized by the Board in this behalf.

4. The order for blocking of refunds or input tax adjustment shall be in writing, and copies thereof shall be sent to the registered person at his declared address, to the Chief Commissioner having jurisdiction and to the Central Registration Office.

5. Action under the said provision shall be initiated by a Commissioner only in case of registered persons falling within his jurisdiction. If the Commissioner has reason to believe that a registered person of a different jurisdiction is engaged in the unlawful activities specified in the said provision, he shall inform the Commissioner holding charge of that jurisdiction to take the appropriate action as per law in respect of the registered person falling in such jurisdiction. However, the Board may take action under the said provision throughout Pakistan, and any officer authorized by the Board in this behalf may take action to the extent and in accordance with the area of authorization granted to him.

6. After blocking of refund or input tax adjustment, the Commissioner shall complete the required investigation expeditiously and issue show cause notice to the registered person within ten days of blocking for violation of the relevant provisions of law. In case of blocking by the Board or by an officer authorized by the Board in this behalf, the concerned Commissioner having jurisdiction shall be directed to take appropriate legal action under the Sales Tax Act, 1990.

7. After completion of proceedings consequent upon the show cause notice, an appealable order shall be passed within 20 days, and further legal action shall be taken in accordance with the relevant provisions of the Sales Tax Act, 1990 and rules made thereunder. In case, no such order is passed within 30 days of the date of blocking, the refund claim shall be deemed to have been deblocked.

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8. If, investigation, or after the proceedings conducted after issuance of show cause notice, the Commissioner finds that the person was not engaged in the unlawful activities specified in the said provision, he shall forthwith withdraw the order for blocking the refunds or input tax adjustment against the registered person.

(Fahad Ali Chaudhary)
Secretary (ST-L&P)

C.No.3(11)ST-L&P/2013-40880 Islamabad, March 18, 2014

SALES TAX GENERAL ORDER No. 27 OF 2014

Subject: Levy of 2% extra tax on the supply of Auto Parts & Accessories, Tyres& Tubes and Storage Batteries by manufacturers of these goods directly to OEMs/Automobiles manufacturers – Clarification Regarding.

Rule 58S and 58T of the Sales Tax Special Procedure Rules, 2007 (as amended vide Notification SRO No. 896(I)/2013, dated 04.10.2013) provide for charge of extra tax @ 2% on goods specified as contained in Table thereto. The rationale behind imposition of 2% extra tax on the supply of the specified goods was to ensure collection of sales tax upfront in respect of value additional made by retailers at the retail stage.

02. This levy of extra tax has resulted in enhanced burden of tax of OEMs/ automobiles manufacturers in view of provisions of law, particularly section 8(1)(c) of the Sales Tax Act, 1990 which denies input tax adjustment of extra tax and as such burden of unadjustable extra tax is going to add to the manufacturing cost of OEMs/automobiles manufacturers leading to possible escalation in the prices of automobiles.

03. Sales of auto parts & accessories, tyres& tubes and storage batteries as listed at S. No. 4, 6 & 7 of Table in Rule-58S by manufacturers of these goods to OEMs/automobiles manufacturers cannot be treated as retail sales. Therefore, in exercise of powers conferred under section 55 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to clarify that extra tax @ 2% under the provisions of Rule-58T of the Sales Tax Special Procedure Rules, 2007 shall not apply on the supply of goods listed at S. No. 4, 6, & 7 of Table in Rule-58S of the Rules ibid.

04. This dispensation shall only be available to the supplies of auto parts & accessories tyres& tubes and storage batteries made by manufacturers of these goods directly to OEMs/automobiles manufacturers and for manufacturing only and subject to submission of quarterly statement by OEMs/automobiles manufacturers to their respective LTUs/RTOs in respect of purchases of above goods on the following format:

S.No.	Description of Goods	Name & STRN of the Supplier	Quantity procured for manufacturing	Value inclusive of Sales Tax	Quantity procured for non-manufacturing	Value inclusive of Sales Tax
(1)	(2)	(3)	(4)	(5)	(6)	(7)

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05 This clarification shall take effect on and from 4th of October, 2013 i.e. the date of issuance of notification SRO No. 896(I)/2013, dated 04.10.2013.

(Shaukat Hayat Cheema)
Secretary (ST&FE Law, Procedure & Exemption)

C.No.3(11)ST-L&P/2014-109029-R Islamabad, 21st July, 2014

SALES TAX GENERAL ORDER No. 66 OF 2014

Subject:Collection of Sales Tax from Retailers in terms of sub-section (9) of section 3 of the Sales Tax Act, 1990 read with SRO 608(I)/2014 dated 02.07.2014

A new two-tier regime for retailers has recently been created by insertion of sub-section (9) in section 3 of the Sales Tax Act, 1990 ("the Act") and amendment of the Sales Tax Special Procedure Rules, 2007 vide SRO 608(I)/2014, dated 02.07.2014 ("the Rules"). Under this regime, the first tier comprises of retrailers of the categories specified in rule 4 of the Rules as indicated below, who are required to be registered, shall charge sales tax at the standard rate (or on other prescribed rates such as those provided in SRO 1125(I)/2011 dated 31.12.2011), and otherwise observe the provisions of the normal regime of sales tax.

(a) A retailer operating as a unit of a national or international chain of stores;

(b) a retailer operating in an air-conditioned shopping mall, plaza or centre, (excluding kiosks);

(c) a retailer who has a credit or debit card machine;

(d) a retailer whose cumulative electricity bill during the immediately preceding twelve consecutive months exceeds rupees six hundred thousand; and

(e) a wholesaler-cum-retailer, engaged in bulk import and supply of consumer goods on wholesale basis to the retailers as well as on retail basis to the generally body of consumers.

The remaining retailers fall within the second tier, and shall be charged sales tax at rates specified in section 3(9) of the Act through their electricity bills.

2. For the purpose of proper and effective implementation of this regime, the following instructions are issued for compliance by all concerned:

(i) in each Regional Tax Office ("RTO"), in ever Enforcement and Collection ("E&C") or Broadening of Tax Base ("BTB") Zone having territorial jurisdiction, a Cell shall be created for the purpose of registration of retailers and dealing with matters relating to enforcement of the above mentioned legal provisions. Sufficient number of officers/officials shall be posted in the cell, which shall report directly to the Commissioner.

(ii) the Cell shall ensure registration of all retailers of the first tier falling within the jurisdiction of that Zone without any delay. For this purpose, the following actions shall be undertaken by the Cell:-

(a) scrutiny of the lists of retailers already circulated by FBR with a view to identify and segregate the retailers falling in the jurisdiction of that Zone;

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(b) identification of additional retailers required to be registered by obtaining information through other sources, such as territorial surveys, trade directories, internet search, or any other manner. Lists of persons having commercial connections and total electricity bill exceeding Rs.600,000 in the preceding 12 months (average Rs.50,000 per month) shall be obtained from the electricity supply companies, while lists of all commercial establishments using credit or debit card machines shall be obtained from the State Bank of Pakistan;

(c) approach all retailers liable to be registered, but not yet registered, and persuade them for registration, either directly or through their representative associations. Assistance of the management/ Association of the shopping mall/ plaza may also be obtained for this purpose wherever required. Written notices may be issued to them requiring them to get sales tax registration immediately;

(d) provide guidance and assistance to these retailers for filling in the sales tax registration form;

(e) compulsorily register those retailers who avoid or resist registration;

(f) maintain proper records, including lists of retailers, maps, notices issued, replies received and registrations done;

(g) after registration, the Cell shall keep monitoring these retailers and encourage them to be tax-compliant, by regular filing sales tax returns, proper payment of sales tax, installation and proper operation of Fiscal Electronic Cash Registers ("FECRs"), maintenance of records, etc.

(iii) Retail chains operating under single ownership (whether individual, AOP or company) require only one registration for all the branches, outlets, showrooms, etc. However, it may be ensured that all such branches, outlets and showrooms, etc. are mentioned in the registration application and profile. If any branch or outlet is missing, it shall be added by filing Application for Change in Particulars in the prescribed online form.

(iv) In case of retail chains operating as franchise or other arrangement, where the individual branches or outlets have separate ownership, each such branch or outlet requires separate registration.

(v) Retailers in the first tier are also required to install and operate Fiscal Electronic Cash Registers ("FECRs") of the specifications approved by the Board. For this purpose, it is hereby specified that the FECRs to be installed and used by such retailers may be of any brand or model, provided that they have a tamper-proof transaction-recording mechanism, a secure memory, and Ethernet link to enable data transmission to FBR's database. The already installed FECRs meeting these specifications may continue to be used.

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(vi) The Cell shall inform PRAL after registration of any retailer of the first-tier. PRAL shall arrange proper configuration of all the FECRs of that retailer for enabling data-link with FBR's database.

(vii) For the second tier, the RTO shall coordinate with the electricity distribution companies, including DISCOs and M/s. K-Electric Limited, to ensure that sales tax at the prescribed rates is charged in the electricity bills of all such retailers.

(viii) Since the data regarding consumer name and type available with the electricity distribution companies is usually not updated by the consumers despite change in ownership/ tenancy or business use of the premises, the Commissioners have been empowered to issue Exclusion Orders in cases where the consumer is either already registered and paying sales tax or is not engaged in any retail activity at all.

(ix) In case a consumer, not engaged in any retail activity or already registered and paying sales tax, receives an electricity bill charging sales tax under section 3(9) of the Sales Tax Act, 1990, he may approach the Commissioner Inland Revenue having jurisdiction for an Exclusion Order.

(x) The Commissioner Inland Revenue shall issue an Exclusion Order where he receives conclusive documentary evidence and physical verification report, to be retained on record, that the consumer is either already registered and paying sales tax or is not engaged in any retail activity.

(xi) While issuing an Exclusion Order, the Commissioner shall also examine whether the consumer, although not a retailer, is engaged in any other taxable activity, such as import, manufacturing or supply of taxable goods. If so, he shall ensure registration of such person in the proper category.

(xii) To prevent forgery and malpractices, and to keep a secure record of all Exclusion Orders issued, it is hereby directed that Exclusion Orders containing all essential particulars/ details shall be issued only through the computerized system prepared for the purpose and electronically communicated to the concerned electricity distribution company, who shall then ensure that sales tax under section 3(9) of the Sales Tax Act, 1990 is not charged from such consumers.

3. It may be ensured that the entire exercise is conducted in a smooth, efficient and systemic manner, and within the timelines conveyed by the Board. The performance of the officers / officials posted in the E&C/BTB Zones shall be assessed on the basis of their effectiveness in implementation of the above measures.

(Dr. Asfaq Ahmed Tunio)
Chief (Automation & Sales Tax)
Tel: 051-9204520

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C.No.3(10)ST-L&P/07 Islamabad, 11th August, 2014

SALES TAX GENERAL ORDER No. 68 OF 2014

Subject: Clarification regarding "Persons liable to be registered but not actually registered" in terms of rule 2(3)(ii) of the Sales Tax Special Procedure (Withholding) Rules, 2007.

Vide Consolidated Order dated 20.03.2014 in Writ Petition No.17639/2013 & Others, the Honourable Lahore High Court, Lahore has observed and directed as follows:

"3. ....under rule 3(2) of the Rules, as it stands today, a withholding agent on purchase of taxable goods from "persons liable to be registered but not actually registered" has to deduct sales tax at the rate of one percent of the value of taxable supplies. It is submitted that there is no mechanism provided under the Rules or the Sales Tax Act, 1990 ("Act") for the petitioners to find out or discover that the person making supply is a person "liable to be registered" under the Act. It is further contended that proviso to said rule is also offensive to section 7(4) of the Act.

.....

5. In view of the matter and in the larger interest of effective tax governance, Ministry of Finance, Economic Affairs, Statistics and Revenue Division, Government of Pakistan and FBR are directed to reconsider / review the constitutionality and legality of the aforementioned rule within a maximum period of three months from today. During the process of reconsideration / review of the said rule, FBR may want to solicit the input / suggestions of the petitioners so that a workable and meaningful result is achieved."

2. In compliance of the Hon'ble Lahore High Court, Lahore Order, the aforementioned provision of the Sales Tax Special Procedure (Withholding) Rules, 2007 has been carefully reconsidered and reviewed. It has been found that according to section 2(25) of the Sales Tax Act, 1990 a **"registered person"** means a person who is registered or is liable to be registered under the said Act, provided that a person liable to be registered but not registered under the Act shall not be entitled to any benefit available to a registered person under any of the provisions of the Act or the Rules made thereunder.

3. Section 14 of the Sales Tax Act, 1990 specifies that registration will be required for such persons and be regulated in such manner and subject to rules as the Board may, by notification in the official gazette, prescribe. Accordingly, in exercise of powers under section 14 of the Sales Tax Act, 1990, the Board has prescribed rules for registration appearing in Chapter 1 of the Sales Tax Rules, 2006. Rule 4 of the Sales Tax Rules, 2006 clearly specifies that persons who are required to be registered for the purpose of the Sales Tax Act, 1990 as follows:

"4. Requirement of registration.- The following persons engaged in making of taxable supplies in Pakistan (including zero-rated supplies) in the course or furtherance of any taxable activity carried on by them, if not already registered, are required to be registered in the manner specified in this Chapter, namely:-

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(a) a manufacturer not being cottage industry;

(b) a retailer whose value of supplies, in any period during the last twelve months exceeds five million rupees;

(c) an importer;

(d) a wholesaler (including dealer) and distributor;

(e) a person required, under any other Federal law or Provincial law, to be registered for the purpose of any duty or tax collected or paid as if it were a levy of sales tax to be collected under the Act; and

(f) a commercial exporter, who intends to obtain sales tax refund against his zero-rated supplies.

4. Under section 2(47) of the Sales Tax Act, 1990, a wholesaler (including dealer) is defined as to also include such person who is supplying taxable goods to a person who deducts income tax at source under the Income Tax Ordinance, 2001 (XLIX of 2001). In other words, every person making supplies of taxable goods to any person who deduct income tax at source falls within the definition of wholesaler (including dealer), and all such wholesalers (including dealers) are required to be registered in terms of rule 4 of the Sales Tax Rules, 2006 read with section 4 of the Sales Tax Act, 1990.

*6. Section 153 of the Income Tax Ordinance, 2001 specifies the requirements, conditions and procedures for deduction (withholding) of income tax by a **"prescribed person"** on various transactions *inter alia* sales of goods. Sub-section (7) of section 153 defines prescribed person for the purpose of withholding income tax, whereunder sub-clause (j) of section 153(7)(i) species that every person registered under the Sales Tax Act, 1990 is a prescribed person.

*7. Reading these provisions together, it transpires that all the persons registered under the Sales Tax Act, 1990 are "prescribed persons" (withholding agents) for the purpose withholding/deduction of income tax, and thus every person making supplies to such prescribed persons / withholding agents falls within the definition of wholesaler or dealer under the Sales Tax Act, 1990. Accordingly all such wholesaler or dealers are liable to be registered in terms of rule 4 of the Sales Tax Rules, 2006 read with section 14 of the Sales Tax Act, 1990.

*should be 5&6 respectively.

(Shaukat Hayat Cheema)
Secretary IR (Sales Tax Law, Procedure & Exemption)

C.No.3(7)ST-L&P/2011/144345 Islamabad, 22nd October, 2014

SALES TAX GENERAL ORDER No. 84 OF 2014

Subject: Amendment in Sales Tax General Order 03/2004 dated 12-06-2004

The Federal Board of Revenue is pleased to make following amendment in the Sales Tax General Order No. 03/2004 dated 12th June, 2004, with immediate effect, lnamely:-

In the aforesaid Sales Tax General Order, in Part III, after para 38F, the following new para shall be inserted, namely:-

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"38G.(i) All LTUs/RTOs shall further circulate the copies of the order along with a computer system-generated list of invoices issued by the blacklisted persons as referred to in the preceding para, to all Officers of Inland Revenue having jurisdiction over the registered persons who have claimed credit of input tax or refund on the strength of the invoices issued by the said blacklisted persons.

(ii) The Officer of Inland Revenue receiving the aforesaid list shall issue show-cause notice under section 11 and sub-section (3) of section 21 of the Act to a registered person for rejecting the input tax or refund claimed against the invoices so circulated and further proceed to decide the matter as per law through a self-speaking appealable order and after affording a reasonable opportunity of being heard to such person, in the manner as provided in the said sub-section (3)."

(Shaukat Hayat Cheema)
Secretary IR-ST&FE (Law, Procedure & Exemption)

C.No.3(7)ST-L&P/2014 Islamabad, 03rd July, 2015

SALES TAX/ FE GENERAL ORDER No. 106 OF 2015

Subject: Amendment in STGO 03/2004

Whereas certain provisions relating to procedure for blacklisting/ suspension have been incorporated in the Sales Tax Rules, 2006, therefore the Federal Board of Revenue is pleased to make following further amendment in the Sales Tax General Order No.3 of 2004 dated 12th June, 2004, with immediate effect namely:-

In the aforesaid General Order, in Part-III, the heading "(N) BLACKLISTING AND SUSPENSION OF REGISTRATION" and paras 31 to 38G shall be omitted.

(Shaukat Hayat Cheema)
Secretary IR-ST&FE (Law, Procedure & Exemption)

C.No.3(21)ST-L&P/2010 Islamabad, 14th July, 2015

SALES TAX/ FE GENERAL ORDER No. 117 OF 2015

Subject: Procedure for issuance of General Orders for grant/ withdrawal and rejection of zero-rating on electricity and gas to registered persons falling under notification S.R.O. 1125(I)/2011 dated 31.12.2011.

In exercise of powers conferred by clause (d) of sub-section 4 of Sales Tax Act, 1990 read with condition (xii) to the Notification S.R.O. 1125(I)/2011 dated 31.12.2011, the Federal Board of Revenue is pleased to direct that the following procedure and requirements shall be observed for the purpose of uniform and expeditious processing and disposal of cases for the grant, rejection or withdrawal of zero-rating on supply of electricity and gas to the registered manufactures and exporters of the five sectors, namely:-

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(i) Upon receipt of an application for zero-rating on electricity or gas from a registered person of the five specified sectors, whether directly or forwarded by the Board, the LTU or RTO having jurisdiction shall complete the process of physical and other necessary verifications and the Chief Commissioner Inland Revenue shall, within thirty days of receipt of such letter, furnish a report on the format attached as Annexure-A conveying his express recommendation for grant of zero-rating or otherwise. While forwarding the cases to the Board, it shall be ensured that settled CREST discrepancies are properly updated. The cases not fulfilling the requirements as specified in Annexure-A shall not be recommended for zero-rating.

(ii) The Board shall, within thirty days of receipt of such report from the concerned LTU/RTO, either issue a General Order for zero-rating for the applicant, or reject the request, as it may deem fit. However, in case the report from LTU/RTO is deficient in any respect, or the Board requires further clarification on any aspect of the case, it may cause such further scrutiny or inquiry as it may require, to be completed within the time frame to be specified.

(iii) In case it is detected that a person has obtained zero-rating facility on the basis of any misrepresentation, or after obtaining zero-rating, he misuses the facility by way of supply of zero-rated electricity or gas to any other person, or uses it for any purpose other than for the manufacture of goods specified in S.R.O. 1125(I)/2011, the zero-rating shall forthwith be withdrawn *ab-initio,* andaction shall be taken to recover the amount of sales tax chargeable on such zero-rated electricity and gas alongwith penalty under section 33 and default surcharge under section 34 of the Sales Tax Act, 1990.

(iv) The zero-rating facility on gas and electricity shall also be withdrawn in cases where the registered person availing the facility becomes unentitled / ineligible, due to any of the following reasons, namely:-

(a) the business has been closed down;

(b) the business or premises has been sold out or to some other person;

(c) the lease of the premises, where the zero-rated energy meters are installed, has expired;

(d) the registered person has left the premises where zero rated energy meters are installed or has shifted to some other location;

(e) the registered person is a null, nil, non-filer and not an active taxpayer;

(f) the registered person is making supplies to and from suspended/ black-listed units or his supplies and corresponding input tax credit are not verified;

(g) inadmissible input tax credits have been claimed;

(h) outstanding recoverable demand is not paid despite recovery notices;

(i) zero-rated energy meter is being shared with another person;

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(j) zero-rating facility is being availed by the registered person un-authorizedly.

(Shaukat Hayat Cheema)
Secretary IR-ST&FE (Law, Procedure & Exemption)

Verification Report

(Please tick the relevant box) **Annexure-A**

1	Name of LTU/RTO							
2	Name & Designation of the Visiting Officer(s) / Official(s)	1. 2. 3.						
3.	Date of Visit							
4.	Name of Owner/ Contact Person, etc.							
5.	Contact details of representative, if any							
6.	Name of the Unit							
7.	Sales Tax Registration No.							
8.	NTN No.							
9.	Status of taxpayer / RP whether, Individual, AOP, Co.,etc							
10	Category, i.e., manufacturer-cum-exporter / local supplier, both etc, Pl. specify							
11	Address of Head Office / Registered Office							
12	Address(es) of Manufacturing Premises							
13	Whether the premises is owned, rented or leased by the RP	Owned		Rented		Leased		
14	Whether premises are singly owned or shared							
15	Is unit operational?	Yes		No				
16	Nature of Manufacturing activity and type of products / items being manufactured?							
17	Do these items fall under SRO 1125(I)/2011 as amended to date?	Yes		No				
18	Are items other than those covered under SRO 1125(I)/2011 being manufactured?	Yes		No				
	If yes, the nature type of items/ products and quantum of production (unit of measure (meters, tons, etc)							
19	Whether separate gas / electricity meters are installed for all units in same premises.	Yes		No				
	If yes, give details of meters installed.							
20	Electricity Account No(s)/ consumer No(s) / Reference No(s), for which zero-rating is sought, Give details.							

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21	Average monthly amount of sales tax on electricity bills				
22	Sui Gas Account No(s)/ consumer No(s)/ Reference No(s), for which zero-rating is sought, Give details.				
23	Average monthly amount of sales tax on gas bills				
24	Whether gas / electricity meter(s) are installed at given manufacturing premises?	Yes		No	
	If not, then where installed?				
25	Are the gas / electricity connections in the name of RP	Yes		No	
	If not, in whose names these meters are installed? Give details				
26	Is electricity / gas being used exclusively by the RP or being supplied / shared with others? Give details				
27	Whether electricity / gas are being supplied to guest houses / residential colony or others? Give details	Yes		No	
	If yes, give details				
28	What is the proportion of gas / electricity being supplied to guest houses / residential colony?				
29	Whether the RP in whose name the electricity connections are installed conducting business itself or the said premises has been rented out to others?	Yes		No	
	If no, give details				
30	Whether the RP complies with the conditions of SRO 283(I)/2011 dated 01-04-2011	Yes		No	
31	Whether the RP complies with the conditions of SRO 1125(I)/2011 dated 31-12-2011	Yes		No	
32	Whether supplies of RP are within the five sectors as per condition (vi) of SRO 1125(I)/2011 dated 31-12-2011				
33	Average electricity consumption as % of average sales				
34	Average gas consumption as % of average sales				
35	Is the production / output proportionate / commensurate with the electricity & gas consumption				
36	Whether there is any discrepancy (including inadmissible and unverified input tax credits) in RP's returns profile, CREST, etc	Yes		No	
	If yes, status of discrepancy, amount involved and action taken etc.				
37	Whether there is any outstanding liability against the RP. If yes, the amount and type of revenue involved.	Yes		No	
38	Whether compliant with provisions of section 8 and 8B	Yes		No	
39	Details of machinery installed (please attach annexure)				

40	Gas and electricity Account nos. / consumernos / reference nos. already availing zero-rating Pl. give details of consumer & reference Nos&S.No. of relevant STGO.	

General Remarks (If any, other than above):

_____

_____

_____

Documents attached:	**Mark 'Yes'**
Copy of latest electricity bill(s)	
Copy of latest gas bill(s)	
Annexure containing detail of machinery	
Any other	

Name and signature(s) of the visiting official(s):

Remarks/Recommendation and Certificate of the DCIR (mandatory):

Remarks/Recommendation:

_____

_____

_____

Certificate:

This is to certify that the registered person is a *bona fide* manufacturer / exporter and qualifies for zero-rating.

Name, Signature & Stamp of the Deputy/Assistant Commissioner Inland Revenue.

Remarks/Recommendation of the Commissioner Inland Revenue (mandatory):

_____

_____

_____

Name, Signature & Stamp of the Commissioner Inland Revenue.

_____

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C.No.3(5)ST-L&P/2007(Pt) Vol-III/18147-R Islamabad, 09th February, 2016

SALES TAX GENERAL ORDER No. 18 OF 2016

Subject: Procedure for adjustment of Sales Tax by Steel Melters under sub-rule (2C) of Rule 58H of the Sales Tax Special Procedures Rules, 2007.

In supersession of Sales Tax General Order No. 01 of 2013 dated 3rd January, 2013, and in exercise of the power conferred under sub-rule (2C) of rule 58H of the Sales Tax Special Procedures Rules, 2007, the Federal Board of Revenue is pleased to direct that the following procedure shall be followed for adjustment by steel mc1ters of the sales tax paid at import stage on the specified categories ofremc1table iron and steel scrap, namely:-

1. The adjustment procedure under sub-rule (2C) of rule 58H of the Sales Tax Special Procedure Rules, 2007 shall be applicable only to such steel melting units (hereinafter referred to as "entitled units") which are paying sales tax through their electricity bills in the manner prescribed in sub-rule (2) of rule 58H ibid. (Steel mills operated by sugar mills or other persons using self-generated electricity under rule 58Hb of the said Rules and steel melting and re-rolling units which have opted to pay sales tax on ad valorem basis under rule 58Ma ibid shall not be entitled to this adjustment procedure).

2. Adjustment shall be admissible/allowed only on import of re-meltable iron and Steel scrap falling under PCT Headings 7204.3000, 7204.4100 and 7204.4990 (hereinafter referred to as "specified scrap categories") along. The adjustment shall be allowed only to the extent of sales tax, paid at import stage on the specified scrap categories and which has actually been consumed in the production of steel products. The said consumption shall be determined on the basis of consumption of 800 electricity units for the production of one metric ton of ingots/billets.

3. An entitled unit shall, on the basis of sales tax paid on import of any specified scrap category, make an application to the Commissioner Inland Revenue having jurisdiction for issuance of Adjustment Certificate, al1aching therewith copies of the following documents, namely:-

   *(i) Good Declaration (GDs) in his name, showing import of the specified scrap categories against payment of sales lax;

   *(ii) Monthly production and stock position of steel ingots/billets and specified scrap categories; and

   *(iii) Electricity bills for the last three months, showing that the steel melting unit is operational and paying sales tax under the Special Procedure.

4. The Commissioner Inland Revenue, after satisfying himself as to correctness of the adjustment cla.im and keeping in view the imported quantities of specified scrap categories shall issue an Adjustment Certificate for the amount of sales tax paid against the GDs, within Seven days of submission of a complete application clearly specifying the amount of sales tax to be adjusted from the sales tax charged through the electricity bill for a particular month on the basis of actual consumption units of electricity.

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*Substituted for "(iv), (v), (v) respectively by corrigendum dated 12-02-2016.

5. A copy of the Adjustment Certificate shall be endorsed to the concerned electric power distribution company. The concerned DISCO or K-Electric, as the case may be, on receipt such Adjustment Certificate, shall reduce the amount of sales tax specified therein from the amount of sales tax charged in the electricity bill for the same month to the extent of the amount specified in the referred certificate.

6. The entitled unit shall maintain record of Adjustment Certificate obtained and shall furnish quarterly statements to the Commissioner Inland Revenue having jurisdiction showing the monthly adjustments made in the electricity bills on the basis of such Adjustment Certificate vis-a-vis production for those months.

(RazaAshfaq Shaikh)
Secretary IR-ST&FE (Law, Procedure & Exemption)

C.No.1(5)ST-LP&E/ZR/Misc./2016/121491-R Islamabad, 20th September, 2016

SALES TAX GENERAL ORDER No. 107 OF 2016

Subject: PROCEUDRE FOR ISSUANCE OF GENERAL ORDERS FOR GRANTIWITHDRA WAL AND REJECTION OF ZERO-RATING ON FURNACE OIL, DIESEL OIL AND COAL TO REGISTERED MANUFACTURERS OF THE FIVE SECTORS SPECIFIED IN CONDITION (i) OF NOTIFICATION S.R.O. 1125(I)/2011DATED 31.12.2011.

In exercise of powers conferred by condition (xiii) of the Notification S.R.O. 1125(I)/2011 dated 31.12.2011, the Federal Board of Revenue is pleased to direct that the following procedure and requirements shall be observed for the purpose of uniform and expeditious processing and disposal of cases for the grant, rejection or withdrawal of zero-rating on supply of furnace oil , diesel oil & coal to the registered manufacturers of the five sectors specified in condition (i) of notification S.R.O. 1125(I)/2011 dated 31.12.2011, namely:-

(i) Upon receipt of an application for zero-rating on furnace oil , diesel oil & coal from the registered manufacturers of the five sectors, whether directly or forwarded by the Board, the L TU or R TO having jurisdiction shall complete the process of physical and other necessary verifications and the Chief Commissioner Inland Revenue shall, within thirty days of receipt of such letter, furnish a report on the format attached as Annexure-A conveying his express recommendation for grant of zero-rating or otherwise. While forwarding the cases to the Board, it shall be ensured that settled CREST discrepancies are properly updated. The cases not fulfilling the requirements as specified in Annexure-A shall not be recommended for zero-rating.

(ii) The Board shall, within thirty days of receipt of such report from the concerned LTU/RTO, either issue a General Order for zero-rating for the applicant, or reject the request, as it may deem fit. However, in case the report from LTU/RTO is deficient in any respect, or the Board requires further clarification on any aspect of the case, it may cause such further scrutiny or inquiry as it may require, to be completed within the time frame to be specified.

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(iii) In case it is detected that a person has obtained zero-rating facility on the basis of any misrepresentation, or after obtaining zero-rating, he misuses the facility by way of supply of zero-rating furnace oil, diesel oil & coal to any other person, or uses it for any purpose other than for the manufacture of goods specified in S.R.O. 1125(I)/2011 dated 31.12.2011, the zero-rating shall forthwith be withdrawn ab-initio, and action shall be taken to recover the amount of sales tax chargeable on such zero-rated furnace oil , diesel oil & coal alongwith penalty under section 33 and default surcharge under section 34 of the Sales Tax Act, 1990.

(iv) The zero-rating facility on furnace oil, diesel oil & coal shall also be withdrawn in cases where the registered person availing the facility becomes unentitled / ineligible, due to any of the following reasons, namely:-

(a) the business has been closed down;

(b) the business or premises has been sold out or to some other person;

(c) the lease of the premises, where the generators / boilers are installed, has expired;

(d) the registered person has left the premises where generators / boilers are installed or has shifted to some other location;

(e) the registered person is a null, nil, non-filer and not an active taxpayer;

(f) the registered person is making supplies to and from suspended / black-listed unit or his supplies and corresponding input tax credit are not verified;

(g) inadmissible input tax credits have been claimed;

(h) outstanding recoverable demand is not paid despite recovery notices;

(i) The electricity generated through such generators / boilers is being shared with another person;

(j) Zero-rating facility IS being availed by the registered person un-authorisedly.

(Verification Report Annexure-A not reproduced here due to sake of brevity)

(RazaAshfaq Sheikh)
Secretary IR-ST&FE (Law, Procedure & Exemptions)

C.No.3(6)ST-L&P/2016/138559-R Islamabad, 02nd November, 2016

SALES TAX/ FE GENERAL ORDER No. 130 OF 2016

1-192-15-07-19

Subject: Processing of applications of exemption under Sr. No.48 of Table-I of Sixth Schedule to the Sales Tax Act, 1990.

Under Serial No. 48 of Table-I of the Sixth Schedule to the Sales Tax Act. 1990, exemption is available to the following:

"Sr.48 Goods imported or supplied under grants-in-aid for which a specific consent has been obtained from the Board; supplies and imports under agreements signed by the Government of Pakistan before the 30th June, 1996, provided the agreements contained the provision for exemption of tax at the time of signing of agreement."

02. In order to streamline the issues pertaining to grant of exemption to goods imported or supplied under grants-in-aid, procedure for issuance of "Authorization for Exempt Supply" has been prescribed under Chapter VIII-A of the Sales Tax Rules, 2006 inserted through SRO 494(I)/2015 dated 30th June, 2015 which interalia stipulates that the entitled organization or agency desirous of making exempt imports or taking exempt supplies from a registered person shall make application to the officer of Inland Revenue having jurisdiction, accompanied with documents detailed in the Rules.

03. Therefore, in exercise of powers conferred under section 55 to the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to direct all Chief Commissioners of Inland Revenue to nominate one dedicated officer in every RTO/LTU, not below the rank of an Assistant Commissioner IR/ Deputy Commissioner IR, as a focal person to dispose of such applications received from Economic Affairs Division (EAD) pertaining to entitled organizations/agencies falling under the jurisdiction of respective RTO/LTU. After satisfying that the intended purchases by the organization or agency are bona-fide and qualify for exemption under the subject-referred provision of law, the designated focal person may issue an "Authorization for Exempt Supply". All such applications must be disposed of within 15 days of receipt therefore in the RTO/LTU.

04. Through this Sales Tax General Order, Economic Affairs Division is also requested that bona-fide applications, complete in all respects, in respect of organizations or agencies, from now onwards may be sent directly to the Chief Commissioner Inland Revenue (RTO/LTU) having jurisdiction for obtaining "Authorization for Exempt Supplies" under grants-in-aid.

(ZahidBaig)
Second Secretary (ST & FE-Policy)

C.No.4(1)ST&FE/Misc./2016/7206-R Islamabad, 18th January, 2017

SALES TAX GENERAL ORDER No. 01 OF 2017

Subject: Notification of Zones for Determination of Highest Retail Price of Fertilizer in Retail Packing.

In exercise of powers conferred by proviso to clause (27) of section 2 read with clause (a) of sub-section (2) of section 3 and S. No. 32 and entries relating thereto of the Third Schedule to the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to specify zones and the areas falling therein as mentioned in the Table below for the purpose of determination of the highest retail price of any brand or variety of fertilizer for that zone as sold in retail pocking:

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Table

Fertilizer/Freight Zones	
Zones	Division/ Civil District
Z1	Karachi, MirpurKhas, ShaheedBenazirabad Division, Hyderabad, JamshoroTandoAllayyar, Matiyari, Tando Muhammad Khan, Thatta, Sujawal Civil Districts.
Z2	Sukkur, Larkana, Naseerabad Divisions, Dadu, Sibi, Kohlu, DeraBugti Civil Districts
Z3	Bahawalpur, Rahimyar Khan and Ranjanpur Civil Districts.
Z4	Multan, Quetta, Zhob, Kalat, Makran Divisions, Bahawalnagar, D.G. Khan, Muzaffargarh, Layyah, Harnai, Ziarat Districts.
Z5	Faisalabad, Sahiwal, D.I.Khan Divisions, Bhakhar, Mianwali Civil Districts.
Z6	Lahore Division, Sargodha, Khushab Civil Districts.
Z7	Gujranwala, Rawalpindi, Islamabad, Hazara, Peshawar, Bannu, Kohat, Malakand and Mardan Divisions; FATA, Northern Areas, Azad Jammu & Kashmir.

(Qadeerullah)
Second Secretary IR-ST&FE (Law, Procedure & Exemptions)

C.No.4/22-STB/2017 Islamabad, 02nd August, 2017

SALES TAX GENERAL ORDER No. 119 OF 2017

Subject: Procedure for adjustment of sales tax by Steel Melters under sub-rule (2C) of Rule 58H of the Sales Tax Special Procedures Rules, 2007.

In supersession of Sales Tax General Order No. 18 of 2016 dated 9th February, 2016, and in exercise of the power conferred under sub-rule (2C) of ru le 58H of the Sales Tax Special Procedures Rules, 2007, the Federal Board of Revenue is pleased to direct that the following procedure shall be fol lowed for adjustment by steel melters of the sa les tax paid at import stage on the specified categories of remeltable iron and steel scrap, namely:-

1. The adjustment procedure under sub-rule (2C) of rule 58H of the Sales Tax Special Procedure Rules, 2007 shall be applicable only to such steel melting units (hereinafter referred to as "entitled steel melters ") which are paying sales tax through their electricity bills in the manner prescribed in sub-rule (2) of rule 58H ibid. (Steel mills operated by sugar mills or other persons using self-generated electricity under rule 58H of the said Rules and steel melting and re-rolling units which have opted to pay sales tax on ad valorem basis under rule 58Ma ibid shall not be entitled to this adjustment procedure).

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2. Adjustment shall be admissible/ allowed only on import of remeltable iron and steel scrap falling under PCT Headings 7204.3000, 7204.41000 and 7204.4990 (hereinafter referred to as "specified scrap categ9ries"). The adjustment shall be allowed only to the extent of sales tax, paid at import stage on the specified scrap categories and which has actually been consumed in the production of steel products. The said consumption shall be determined on the basis of consumption of 800 electricity units for the production of one metric ton of ingots/billets allowing 5% wastage.

3. Pakistan Steel Melters Association shall provide to the Board a list of entitled steel melters, as noted above, having single electricity meter including composite units having both remelting and re-rolling facility. The list shall include the particulars such as NTN/STRN, electricity consumer number, name of DISCO, composite or otherwise, etc. Subsequent additions to the list shall be provided by the Association in the same manner. Such lists shall be referred to concerned RTOs/L TUs for post-verification by the Board to identify the nature of the unit i.e. whether composite or stand alone steel melters which shall be used for the application of formula as provided under para 5 accordingly.

4. An entitled steel melter whose names are available in the list referred in para-3 above, using his e-FBR Login-ID shall select the input GDs of specified scrap categories against which adjustment is sought indicating the extent of adjustment against each.

5. The system shall print an adjustment note indicating sales tax credit available for adjustment. The note shall be presented to relevant DISCO which shall verify the note from e-FBR portal. It shall then allow adjustment/deduction from the sales tax charged through the electricity bill for a particular month as per formula given below subject to the maximum limit of sales tax credit indicated in the adjustment note in accordance to the nature of the unit as mentioned in para 3:

For stand-alone steel melters:

$$\frac{\text{Electricity Units Consumed in the month} \times \text{Rs.5,880}}{800}$$

For composite steel melting and re-rolling units:

$$\frac{\text{Electricity Units Consumed in the month} \times \text{Rs.5,880}}{930}$$

6. DISCOs shall maintain account of adjustment allowed against a particular adjustment note and the balance shall be carried forward to the subsequent month for adjustment in similar manner.

7. In case the amount determined through aforesaid formula exceeds the available credit limit, such excess amount shall NOT be carried forward to next month.

8. When the credit balance available in the adjustment note is exhausted or near exhaustion, the entitled steel melters may obtain another adjustment note against subsequent imports in the manner indicated above.

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9. Copies of adjustment notes shall be made available to respective RTOs/L TUs in the system for monitoring purpose.

10. FBR's computerized system shall maintain proper record of GDs against which adjustment has been allowed.

11. This general order shall be applicable to imports against GOs filed on or after 1st July, 2017.

12. Commissioner concerned in cases where unadjusted sales tax is available on the basis of GOs upto 30.06.2017, shall issue a sales tax adjustment certificate of the unadjusted amount by 15.08.2017. Such refund shall be adjusted before any amount adjustable on GOs for re-meltable iron and scrap imported after 01 .07.2017.

(Muhammad Zaheer Qureshi)
Secretary (ST & FE)

C.No.105(49)Sec-IR(A&R)/2017/29467-R Islamabad, 07th March, 2018

SALES TAX GENERAL ORDER No. 66 OF 2018

Subject: PROCEDURE FOR CORRECTION IN COMPUTERIZED PAYMENT RECEIPT (CPR)

Presently the Board's letter No. 21(3).S-IR-Automation/2011 dated 12/4/2012 prescribes the procedure for correction of Computerized Payment Receipt (CPR). In order to further facilitate the taxpayers and minimize the time required for such corrections, it has been decided to decentralize the approval process and transfer the task of such corrections from the Board to the concerned RTOs/LTUs. Henceforth, commonly reported corrections shall be carried out in the manner as provided in this General Order.

2. Computerized Payment Receipt (CPR) is a bank receipt reflecting payment details as also in the records of National Bank of Pakistan and State Bank of Pakistan, leaving very limited scope for incorporation of changes therein. Scope of such changes is limited to corrections of two specific areas, namely (i) changes in NTN/Name of taxpayer and (ii) changes in tax period. This procedure has been devised in order to facilitate taxpayers, who by mistake have recorded incorrect tax period or cases where due to mistake of attorney or bank officials, the name/NTN of taxpayer has been recorded incorrectly.

3. In line with procedure already in vogue circulated through Board's C.No.21(3).S.IRAutomation/2011 dated 12/4/2012 following documents are required at the time of processing such changes:

- Written request on letter head.
- Copy ofeNlC of applicant and CPR.
- For correction of NTN in CPR, affidavit indicating no objection to the requested change from the person on whose name payment has been deposited.
- In case of bank's mistake, letter from the bank & affidavit from taxpayer submitting that amendment be made in the CPR.

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4. On receipt of these documents, the designated office shall process the case and forward the same for approval of the Commissioner-IR concerned. Before approval it shall be ensured through the system that the CPR has not been previously utilized against payment due. On approval, the necessary changes shall automatically be made to the relevant CPR. The rejection shall also be duly communicated to the applicant. The Commissioner shall ensure that applications are disposed preferably within 15 days and reasons for delay beyond 15 days shall be recorded in writing in each case.

5. In case of change of NTN, where the two taxpayers, i.e. one whose NTN is to be deleted from CPR and the other whose NTN is to be added, fall in jurisdiction of different RTOs/LTUs, the matter shall be forwarded to the designated officer in the Board for approval and necessary entry in the system.

6. The same procedure shall mutatis mutandis apply for CPRs relating to Income Tax Payments.

7. It is added that the changes in CPR number, CPR date, bank/branch where filed and heads of account shall not be allowed in the CPR.

8. A monthly report of all such applications received, processed and disposed and pending beyond 15 days shall be communicated to Board by 10th of each month by each LTU/CRTO/RTO.

Aamer Amin Bhatti
Chief-IR (Operations-II)

C.No.5/93-STB/2018-85836-R Islamabad, 12th July, 2018

SALES TAX GENERAL ORDER No. 144 OF 2018

Subject: Procedure for adjustment of sales tax by Steel Melters under sub-rule (2C) of Rule 58H of the Sales Tax Special Procedures Rules, 2007.

In supersession of Sales Tax General Order No. 119 of 2017 dated 2nd August, 2017, and in exercise of the power conferred under sub-rule (2C) of rule 58H of the Sales Tax Special Procedures Rules, 2007, the Federal Board of Revenue is pleased to direct that the following procedure shall be followed for adjustment by steel melters of sales tax paid at import stage on the specified categories of remeltable iron and steel scrap, namely:-

1. The adjustment procedure under sub-rule (2C) of rule 58H of the Sales Tax Special Procedure Rules, 2007 shall be applicable only to such steel melting units (hereinafter referred to as "entitled steel melters") which are paying sales tax through their electricity bills in the manner prescribed in sub-rule (2) of rule 58H ibid. Steel mills operated by sugar mills or other persons using self-generated electricity under rule 58H of the said Rules and steel melting and rerolling units which have opted to pay sales tax on ad valorem basis under rule 58Ma ibid shall not be entitled to this adjustment procedure.

2. Adjustment shall be admissible allowed only on import of re-meltable iron and steel scrap under PCT Headings 7204.3000, 7204.4100 and 7204.4990 (hereinafter referred to as "specified scrap categories"). The adjustment shall be allowed only to the extent of sales tax, paid at import stage on the specified scrap categories allowing 5% wastage.

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3. Pakistan Steel Melters Association shall provide to the Board a list of entitled steel melters, as noted above, having single electricity meter including composite units having both remelting and re-rolling facility. The list shall include the particulars such as NTN/STRN, electricity consumer number, name of DISCO, composite or otherwise, etc. Subsequent additions to the list shall be provided by the Association in the same manner. Such lists shall be referred to concerned RTOs/LTUs for post-verification by the Board to identify the nature of the unit i.e. whether composite or stand alone steel melters.

4. An entitled steel melter whose name is available in the list referred in para-3 above, using his e-FBR Login-ID shall select the input GDs of specified scrap categories against which adjustment is sought indicating the amount of adjustment against each.

5. The system shall print an adjustment note indicating sales tax credit available for adjustment. The note shall be presented to relevant DISCO which shall verify the note from e-FBR portal. It shall then allow adjustment/deduction from the sales tax charged through the electricity bill for a particular month against adjustment note.

6. DISCOS shall maintain account of adjustment allowed against a particular adjustment note and the balance shall be carried fonvard to the subsequent month for adjustment in similar manner.

7. When the credit balance available in the adjustment note is exhausted or near exhaustion, the entitled steel melters may obtain another adjustment note against subsequent imports in the manner indicated above.

8. Copies of adjustment notes shall be made available to respective RTOs/LTUs in the system for monitoring purpose.

9. FBR's computerized system shall maintain proper record of GDs against which adjustment has been allowed.

10. This general order shall be effective from 1st July, 2018.

(Muhammad Zaheer Qureshi)
Secretary (ST&FE-Budget

C.No.1(1)ST-LP&E/2017-85904-R Islamabad, 29th June, 2019

SALES TAX GENERAL ORDER No. 100 OF 2019

In exercise of the powers conferred under clause (d) of section 4 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to rescind all Sales Tax General Orders allowing zero-rating facility of Sales Tax on Electricity, Gas, Coal, Furnace Oil and Diesel Oil to registered persons w.e.f. 1" July, 2019.

(Qadeerullah)
Secretary IR-ST&FE
(Law, Procedure & Exemptions)

1-193-15-09-19

C.No.1/2-STB/2019 Islamabad, the 15th July, 2019

SALES TAX GENERAL ORDER No. 102 OF 2019

Subject: Printing of Retail Price on Imported Third Schedule items

The Board's vide letter No. 1/2-STB/2019/87779-R, dated 4.7.2019, had directedthat imported Third Schedule items be allowed clearance after affixation of stickers printed withretail price till 31st July, 2019.

02. The Board has received several representations that the requirement of printing retail price on imported Third Schedule items has been introduced through the Finance Act, 2019 and the importers did not have sufficient notice of the change, therefore, a large number of consignments of such items are arriving without printed retail price, and that that de-stuffing of containers to affix stickers in the aforesaid manner is not practical and the same would cause blockage of imports and congestion at the ports.

03. Accordingly, in order to resolve the issue, the Board is pleased to allow clearance of imported Third Schedule items without printing of retail price or affixing stickers for which goods declaration are filed by 31st July, 2019 subject to the condition that the importer declares retail price for each of the imported items in terms of section 2(27) of the Sales Tax Act, 1990, and that the goods are assessed for sales tax on such declared retail price.

(ZahidBaig)
Second Secretary (ST & FE-L&P)

C.No.3(2)ST-L&P/2019-104185-R Islamabad, the 07th August, 2019

SALES TAX GENERAL ORDER No. 103 OF 2019

Subject: Printing of Retail Price on Imported Third Schedule items

The Board vide letter No. II2-STB/2019, dated 15.07.2019, had directed that imported Third Schedule items be allowed clearance after affixation of stickers printed with retail price till 31st July, 2019. The Board has received several representations highlighting various issues and requesting further extension in the aforesaid time period. Accordingly the Board is pleased to provide as under:-

(i) For the imports from North and South America, if bill of lading date is prior to 30th June, 2019, the condition of printing retail price is relaxed up to 31st August, 2019, subject to the condition that the importer declares retail price for each of the imported items in terms of section 2(27) of the Sales Tax Act, 1990, and that the goods are assessed for sales tax on such declared retail price.

(ii) The retail price, if not printed at import stage, can be printed at the port of import in the prescribed manner. If that is also not possible, the importer shall undertake to print the retail price after clearance of goods and shall pay sales tax on retail price which shall not be less than 130% of the customs value increased by assessed customs duties, excise duty and other applicable taxes and charges excluding salestax.

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(iii) If the phrase "in retail packing" appears against any item / entry in the Third Schedule, the retail price taxation thereon shall not apply if such items are not in retail packing at the time of import. All other items shall be charged to sales tax on the basis of retail price even if not in retail packing.

(iv) Under existing law, the goods being raw materials or intermediary goods, with custom duty rate below 16% are excluded from purview of value addition tax under the Twelfth Schedule. Such items, if imported by a commercial importer, are in such form that the same can be sold to the customer without further manufacturing process, such as tea, spices etc, the same shall bt :ject to value addition tax.

(Muhammad Ali Khan)
Secretary (ST & FE-Policy)

C.No.3(2)ST-L&P/2019/170012-R Islamabad, the 29th August, 2019

SALES TAX GENERAL ORDER No. 104 OF 2019

Subject: Payment of Sales Tax on the basis of retail price on raw Tea imported by Tea Manufacturers

Recognized tea manufacturers of well-known tea brands have approached FBR regarding difficulties in fixation of retail price of imported raw tea on the ground that it is not possible to determine retail price at the time of import because of different SKUs (in terms of varieties of blend, size, packing) of tea manufactured by them from such imported raw tea.

2. Acknowledging, the difficulty as pointed out, the Board is pleased to direct that the raw tea, which is not in retail packing, shall be assessed on the basis of average retail price as declared by such manufacturers and certified by the concerned Chief Commissioner on the basis of past sales of each manufacturer. However, such average retail price shall not be, less than the limit as stipulated in para (ii) of STGO 103/2019 dated 07.08.2019.

3. It is clarified that the balance amount as worked out after production will be paind with return.

4. It is also clarified that no adverse inference shall be drawn by the department on account of such declaration of retail price as made at import stage, being different from final retail price as determined / fixed by the manufacturer at local supply stage.

(Muhammad Ali Khan)
Secretary (ST & FE-Policy)

C.No.1/2-STB/2019 Islamabad, the 13th September, 2019

SALES TAX GENERAL ORDER No. 105 OF 2019

1-196-31-12-19

Subject: Adjustment/Refund of Sales Tax paid under Special Procedures

Through the budgetary measures for the financial year 2019-20, special procedures and other treatments for various sectors have been abolished and instead standard sales tax regime with right to input tax adjustment have been prescribed with effect from 1st July, 2019. It has been pointed out that the goods on

which sales tax has been paid under special procedures prior to 1st July, 2019, were in stock on 30th June, 2019, and the same would be supplied after the said date, thus attracting sales tax under standard regime at applicable rate, subjecting the goods to double / increased incidence of tax. It has been further pointed out that under special procedures, input tax adjustment was not allowed. However, if such input goods, or finished goods made from these inputs, are supplied after 30th June, 2019, the right of input tax is created. The taxpayers have requested to provide a mechanism to avail such adjustment or for refund of tax paid in excess.

2. Acknowledging the position as highlighted, the Board intends to resolve the issue as under:

(1) Steel Sector: Melters:

Adjustment against GDs of re-meltable scrap imported prior to 1st July, 2019, which remained in stocks or the finished goods made therefrom remained in stock on 30th June, 2019, shall be made available to the extent of that consumed in supplies made in July and August 2019, provided no adjustment of tax paid on such GDs was made against sales tax on electricity bill as was provided under the Sales Tax Special Procedures Rules, 2007.

However, such adjustment shall be made available, on case-to-case basis, if the Commissioner concerned verifies the stock position on 30th June, 2019, as declared online by such steel melters. The verification may be done by working back from current physical stocks and production and sales of intervening period after ensuring that the declared production is not below one metric ton per 800 units of electricity consumed during the intervening period. The adjustment to be allowed shall not exceed the stock as so verified or the stock as declared online, whichever is lower.

[1][**(1)(a) Steel sector - Re-rollers and composite units:**

It is clarified that work back formula will also apply to re-rollers and composite steel units with work back formula of 130 and 930 units of electricity per tonne respectively subject to same conditions/restrictions and instructions given for steel melters.]

(2) Oil and Ghee Mills:

Adjustment shall be available in respect of 16% FED against imports made in June, 2019, as available in stock on 30th June, 2019, in the same form or in the form of finished goods, as consumed in sales made during July and August, 2019. Adjustment shall be made to the extent of sales actually made in each month.

Refund of Rs. 1 / kg paid on inputs:

If inputs on which Rs. 1 / kg FED was paid on import or local purchase and the same, or the finished goods made therefrom, remained in stock on 30th June, 2019, such Rs. 1 / kg becomes payment in excess if such finished goods are supplied after 30th June, 2019, with payment of due tax / FED at 17%. The refund of such Rs. 1 / kg, so paid in excess, may be allowed by the field formations, under section 66, after due scrutiny and as per law, after ensuring that the finished goods produced from such inputs have been supplied and FED payable at 17% has been duly accounted for in the relevant return.

1-196-31-12-19

[1]Para 1(1)(a) inserted by addendum dated January 08, 2020.

[1][**(2)(a) Oil & ghee mills:**

Instructions given in sub para (2) of 2 shall mutatis mutandis apply to commercial importers of vegetable ghee and cooking oil subject to verification of facts by the relevant Commissioner on case to case basis.]

(3) Extra Tax Items as specified in Chapter XI of rescinded Sales Tax Special Procedures Rules, 2007:

Adjustment shall be available against invoices showing 17% input tax on purchases of specified goods during June, 2019, which were in stock on 30th June, 2019, and were sold in July and August 2019. These invoices as declared in June, 2019 return shall be madeavailable for adjustment. Adjustment shall be made to the extent of sales actually made ineach month.

Refund of 2% extra tax:

If purchases of specified goods inputs on which 2% extra tax was paid, remained in stockon 30th June, 2019, such 2% extra tax becomes payment in excess if such finished goodsare supplied after 30th June, 2019, with payment of due sales tax at 17%. The refund ofextra tax, so paid in excess, may be allowed by the field formations, under section 66, afterdue scrutiny and as per law, after ensuring that the goods involved supplied and sales taxat 17% has been duly accounted for in the relevant return.

General Guidelines:

- There shall be only one adjustment of input tax against a particular GD or invoice.
- In case part input tax is adjustable against a particular GD or invoice, the inadmissible amount may be reflected in Column 7 of the return.
- Field formations shall monitor input tax adjustments as provided herein and ensure that the same have been rightfully made.
- The adjustment shall be made against stocks on 30th June, 2019, as declared on FBR's website. In case of any mis-declaration of such stocks, or adjustments in excess of amount of tax involved in actual stocks shall be recovered under law
- Adjustment / refund shall only be made in respect of suppliesas already made on payment of tax due.

(Tauqeer Ahmed)
Secretary (ST & FE-Budget)

[1]Para 2(2)(a) inserted by addendum dated January 08, 2020.

1-196-31-12-19

C.No.1/2-STB/2019 Islamabad, the 04th October, 2019

SALES TAX GENERAL ORDER No. 106 OF 2019

Subject: Definition / Rules for CNIC / Good Faith for Sales Tax

Keeping in view the problems reported by the registered persons is ensuring proper identity of the buyer to fulfil the requirement of reporting NTN/NIC of the buyer in terms of section 23 of the Sales Tax Act, 1990, it is directed that the NIC/NTN of the buyer with respect to taxable supplies to an unregistered person shall be deemed to have been reported in good faith by the supplier provided that:

(a) The tax invoice complies with the requirements of section 23(b) of the Act.

(b) Payment made by or on behalf of the unregistered purchaser of the amount of the tax invoice, inclusive of sales tax and applicable further tax, is deposited into the supplier's declared business bank account.

(c) The NIC provided by the purchaser is found authenticated by the National Data and Registration Authority (NADRA).

(d) The NIC/NTN provided is not of the employee of the seller or of hisassociates as defined under the Income Tax Ordinance, 2001.

02. The issuance of a show cause notice to a registered person being a seller on account of any matter arising out of the NIC provided by a purchaser shall not be made without the prioe approval of the Member (IR-Operations), FBR after providing an opportunity to be heard.

(Tauqeer Ahmed)
Secretary (ST & FE-Budget)

C.No.5/119-STB/2018-(Pt) Islamabad, the 21st November, 2019

SALES TAX GENERAL ORDER No. 107 OF 2019

Subject: Enforcement of Sales Tax payable by Wholesalers/ Distributors of Products Originating from AJ&K

The question has been raised regarding chargeability ofsales tax in Pakistan on the goods originating from Azad Jammu & Kashmir (AJ&K), which have been exempted from payment of sales tax under AJ&K law. The issue has been examined under the Sales Tax Act, 1990, as in force in Pakistan and the matter is clarified as under.

02. The sales tax on supplies originating from AJ&K is payable in AJ&K, however, dealers/distributors ofsuch products located in Pakistan are required to discharge their liability on the value added on such products after adjustment ofinput tax paid in AJ&K as provided in section 7 read with section 2(14)(e) ofthe Sales Tax Act, 1990.

03. It is further highlighted that under an AJ&K Notification No. FD/Tax 1145- 1245/95, dated 8.2.1995, sales tax is exempted on all goods manufactured in AJ&K except some specified items. It is emphasized that such notification shall not apply to supplies made in Pakistan and the distributors/dealers in Pakistan ofsuch items originating from AJ&K shall charge sales tax at applicable rates and values, or printed retail price in case ofitems falling in the Third Schedule to the Act, and deposit the same in Pakistan as per law. In case of items exempt in AJ&K, there shall be no input tax paid in AJ&K, however, any deduction of any input tax paid in Pakistan shall be available under law.

1-196-31-12-19

04. In case a manufacturer in AJ&K, establishes self-owned distribution, wholesale or retail establishment in Pakistan and takes the pretext that the supply is originating from AJ&K and is not subject to sales tax law in Pakistan, it is clarified that the establishment ofsuch a concern in Pakistan and making of supplies by the same, shall be construed as engaging in taxable activity and making supplies in Pakistan, and such distribution, wholesale or retail concern shall be required to get itselfregistered and deposit sales tax on its supplies in Pakistan as per law.

05. Accordingly, the field formations are advised to identify distributors/ dealers of such items in Pakistan and ensure payment of due sales tax by them under law.

(Tauqeer Ahmed)
Secretary (ST & FE-Budget)

1-196-31-12-19

C.No.2/3-STB/2020-6596-R Islamabad, the 16th January, 2020

SALES TAX GENERAL ORDER No. 01 OF 2020

Subject: Provision of Section 73(4) of the Sales Tax Act, 1990 - Supplies by Registered Manufacturers to Sales Tax Registered Persons

Section 73 of the Sales Tax Act, 1990 has been amended through the Tax Laws (Second Amendment) Ordinance, 2019 to provide for manufacturers to make all the supplies to a registered person excluding supplies not exceeding value of one hundred million rupees in a financial year / ten million rupees in a month, failing which the supplier shall not be entitled to claim input tax attributable to such excess supplies to unregistered persons.

02. Queries have been received from manufacturers regarding supplies to persons making purchases beyond the threshold as given in Section 73(4) but are not likely to make taxable supplies and are also not liable to be registered under the Act. In the wake of such queries and in order to remove difficulty arising from aforesaid new insertion, in exercise of powers under section 55 of the Sales Tax Act, 1990, the FBR is pleased to provide that the provisions of sub-section (4) of section 73 shall not apply to supplies made to:

(a) Federal/provincial/local Government departments, authorities, etc. not engaged in making of taxable supplies'

(b) Foreign Missions, diplomats and privileged persons;

(c) All other persons not engaged in supply of taxable goods.

03. Moreover it is clarified that the threshold of 10 million per month /100 million per year is applicable on goods supplied to one specific person by the registered manufacturer.

(Tauqeer Ahmed)
Secretary (ST & FE-Budget)

C.No.2(3)-T&Ts/Tobacco/2021-35841-R Islamabad, the 11th March, 2021

SALES TAX GENERAL ORDER No. 01 OF 2021

Subject: Implementation of Track & Trace System under SRO 250/2019, Dated 26.02.2019 - Tobacco Products

The provisions of Seetion 40C(2) of the Sales Tax Act, 1990 read with Rule 150ZF of the Sales Tax Rules, 2006 mandate Federal Board of Revenue (FBR) to notify the date for the implementation of Electronic Monitoring of production and sales of goods in the manner prescribed in the law on all manufacturing sites (unless otherwise provided) of all the notified sectors.

2. In exercise of the powers conferred under Section 40C(2) of the Sales Tax Act, 1990 and Rule 150ZF of the Sales Tax Rules, 2006 it is hereby notified that no Tobacco Products shall be allowed to be removed from a production site, factory premises or manufacturing plant or import station without affixation of tax stamps/Unique Identification Marking (UIMs) with effect from 1st July, 2021, which are to be obtained/procured from and applied by FBR's Licensee M/s. AJCL/MITAS/Authentix Consortium.

1-205-20-03-2021

3. All manufacturers of Tobacco Products are warranted under the law to make necessary arrangements for importation of applicators and other equipment required for successful installation and implementation of Track and Trace System at their production facilities.

4. This issues with the approval of the competent authority, Member Inland Revenue-Operations, FBR, Islamabad.

Tariq Hussain Shaikh
Project Director (Track & Trace System)

C.No.2(4)-T&Ts/Cement/2021-35843-R Islamabad, the 11th March, 2021

SALES TAX GENERAL ORDER No. 02 OF 2021

Subject: Implementation of Track & Trace System under SRO 250/2019, Dated 26.02.2019 - Cement Products

The provisions of Section 40C(2) of the Sales Tax Act, 1990 read with Rule 150ZF of the Sales Tax Rules, 2006 mandate Federal Board of Revenue (FBR) to notify the date for the implementation of Electronic Monitoring of production and sales of goods in the manner prescribed in the law on all manufacturing sites (unless otherwise provided) of all the notified sectors.

2. In exercise of the powers conferred under Section 40C(2) of the Sales Tax Act, 1990 and Rule 150ZF of the Sales Tax Rules, 2006 it is hereby notified that no Cement Products shall be allowed to be removed from a production site, factory premises or manufacturing plant or import station without affixation of tax stamps/Unique Identification Marking (UIMs) with effect from 1st July, 2021, which are to be obtained/procured from and applied by FBR's Licensee M/s. AJCL/MITAS/Authentix Consortium.

3. All manufacturers of Cement Products are warranted under the law to make necessary arrangements for importation of applicators and other equipment required for successful installation and implementation of Track and Trace System at their production facilities.

4. This issues with the approval of the competent authority, Member Inland Revenue-Operations, FBR, Islamabad.

Tariq Hussain Shaikh
Project Director (Track & Trace System)

1-205-20-03-2021

C.No.2(5)-T&Ts/Fertilizer/2021-35844-R Islamabad, the 11th March, 2021

SALES TAX GENERAL ORDER No. 03 OF 2021

Subject: Implementation of Track & Trace System under SRO 250/2019, Dated 26.02.2019 - Fertilizer Products

The provisions of Section 40C(2) of the Sales Tax Act, 1990 read with Rule 150ZF of the Sales Tax Rules, 2006 mandate Federal Board of Revenue (FBR) to notify the date for the implementation of Electronic Monitoring of production and sales of goods in the manner prescribed in the law on all manufacturing sites (unless otherwise provided) of all the notified sectors.

2. In exercise of the powers conferred under Section 40C(2) of the Sales Tax Act, 1990 and Rule 150ZF of the Sales Tax Rules, 2006 it is hereby notified that no Fertilizer Products shall be allowed to be removed from a production site, factory premises or manufacturing plant or import station without affixation of tax stamps/Unique Identification Marking (UIMs) with effect from 1st July, 2021, which are to be obtained/procured from and applied by FBR's Licensee M/s. AJCL/MITAS/Authentix Consortium.

3. All manufacturers of Fertilizer Products are warranted under the law to make necessary arrangements for importation of applicators and other equipment required for successful installation and implementation of Track and Trace System at their production facilities.

4. This issues with the approval of the competent authority, Member Inland Revenue-Operations, FBR, Islamabad.

Tariq Hussain Shaikh
Project Director (Track & Trace System)

C.No.2(6)-T&Ts/Sugar/2021-35845-R Islamabad, the 11th March, 2021

SALES TAX GENERAL ORDER No. 04 OF 2021

Subject: Implementation of Track & Trace System under SRO 250/2019, Dated 26.02.2019 - Sugar Products

The provisions of Section 40C(2) of the Sales Tax Act, 1990 read with Rule 150ZF of the Sales Tax Rules, 2006 mandate Federal Board of Revenue (FBR) to notify the date for the implementation of Electronic Monitoring of production and sales of goods in the manner prescribed in the law on all manufacturing sites (unless otherwise provided) of all the notified sectors.

In exercise of the powers conferred under Section 40C(2) of the Sales Tax Act, 1990 and Rule 150ZF of the Sales Tax Rules, 2006 it is hereby notified that no Sugar Products shall be allowed to be removed from a production site, factory premises or manufacturing plant or import station without affixation of tax stamps/Unique Identification Marking (UIMs) with effect from 1st July, 2021, which are to be obtained/procured from and applied by FBR's Licensee M/s. AJCL/MITAS/Authentix Consortium.

3. All manufacturers of Sugar Products are warranted under the law to make necessary arrangements for importation of applicators and other equipment required for successful installation and implementation of Track and Trace System at their production facilities.

4. This issues with the approval of the competent authority, Member Inland Revenue-Operations, FBR, Islamabad.

1-208-15-06-2021

Tariq Hussain Shaikh
Project Director (Track & Trace System)

C.No.14(7)Chief(P&R)/FBR/2021-63879-R Islamabad, the 20th May, 2021

SALES TAX GENERAL ORDER No. 05 OF 2021

Subject: Processing Parameter of 15% of Refund to Export Ratio for Commercial Exporters Under Rule 39C of the Sales Tax Rules, 2006

In exercise of the powers conferred under Rule 39C of the Sales Tax Rules, 2006, Federal Board of Revenue is pleased to re-fix the ceiling of parametric refund-to-export ratio from the previous 12% to 15% of the export value for processing of Sales Tax refunds of the Commercial Exporters, that is, the Exporters who do not have a manufacturing facility, and are not registered in the "Manufacturer" category under the Sales Tax Act, 1990.

2. This shall be the maximum ceiling of admissible refund processed through FASTER against valid exports after confirmation of realization of export proceeds as per rules.

Khalid Mehmood
Second Secretary (ST & L&P)

C.No.13/IR-Analysis/2020/65483-R Islamabad, the 24th May, 2021

SALES TAX GENERAL ORDER No. 06 OF 2021

Subject: Standard Operating Procedures for Enrollment with FBR System of AJK/Gilgit-Baltistan Registered Persons

The Sales Tax Act, 1990 mandates a Registered Person (RP) registered with Federal Board of Revenue (FBR) to claim input tax credit on supplies made to RPs registered with Azad Jammu & Kashmir (AJK) Tax Department and vice versa. Rule 161 of the Sales Tax Rules, 2006, however, warrants that RPs registered with AJK Tax Administration to have enrollment with FBR so as to be able to avail the benefits of input adjustments.

2. Apart from a few isolated memoranda issued every now and then, no systematic set of instructions have so far been formulated. Similar instructional void exists when it comes to Gilgit-Baltistan (GB) registered persons intending to undertake imports/exports and have to enroll with FBR's WeBOC System.

3. Sub-rule (3) of Rule 161 supra also stipulates that "when the AJK authorities institute e-filing for their registered persons, the adjustment as aforesaid shall only be available against electronic data of supplies as provided to the Board by AJK authorities." In the intervening period when AJK Tax Department and Pakistan Revenue Automation Limited (PRAL) were negotiating and signing the Service Level Agreement (SLA), cross adjustment of input tax credit was allowed manually. Rule 161(2) warranted all AJK-RPs to "furnish an undertaking that they will provide their supply record and the return filed in AJK" as and when required by the respective RTO or LTO, where their buyers are registered to ascertain correctness of their sales. In anticipation of signing of the SLA between AJK Tax Department and PRAL, manual adjustments stand disallowed.

4. Accordingly, it has been decided that hereinafter, in order to ensure certainty, transparency and across-the-board, Standard Operating Procedures (SOPs) are being devised that shall govern enrollment of AJK and GB RPs with FBR systems for all purposes.

I-208-15-06-2021

(A). Status Pre-conditions

All AJK/GB taxpayers seeking enrollment with FBR systems for input adjustment and import/export purposes would need to fulfill the following pre-conditions:-

(i) That, the business is physically located within the territorial boundaries of AJK and GB administrations.

(ii) That, the business should have been registered with the AJK/GB tax roll.

(iii) That, the applicant taxpayer must not be involved in a criminal or tax fraud proceedings at the time of filling of application anywhere in the country.

(B). Application Requirements

(i) The AJK/GB RPs intending to enroll with FBR would make a formal request on its letter head to his Commissioner concerned in AJ&K/GB duly enclosed by a copy of CNICs of the owner(s) of the business, and Directors and Partners in case of an Association of Persons or a Company along with Partnership Deed for an AOP, and Memorandum and Articles of Association/Form 29 for Companies.

(iv)* A copy of National Tax Number (NTN) Certificate issued by the AJK/GB Tax Department.

(v) A copy of Sales Tax Registration Certificate issued by the AJK/GB Tax Department.

(vi) Proof of being Active Taxpayer with the AJIC/GB's Tax Department.

(vii) Online NTN/STRN verification (Principal Activity Manufacturer/ Importer/Exporter from AJK and GB Tax Department.)

(viii) A copy of NTNs of all Directors/Partners issued by the FBR in case of Limited Company/AOPs.

(ix) Emails and mobile numbers of the lead/authorized Director/Partner.

(x) Incorporation number for SECP registered companies.

(xi) The verification report of premises of the AJK/GB taxpayer/ manufacturer must be forwarded internally by Commissioner Inland Revenue, AJK or GB, as the case may be.

(xii) Undertaking/affidavit by the applicant seeking enrollment as regards provision of documents/records, as and when required by the IR field formations of FBR in terms of Rule 161 of Sales Tax Rules, 2006.

(xiii) Recommendation of AJK Chamber of Commerce & Industry or GB as the case may be.

*numbering should be (ii) onwards

(C). Procedures

1-210-20-08-2021

(i) The aforementioned documents shall be accompanied with the verification of manufacturing unit/business by the AJK/GB Tax Department. The AJK/GB shall forward the request electronically to Registration Cell for Enrollment (RCFE) established in FBR for enrollment with FBR automated system. FBR would establish and notify RCFE as and when automated transmission of data is operationalized by AJK/GB, IR department.

(ii) The RCFE, shall process the application of AJK/GB-RPs in FBR automated system through link as provided by PRAL and generate NTN/STRN in FBR system. The generated NTN/STRN shall be forwarded to IT Wing/PRAL for auto-population in FBR automated system/ WeBOC system with STRN/NTN as issued by the AJK.

(iii) In case of any discrepancy observed in provided data/documents of applicant by Registration Cell, the same shall be referred back to concerned AJK/GB department for removal of same.

5. The SOPs laid down in this STGO, mutatis mutandis, would also apply to the GB registered persons as and when requirement for the same are met.

Khalid Mehmood
Second Secretary (ST & L&P)

C.No.2(11)/T&Ts/2021 Islamabad, the 03rd August, 2021

SALES TAX GENERAL ORDER No. 07 OF 2021

Subject: Licensing of Brand Name U/S 40E of Sales Tax Act, 1990 for Specified Sectors

In exercise of the powers conferred under section 40E of the Sales Tax Act, 1990, the Board is pleased to notify the procedure for licensing of Brand name for specified sectors, mentioned in Rule 150ZF of Sales Tax Rules, 2006;

1. All existing and new manufacturers of specified sectors are required to regi ster their brand of each product with FBR before selling the same in the market.
2. Every manufacturer will have to submit an application to the Project Director (Track and Trace System). FBR, along with the supportive documents. The application shall include all the details and operations regarding their business / activity as mentioned in sub-rule 3.
3. Each application for brand registration shall contain all the requisite information about the applicant which should include:
   (i) Information regarding manufacturer's full name, trade name, STRN, NTN, date and place of incorporation, names of its lead directors and any other information to allow identification to take place.
   (ii) Precise business location of the manufacturing unit(s), warehouse location(s) and produetion capacity of the business run by the applicant.
   (iii) Details of the products such as product description, name, registered trademark, if any, design, brand, model or make.
   (iv) Description of premises where manufacturing equipment are installed and operated.
   (v) Description of intended use and intended market of sale of the products, with particular attention to ensuring that the product's production or supply is commensurate with reasonably anticipated demand.

1-210-20-08-2021

4. After the submission of application by manufacturer, Project Officer, TTS shall review the application and schedule a mandatory hearing with the manufacturer within 7 working days of the receipt of application. During the hearing, Project Director may require additional relevant information from the manufacturer including their business operations, production and sale volumes, manufacturing sites, marketing area they are targeting etc.
5. In case of any discrepancy found in application, Project Director shall issue a letter to the manufacturer about the missing / incomplete details. The Manufacturer will have to respond to the letter within a week to avoid cancellation of its application.
6. If all of the information and documents are complete and Project Director is satisfied. Project Director will forward the application along with its recommendations to Member (IR-Operations) for approval.
7. Member (IR-Operations) will notify Project Director regarding his decision on application which can be approved / rejected. Afterwards. Project Director shall issue Brand Registration Certificate to the manufacturer.
8. During the application process, if any information / document is found to be incorrect/fake, the registration process may be suspended immediately and manufacturer shall be issued a Show cause notice to stop all the activities related to the manufacturing and sale of the rejected / not approved brand.
9. No manufacturer shall be allowed to sell their products in the market without having their brand registered with FBR. However, they may be allowed to sell the product from the date of application's submission.
10. If any un-registered brand's product is found in the market, the IREN shall have the authority to confiscate all of the available stock in the market.
11. The Project Office shall also execute the following activities:
    (i) Monitor and collect, where applicable, any registration / license fees that may be levied used in effective administration and enforcement of the licensing system or any other related activity in accordance with the law;
    (ii) Take appropriate measures to prevent, detect and investigate any irregular or fraudulent practices in the operation of the brand registration / licensing system;
    (iii) Undertake measures such as periodic review, renewal inspection or audit of licenses, where appropriate;
    (iv) Establish, where appropriate, a time frame for expiration of licenses and subsequent requisite re-application or updating of application information;
    (v) Require any licensed entity to inform the competent authority in advance of any change of location of their business or any significant change in information relevant to the activities as licensed;

1-211-20-09-2021

(vi) Require any licensed entity to inform the competent authority, for appropriate action, of any acquisition or disposal of manufacturing equipment and ensure that the destruction of any such manufacturing equipment or any part thereof, shall take place under the supervision of competent authority.

2. The project office shall furnish updated status of brand registration applications to Member IR-Operations, FBR on fortnightly basis.

Tariq Hussain Shaik
Chief IR-Ops/Project Director

C.No.01/POS/IR-Ops/2021/111436-R Islamabad, the 03rd August, 2021

SALES TAX GENERAL ORDER No. 01 OF 2022

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) in section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-l Retailer "(T-IR)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable input tax for that period would be reduced by 15%. The figure of 15% has been raised to 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system-based approach is being adopted whereby all T-IRs liable to be integrated but not integrated, with effect from July 2021 (Sales Tax Returns filed in August, 2021) will be dealt with as per the procedure laid down below:-

I. A list of all identified T-IRs shall be placed on FBR's web portal at www.fbr.gov.pk by 5th of every calendar month allowing them to integrate with FBR system by 10th of the month.

II. In case a notified T-IR claims that it is not a T-IR as per the definition provided in Section 2(43A) of the STA, 1990, and therefore not liable to integrate, it shall apply to the Commissioner concerned for exclusion from the list by 10th of the calendar month, and the Commissioner would make a decision in this regard by 15th of the month.

III. The Chief Commissioners would forward all exclusion certificates issued by the Commissioners to Chief (POS) for giving effect in the ITMS by 16th of the month. The exclusion certificates not forwarded by the due date would not entitle a T-IR to relief as per this order.

IV. Upon filing of Sales Tax Return for the month of July 2021 by all notified T-IRs not integrated, the input tax claimed would be disallowed without any further notice or proceedings, creating tax demand by the same amount.

3. This process would be run every month as per the above schedle.

(List of T-IRs not reproduced here)

Salman Ahmad Khan
Secretary POS/Analysis

1-211-20-09-2021

C.No.01/POS/IR/2021 Islamabad, the 06th August, 2021

SALES TAX GENERAL ORDER No. 02 OF 2022

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) in section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-I Retailer "(T-IR)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 durin g a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been raised to 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-IRs liable to be integrated but not integrated, with effect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No. 1 of 2022 issued on 3rd August 2021.

3. A list of 977 identified T-IRs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR system by 10th of September 2021 and the procedure of exclusion from the list of 977 identified T-IRs shall apply as laid down in Para 2 of STGO 1 of 2022 dated 03.8.2021.

4. Upon liling of Sales Tax Return for the month of August, 2021 by all notified T-IRs not integrated, the input tax claimed would be disallowed without any further notice or proceedings, creating tax demand by the same amount.

(List of T-IRs not reproduced here)

Salman Ahmad Khan
Secretary Analysis/ POS

C.No.01/POS/IR/2021/159806-R Islamabad, the 05th October, 2021

SALES TAX GENERAL ORDER No. 03 OF 2022

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-seetion (6) to section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-I Retailer "(T-IR)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been raised 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-IRs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No. 1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 1,136 identified T-IRs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR's system by 10th of October 2021 and the procedure of exclusion from this list of 1,136 identified T-IRs shall apply as laid down in Para 2 of STGO 1 of 2022 daled 03.8.2021.

1-213-30-11-2021

4. Upon filing of Sales Tax Return for the month of September, 2021 all notified T-IRs not having yet integrated, the input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

(List of T-IRs not reproduced here)

Salman Ahmad Khan
Secretary Analysis/ POS

C.No.01/POS/IR/2021/185794-R Islamabad, the 04th November, 2021

SALES TAX GENERAL ORDER No. 04 OF 2022

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-l Retailer "(T-IR)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been raised to 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-IRs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No. 1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 608 identified T-IRs has been placed on FBR's web portal at www.tbr. gov.pk allowing them to integrate with FBR's system by 10th of November 2021 and the procedure of exclusion from this list of 608 identified T-IRs shall apply as laid down in Para 2 of STGO 1 of 2022 dated 03.8.2021.

4. Upon filing of Sales Tax Return for the month of October, 2021 all notified T-1Rs not having yet integrated, the input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

(List of T-IRs not reproduced here)

Muhammad Bilal
Secretary (IR-POS)

C.No.2/6/T&Ts/2021 Islamabad, the 11th November, 2021

SALES TAX GENERAL ORDER No. 05 OF 2021-2022

Subject: Implementation of Track & Trace System under SRO 250/2019, Dated 26.02.2019 - Sugar Bags

1. The provisions of Section 40C(2) of the Sales Tax Act, 1990 read with Rule 150ZF of the Sales Tax Rules, 2006 mandate Federal Board of Revenue (FBR) to notify the date for the implementation of Electronic Monitoring of production and sales of goods in the manner prescribed in the law on all manufacturing sites of notified sectors.

1-213-30-11-2021

2. In exercise of the powers conferred under Section 40C(2) of the Sales tax Act, 1990 and Rule 150ZF of the Sales Tax Rules, 2006 it is hereby notified that no Sugar Bags shall be allowed to be removed from a production site, factory premises or manufacturing plant without affixation of tax stamps/Unique Identification Marking (UIMs) with effect from 11th November, 2021, which are to be obtained/procured from FBR's Licensee M/s. AJCL/MITAS/Authentix Consortium.

3. This issues with the approval of the competent authority, Member Inland Revenue Operations, FBR, Islamabad.

Tariq Hussain Shaikh
Project Director (Tracl and Trace System)

C.No.01/POS/IR/2021/200094-R Islamabad, the 03rd December, 2021

SALES TAX GENERAL ORDER No. 06 OF 2022

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-1 Retailer "(T- 1R)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been raised to 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-1Rs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No. 1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 482 identified T-1Rs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR's system by 10th of December 2021 and the procedure of exclusion from this list of 482 identified T-1Rs shall apply as laid down in Para 2 of STGO 1 of 2022 dated 03.8.2021.

4. Upon filing of Sales Tax Return for the month of November, 2021 for all hereby notified T-1Rs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

(List of T-1Rs not reproduced here)

Salman Ahmad Khan
Secretary Analysis /POS

C.No.01/POS/IR/2021/1954-R Islamabad, the 05th January, 2022

SALES TAX GENERAL ORDER No. 07 OF 2022

Subject: Tier-1 Retailers - Integration with FBR's POS System

1-216-20-02-2022

The Finance Act, 2019 added sub-section (6) to section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-1 Retailer "(T -1R)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been raised to 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-1Rs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No.1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 1,284 identified T-1Rs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR's system by 10th of January 2022 and the procedure of exclusion from this list of 1,284 identified T-1Rs shall apply as laid down in Para 2 of STGO 1 of 2022 dated 03.8.2021.

4. Upon filing of Sales Tax Return for the month of December, 2021 for all hereby notified T-1Rs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

(List of T-1Rs not reproduced here)

Salman Ahmad Khan
Secretary Analysis /POS

C.No.01/POS/IR/2021/17340-R Islamabad, the 04th February, 2022

SALES TAX GENERAL ORDER No. 09 OF 2022

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-1 Retailer "(T-1R)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been raised to 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system- based approach has been adopted whereby all T-1Rs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No. 1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 1,358 identified T-1Rs has been placed on FBR's web portal at www.ibr.gov.pk allowing them to integrate with FBR's system by 10 of February 2022 and the procedure of exclusion from this list of 1,358 identified T-1Rs shall apply as laid down in Para 2 of STGO 1 of 2022 dated 03.8.2021.

4. Upon filing of Sales Tax Return for the month of January, 2022 for all hereby notified T-1Rs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

(List of T-1Rs not reproduced here)

Salman Ahmad Khan
Secretary Analysis /POS

1-216-20-02-2022

C.No.01/POS/IR/2021/51822-R Islamabad, the 03rd March, 2022

SALES TAX GENERAL ORDER No. 10 OF 2022

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 88 of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-l Retailer "(T-IR)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been raised to 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-IRs who are liable to integrate but have not yet integrated, with effect from July, 2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No.1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 1,421 identified T-lRs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR's system by 10th of March 2022 and the procedure of exclusion from this list of 1,421 identified T-lRs shall apply as laid down in Para 2 of STGO 1 of 2022 dated 03.8.2021.

4. Upon filing of Sales Tax Return for the month of February, 2022 for all hereby notified T-IRs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

(List of T-1Rs not reproduced here)

Salman Ahmad Khan
Secretary Analysis /POS

C.No.01/POS/IR/2021/79366-R Islamabad, the 05th April, 2022

SALES TAX GENERAL ORDER No. 11 OF 2022

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 8B of the Sales Tax Act, 1990 ("the ST A, 1990") whereby a Tier-I Retailer "(T-IR)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been raised to 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-IRs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No.1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 185 identified T-IRs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR's system by 10th of April 2022 and the procedure of exclusion from this list of 185 identified T-IRs shall apply as laid down in Para 2 of STGO 1 of 2022 dated 03.8.2021.

1-217-20-04-2022

4. Upon filing of Sales Tax Return for the month of March, 2022 for all hereby notified T -I Rs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

(List of T-1Rs not reproduced here)

Salman Ahmad Khan
Secretary (POS-North)

C.No.01(22)SS/ST-L&P/Ops/2022/80839-R Islamabad, the 07th April, 2022

SALES TAX GENERAL ORDER No. 12 OF 2022

Subject: Input Tax Adjustment to Manufacturers of Oil & Ghee and Steel Melters and Re-Rollers

The Sales Tax Act, 1990 (hereafter "the Act") mandates a taxpayer registered with Federal Board of Revenue (FBR) to claim input tax credit on import/purchases from registered suppliers only. Section 8(1)(a) of the Act restricts the adjustment of input on goods or services used or to be used for any purpose other than for taxable supplies made or to be made. Similarly, Section 8(1)(f) and (i) of the Act provide that tax credit shall not be admissible on the goods or services not related to the taxable supplies made by the taxpayer. This essentially being a self-assessment based system warrants high standards of responsibility and integrity on part of the UST filers. However, the analysis of the data available in the system has led to conclude that the facilities/benefits provided through automated sales tax return are being misused by the manufacturers of oil & ghee and steel melters and re-rolling mills who are claiming inputs other than their relevant business activities in violation of provisions of law.

2. In order to ensure certainty, transparency across-the-board, it has been decided that input tax adjustment shall not be allowed to the manufacturers of Oil & Ghee and Steel Melters and Re-Rollers on the goods which are not related to their business activity. The list of such goods attached as Annexure-I for manufacturers of Oil & Ghee and as Annexure-11 for Steel Melters and Re-Rollers on the basis of PCT heading on which input tax credit shall not be admissible under the law. Although, all these PCT headings have been identified after due diligence, yet any hardship caused may be brought to the notice of the Commissioner concerned.

3. This STGO become applicable with effect from April 1, 2022.

(Annexures not reproduced here)

Khalid Mehmood
Second Secretary (ST-L&P)

C.No.01(22)SS/ST-L&P/Ops/2022/80841-R Islamabad, the 07th April, 2022

SALES TAX GENERAL ORDER No. 13 OF 2022

Subject: Purchases and Supplies Made by Importers, Wholesalers, Dealers and Distributors in Sales Tax Return.

1-217-20-04-2022

The Sales Tax Act, 1990 mandates a taxpayer registered with Federal Board of Revenue (FBR) to correctly declaration of purchases and supplies in the monthly sales tax return as filed under section 26 of the Sales Tax Act, 1990. This essentially being a self-assessment based system warrants high standards of responsibility and integrity on part of the GST filers. However, the analysis of the data available in the system has led to conclude that the facilities/benefits provided through automated sales tax return are being misused by the importers, wholesalers, distributors who are engaged in business of buying and selling of **same state of goods** but are fraudulently declaring sales of goods irrespective of their business purchases in violation of provisions of law.

2. In order to ensure certainty, transparency across-the-board, it has been decided that sales of goods by importers wholesalers, Dealers and Distributors under HS Code as declared in **Annex-C** of the sales tax return shall be allowed on the basis of goods under the said HS Code as declared in **Annex-A** and **Annex-B** of sales tax return by these taxpayers.

3. This STGO become applicable with effect from April 1, 2022.

Khalid Mehmood
Second Secretary (ST-L&P)

C.No.5/94/STB/2018 Islamabad, the 16th April, 2022

SALES TAX GENERAL ORDER No. 14 OF 2022

Subject: Quota for Import of Raw Materials for Industrial Units Located in Erstwhile FATA/PATA.

Import of plant and machinery and inputs by industrial undertakings located in erstwhile FATA/ PATA are exempt under S. No. 151 of Table-1 of'Sixth Schedule to the Sales Tax Act, 1990 till 30th day ofJune, 2023. To prevent misuse of said exemption, a number of significant amendments have been introduced in the Sales Tax Act, 1990 including section 40D and S. No. 74 of Table-1 of the Eighth Schedule to the Sales Tax Act, 1990. Different administrative measures are also being taken by FBR including escort of containers from Azakhail Dryport to the location ofthe concerned unit.

2. In order to ensure further transparency and prevent leakage ofrevenue, it has been decided that industrial units located in erstwhile FATA/PATA shall be allocated import quota of raw materials as determined by Directorate General IOCO-IR in consultation with the RTO, Peshawar on the basis ofinstalled capacity of these units. The annual import quota as per the attached Annex-A shall be apportioned equally in 12 equal parts on monthly basis and that shall be duly entered in the WeBOC against each manufacturer/ industrial unit. After each updation, the balance available quota for the remaining year shall also be clearly mentioned.

3. This STGO shall come into effect immediately until further orders.

(Annexures not reproduced here)

(Mukhtiar Ahmad Sher)
Secretary (ST&FE-Budget)

1-218-15-06-2022

C.No.3(18)ST-L&P/2013(Pt)/111208-R Islamabad, the 18th January, 2022

SALES TAX GENERAL ORDER No. 08 OF 2022

Subject: Explanation of Important Amendment to Rule 150ZF to Sales Tax Rules, 2006 through SRO. 541(1)12022 Dated 22.04.2022.

Rule 150ZQN of Sales Tax Rules, 2006 provide establishment of Inland Revenue Enforcement Network **(IREN)** responsible for combating evasion and leakages of taxes and duties payable on specified goods. For the purpose specified goods have been defined under Rule 150ZF of the Rules ibid comprising Tobacco, Beverages, Sugar, Fertilizer, Cement and Petroleum Products.

2. In order to further strengthen the IREN "Steel Sector" has been added to the specified goods through SRO 541(1)/2022 dated 22.04.2022.

(Khalid Mehmood)
Second Secretary (ST-L&P)

C.No.2(5)T&Ts/Fertilizer/2021/111126-R Islamabad, the 26th April, 2022

SALES TAX GENERAL ORDER No. 15 OF 2022

Subject: Implementation of Track & Trace System under SRO 250/2019, Dated 26.02.2019 - Fertilizer Bags.

The provisions of Section 40C (2) of the Sales Tax Act, 1990 read with Rule 150ZF of the Sales Tax Rules, 2006 mandate Federal Board of Revenue (FBR) to notify the date for the implementation of Electronic Monitoring of production and sales of goods in the manner prescribed in the law on all manufacturing sites of notified sectors.

2. In exercise of the powers conferred under Section 40C(2) of the Sales tax Act, 1990 and Rule 150ZF of the Sales Tax Rules, 2006 it is hereby notified that no Fertilizer Bag shall be allowed to be removed from a production site, factory premises or manufacturing plant or import station without affixation of tax stamps/Unique Identification Markings (UIMs) with effect from 1st July, 2022, which are to be obtained/procured from FBIt's Licensee M/s. AJCL/MITAS/Authentix Consortium.

3. This issues with the approval of the competent authority, Member Inland Revenue Operations, FBR, Islamabad.

Tahir Hussain Shaikh
Project Director (Track and Trace System)

C.No.01/POS/IR/2021/114317-R Islamabad, the 06th May, 2022

SALES TAX GENERAL ORDER No. 16 OF 2022

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-I Retai ler "(T-IR)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been substituted by 60% vide Finance Act, 2021.

1-218-15-06-2022

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-IRs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No. 1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 297 identified T-IRs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR's system by 10th of May, 2022 and the procedure of exclusion from this list of 297 identified T -IRs shall apply as laid down in Para 2 of STGO 1 of 2022 dated 03.08.2021.

4. Upon filing of Sales Tax Return for the month of April, 2022 for all hereby notified T-IRs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

Enclosed: List of 297 integrable Tier-l Retailers

(List of T-1Rs not reproduced here)

Muhammad Bilal
Secretary (POS-South)

C.No.44/POS/IR/2021/1184689-R Islamabad, the 13th May, 2022

SALES TAX GENERAL ORDER No. 17 OF 2022

Subject: Tier-1 Retailers - Integration with FBR's POS System

The procedure for reversal of bar on input tax adjustment by 60% (i.e. the exclusion), as provided for in STGO 1 of 2022 dated 03.8.2021 has been automated. STGO 1 of 2022 dated 03.8.2021 is, thus, hereby amended to the extent of reversal of bar on input tax adjustment by 60% / issuance of exclusion certificates as under;

I. Filing of application by the Registered Person:

A Registered Person whose adjustable input tax has been reduced by 60% u/s 8B(6) of the Sales Tax Act 1990, by inclusion in STGO, shall file application for removal of this bar/ for restoration of input tax adjustment. Application shall be filed through the system (IRIS) by selecting the relevant reason for the exclusion from the purview of the said section, along with any proof/ evidence in support of the application.

II. Passing of Order (Exclusion Certificate):

Once an application is submitted, it shall be examined and an order (exclusion certificate) shall be passed by the concerned Commissioner-IR in the system, after such inquiries and examination of such record, as deemed necessary by him/ her, as under;

A. Acceptance of Application (i.e. Exclusion Certificate allowed):

In the event of acceptance of the application (i.e. Exclusion Certificate allowed) by the concerned Commissioner-IR, the system shall automatically restore the input tax adjustment as per law as under;

Application accepted by the concerned Commissioner- IR for the reason of "Integration with FBR's POS system": Restoration of input tax adjustment shall apply w.e.f. the tax period next following the tax period(s) during which

1-218-15-06-2022

the Tier-1 Retailer remained non-integrated. As already clarified by the Board, the 60% reduction in input tax adjustment (disallowance) shall apply to the tax period in which the Registered Person integrated with FBR's system, as well as, to the prior tax period(s) during which the Registered Person remained non-integrated or remained partially integrated (i.e. not all the terminals and/ or branches were integrated).

Concerned Commissioner-IR, at the time of passing the order in the system shall provide the date of integration and the system shall restore the input tax adjustment accordingly, as above.

ii. Application accepted by the concerned Commissioner-IR for the reason "Not a Tier-I Retailer as defined u/s 2(43A) of the Sales Tax Act, 1990":

In this scenario the reduction in input tax adjustment (disallowance) by 60%, shall be reversed w.e.f from the date this bar was placed on and no tax period shall remain subjected to reduction in input tax adjustment (which was originally placed u/s 8B(6) of the Sales Tax Act, 1990).

B. Rejection of Application (i.e. Exclusion Certificate disallowed):

In the event of rejection of the application, this reduction (disallowance) in input tax adjustment shall continue in all subsequent tax period(s), as before.

2. This procedure of automation in the hands of concerned Commissioner-IR will be effective from 10.5.2022 and cases for restoration of 60% reduction (disallowance) of input tax adjustment (excluded cases). as already communicated to PRAL by the Board, shall be managed/ implemented in the system by PRAL."

Salman Ahmad Khan
Secretary (POS-North)

C.No.01/POS/IR/2021/131520-R Islamabad, the 04th June, 2022

SALES TAX GENERAL ORDER No. 18 OF 2022

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-I Retailer "(T-IR)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the ST A, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been substituted by 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-IRs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No. I of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 113 identified T-IRs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR's system by loth of June, 2022 and the procedure of exclusion from this list of 113 identified T-IRs shall apply as laid down in STGO 17 of2022 dated 13.05.2022.

1-218-15-06-2022

4. Upon filing of Sales Tax Return for the month of May, 2022 for all hereby notified T-IRs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

Enclosed: List of 113 integrable Tier-l Retailers

(List of T-1Rs not reproduced here)

Muhammad Bilal
Secretary (POS-South)

C.No.2(4)T&Ts/Cement/2021/145427-R Islamabad, the 27th June, 2022

SALES TAX GENERAL ORDER No. 19 OF 2022

Subject: Implementation of Track & Trace System under SRO 250/2019, Dated 26.02.2019 - Cement Bags

1. The provisions of Section 40C(2) of the Sales Tax Act, 1990 read with Rule 150ZF of the Sales Tax Rules, 2006 mandate Federal Board of Revenue (FBR) to notify the date for the implementation of Electronic Monitoring of production and sales of goods in the manner prescribed in the law on all manufacturing sites of notified sectors.

2. In exercise of the powers conferred under Section 40C(2) of the Sales tax Act, 1990 and Ruie 150ZF of the Sales Tax Rules, 2006 it is hereby notified that no Cement Bag shall be allowed to be removed from a production site, factory premises or manufacturing plant or import station without affixation of tax stamps/Unique Identification Markings (UIMs) with effect from 1st October, 2022, which are to be obtained/procured from FBR's Licensee M/s.AJCL/MITAS/ Authentix Consortium.

3. This issues with the approval of the competent authority, Member Inland Revenue Operations, FBR, Islamabad.

Tariq Hussain Shaikh
Project Director (Track and Trace System)

C.No.01/POS/IR/2021/150115-R Islamabad, the 05th July, 2022

SALES TAX GENERAL ORDER No. 01 OF 2023

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-I Retailer "(T-1R)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been raised to 60% vide Finance Act, 2021.

2. In order to operationalize this important provision oflaw, a system-based approach has been adopted whereby all T-1Rs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No.1 of 2022 issued on 3,d August 2021.

1-220-31-08-2022

3. Vide the instant Sales Tax General Order, a list of 101 identified T-1Rs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR's system by 10th of July 2022 and the procedure of exclusion from this list of 101 identified T-1Rs shall apply as laid down in STGO 17 of 2022 dated 13.05.2022.

4. Upon filing of Sales Tax Return for the month of June, 2022 for all hereby notified T-1Rs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

Enclosed: List of 101 integrable Tier-l Retailers

(List of T-1Rs not reproduced here)

Muhammad Bilal
Secretary (POS-South)

C.No.01/POS/IR/2021/Vol-II/STGO Islamabad, the 05th August, 2022

SALES TAX GENERAL ORDER No. 02 OF 2023

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-1 Retailer "(T -1R)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been raised to 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-1Rs who are liable to integrate but have not yet integrated, with effect from lu1y-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No.1 of 2022 issued on 3rd August 2021 and subsequently updated vide STGO 17 of2022 dated 13.5.2022.

3. Vide the instant Sales Tax General Order, a list of 114 identified T-1Rs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR's system by 10th of August 2022 and the procedure of exclusion from this list of 114 identified T-1Rs shall apply as laid down in STGO 17 of 2022 dated 13.05.2022.

4. Upon filing of Sales Tax Return for the month of August, 2022 for all hereby notified T-1Rs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

Enclosed: List of 114 integrable Tier-1 Retailers

(List of T-1Rs not reproduced here)

Salman Ahmad Khan
Secretary (POS-North)

1-220-31-08-2022

C.No.01/POS/IR/2021/090031-R Islamabad, the 06th September, 2022

SALES TAX GENERAL ORDER No. 03 OF 2023

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-l Retailer "(T-1R)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been raised to 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-1Rs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No.1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 81 identified T-IRs has been placed on FBR's web portal at www.tbr.gov.pk allowing them to integrate with FBR's system by 10th of September 2022 and the procedure of exclusion from this list of 81 identified T-lRs shall apply as laid down in STGO 17 of 2022 dated 13.05.2022.

4. Upon filing of Sales Tax Return for the month of September, 2022 for all hereby notified T-1Rs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

Enclosed: List of 81 integrable Tier-1 Retailers

(List of T-1Rs not reproduced here)

(Salman Ahmad Khan)
Secretary (POS-North)

C.No.01/POS/IR/2021/210791-R Islamabad, the 05th October, 2022

SALES TAX GENERAL ORDER No. 04 OF 2023

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-l Retailer "(T-1R)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 ofthe STA, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been raised to 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-1Rs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No. 1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 81 identified T-1Rs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR's system by lOth of October 2022 and the procedure of exclusion from this list of 85 identified T-1Rs shall apply as laid down in STGO 17 of 2022 dated 13.05.2022.

1-223-20-01-2023

4. Upon filing of Sales Tax Return for the month of October, 2022 for all hereby notified T-1Rs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

Enclosed: List of 85 integrable Tier-1 Retailers

(List of T-1Rs not reproduced here)

(Faqeer Muhammad)
MIS Officer (POS)

C.No.01/POS/IR/2021/239409-R Islamabad, the 30th November, 2022

SALES TAX GENERAL ORDER No. 05 OF 2023

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-1 Retailer "(T -1R)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been raised to 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-1Rs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No.1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 81 identified T-1Rs has been placed on FBR's web portal at www.tbr.gov.pk allowing them to integrate with FBR's system by 12th of December, 2022 and the procedure of exclusion from this list of 89 identified T-1Rs shall apply as laid down in STGO 17 of 2022 dated 13.05.2022.

4. Upon filing of Sales Tax Return for the month of November, 2022 for all hereby notified T-1Rs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

Enclosed: List of 89 Integrateble Tier-l Retailers

(List of T-1Rs not reproduced here)

(Osama Sameer)
Deputy Director (POS-I)

C.No.01/POS/IR/2021/4730-R Islamabad, the 10th January, 2023

SALES TAX GENERAL ORDER No. 06 OF 2023

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act,2019 added sub-section (6) to section 88 of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-l Retailer "(T-lR)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by l5%. The figure of l5% has been raised to 60% vide Finance Act, 2021.

1-223-20-01-2023

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-lRs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Retums filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No. 1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 81 identified T-lRs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR's system by 10m of January,2023 and the procedure of exclusion from this list of60 identified T-lRs shall apply as laid down in STGO l7 of 2022 dated 13.05.2022.

4. Upon filing of Sales Tax Retum for the month of December, 2022 for all hereby notified T-lRs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

Enclosed: List of 60 Integrateble Tier-l Retailers

(List of T-1Rs not reproduced here)

(Osama Sameer)
Deputy Director (POS-I)

C.No.01/POS/IR/2021-Vol-II/STGO/22459-R Islamabad, the 09th February, 2023

SALES TAX GENERAL ORDER No. 07 OF 2023

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 88 of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-1 Retailer "(T-IR)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by l5%. The figure of l5% has been raised to 60% vide Finance Acr, 2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-lRs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Retums filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No. 1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 124 identified T-lRs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR's systern by l0m of February, 2023 and the procedure of exclusion from this list of 108 identified T-lRs shall apply as laid down in STGO 17 of 2022 dated 13.05.2022.

4. Upon hling of Sales Tax Return for the month of January, 2023 for all hereby notified T-lRs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

Enclosed: List of 108 Inteerateble Tier-l Retailers

(List of T-1Rs not reproduced here)

(Osama Sameer)
Deputy Director (POS-I)

1-225-10-05-2023

C.No.01/POS/IR/2021-Vol-II/STGO/38685-R Islamabad, the 10th March, 2023

SALES TAX GENERAL ORDER No. 08 OF 2023

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-1 Retailer "(T-1R)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been raised to 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-1Rs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No. 1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order**,** a list of 100 identified T-1Rs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR's system by 10th of March, 2023 and the procedure of exclusion from this list of 96 identified T-1Rs shall apply as laid down in STGO 17 of 2022 dated 13.05.2022.

4. Upon filing of Sales Tax Return for the month of February, 2023 for all hereby notified T-1Rs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

Enclosed: List of 96 Inteerateble Tier-l Retailers

(List of T-1Rs not reproduced here)

(Osama Sameer)
Deputy Director (POS-I)

C.No.1(1)Secy-ST-Ops/2023/42340-R Islamabad, the 15th March, 2023

SALES TAX GENERAL ORDER No. 09 OF 2023

Subject: Manufacturers of Five Export Oriented Sectors (Textile Carpet Leather Surgical & Sports Goods)

After abolition of zero-rated tax regime under SRO 1125(I)/2011 dated 31.12.2011, purchases (whether through imports or domestic supplies) in textile sector were subjected to sales tax @17% and the inputs consumed in exported goods, thus, became liable to be refunded to the exporters. In order to facilitate the cash flow requirements of export-oriented sectors particularly textile exporters, an automated Sales Tax e-Refund System (FASTER) was introduced to process and sanction exporters' refunds expeditiously. However, it continued to malfunction on multiple counts producing suboptimal outcomes and was found deficient in effectively analyzing the admissibility of refund in relation to quantity and quality of inputs claimed by the taxpayers, resulting in allowing portion of refund relating to such inputs which otherwise were not liable to be allowed either on the basis of excess consumption or otherwise being inadmissible under the law. These system glitches created problems for exporters in terms of uncertainty and stuck-up liquidity, and for the tax administration in terms of credibility deficit.

1-225-10-05-2023

2. Hence, in order to ensure certainty, transparency and truthfulness in processing of sales tax refunds across-the-board and issuance of valid and legitimate refunds to the exporting units, and also to safeguard the government revenue, FBR has decided to upgrade the automated system by incorporating benchmarks and input/output ratios which were finalized after due deliberations made with members from Customs authorities, Textile Exporters Association of Pakistan, Hosiery Manufacturer Association, IOCO Directorate, Consultants on Textile Sector study and Inland Revenue officers.

3. Therefore, Federal Board of Revenue is pleased to make following alterations in fully automated system-FASTER.

(i) Value addition check shall be l5% both for exports and local supplies for filing of Annex-H for current tax period.

(ii) The total amount of refund paid against the claims filed and processed shall not exceed the lower of the two amounts, namely, the amount of input tax actually consumed in goods as exported/supplied at zero-rated rate, or 12% of the exports.

(iii) Inadmissible inputs in terms of Section 8 of the Sales Tax Act, 1990 shall not be allowed during processing of refunds through FASTER.

(iv) Input tax adjustment shall not be allowed to the manufacturers of these sectors on the goods which are not related to their business activity. The negative list of such unrelated goods is annexed;

(v) The suppliers who have attained status of abnormal tax profile or blacklisted shall not be processed by automated system FASTER.

In addition to the checks/risk parameters already implemented through FASTER, the following risk parameters shall be applied in the automated refund processing system;

Risk Parameters:

i. FASTER shall defer proportionate input tax refund against export GD under objection.

ii. Logical check shall be enabled in system to cross match the date of export GD with the date of purchase invoices.

iii. Total amount of refund sanctioned and refund deferred shall not exceed the total amount of refund claim.

iv. First claim of refund by newly-registered exporters for first twelve months shall be excluded from FASTER and be processed through STARR / ERS.

v. Refund claim once excluded from FASTER shall not be allowed to roll back. It shall be processed only through STARR / ERS;

vi. For refund claim of a commercial exporters, the payment of such refund shall be made after the realization of export proceeds.

vii. Refund to the exporters against fixed assets shall not be processed through FASTER and shall be paid after verification of installation/utilization by the field formations.

viii. Expenses incurred on utilities shall be prorated on the basis of consumption between zero rated supplies and domestic sales.

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4. The Board shall add or delete or modify the Annexures or conditions / benchmarks mentioned therein as and when deemed necessary after recommendations of the field formations holding jurisdiction over the export-oriented sectors.

5. This issues with the approval of the competent authority, Member IR-Operations, FBR, Islamabad and shall be applicable with effect from the return filed in the Month of March 2023.

(Annexure Negative-List Sr. 1 to 717 not reproduced here)

(Naila Ashraf Khan)
Secretary (Sales Tax Operations)

C.No.01/POS/IR/2021-Vol-II/STGO/55325-R Islamabad, the 10th April, 2023

SALES TAX GENERAL ORDER No. 10 OF 2023

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 8B of the Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-1 Retailer "(T-1R)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by 15%. The figure of 15% has been raised to 60% vide Finance Act, 2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-1Rs who are liable to integrate but have not yet integrated, with effect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No. 1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 37 identified T-1Rs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR's system by 10 th of April, 2023 and the procedure of exclusion from this list of 37 identified T-1Rs shall apply as laid down in STGO 17 of 2022 dated 13.05.2022.

4. Upon filing of Sales Tax Return for the month of April, 2023 for all hereby notified T-1Rs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

Enclosed: List of 37 Inteerateble Tier-l Retailers

(List of T-1Rs not reproduced here)

(Osama Sameer)
Deputy Director (POS-I)

1-225-10-05-2023

C.No.01/POS/IR/2021-Vol-II/STGO/86113-R Islamabad, the 25th May, 2023

SALES TAX GENERAL ORDER No. 11 OF 2023

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act,2019 added sub-section (6) to section 8B ofthe Sales Tax Act, 1990 ("the STA, 1990") whereby a Tier-1 Retailer "(T-1R)" who did not integrate its retail outlet in the manner prescribed under sub-section (9A) of section 3 of the STA, 1990 during a tax period, its adjustable tax for that period would be reduced by l5%. The figure of I 5% has been raised to 60% vide Finance Act,2021.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby all T-1Rs who are liable to integrate but have not yet integrated, with eflect from July-2021 (Sales Tax Returns filed in August, 2021) are to be dealt with as per the procedure laid down in STGO No. 1 of 2022 issued on 3rd August 2021.

3. Vide the instant Sales Tax General Order, a list of 64 identified T-1Rs has been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with FBR's system by 31st of May, 2023 and the procedure of exclusion from this list of 64 identified T-1Rs shall apply as laid down in STGO 17 of 2022 dated 13.05.2022.

4. Upon filing of Sales Tax Return for the month of May, 2023 for all hereby notified T-1Rs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings. creating tax demand by the same amount.

Enclosed: List of 64 Inteerateble Tier-l Retailers

(List of T-1Rs not reproduced here)

(Osama Sameer)
Deputy Director (POS-I)

C.No.05(1)/ST-L&P/FFI/2023/137480-R Islamabad, the 07th September, 2023

SALES TAX GENERAL ORDER No. 12 OF 2023

Subject: Standard Operating Procedures (SOPs) to Deal with Cases Involving Fake / Flying Invoices

Of late, myriad of cases have emerged which establish the huge frequency of use of fake / flying invoices by the registered persons thereby compromising not only the government revenues but also creating legally-inadmissible refunds. Hence, in order to create uniformity in approach and consistency in reporting line and to deter the use of fake and flying invoices and effectively eliminate such malpractice, Federal Board of Revenue (FBR) is pleased to formulate and implement, with immediate effect, the following Standard Operating Procedure (SOP):

1. Identification of fake / flying Invoices by Dedicated Staff

(i) Keeping in view the pervasive use of fake / flying invoices and sensitive nature of the task, each Chief Commissioner IR shall dedicate at least two senior officers of impeccable integrity, for the purpose of identification of fake/flying invoices and registered bogus/dummy firms in the respective jurisdictions. This function shall primarily be assigned to the Assessment & Processing Cell, if already existing in the respective formation. An uninterrupted and full access to sales tax & FED data

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available on IRIS, ITMS, CREST, FASTER and other relevant automated systems shall be given to the said officer(s) / A & P Cell to enable them for an effective data analysis and examination of whole supply chain through scrutiny of registered persons' sales tax returns and registrations. For this purpose, the CCIRs shall coordinate with Member IT for getting access for the dedicated staff.

(ii) The said officer(s) / Cell shall obtain complete data and make its thorough scrutiny to ascertain the truthfulness of declarations or otherwise for detection of fake/flying sales tax invoices. They shall particularly focus, inter alia, on the following *characteristics of registered persons' declarations for discovery of fraudulent use of-fake / flying invoices*:

(a) High volume or value of transactions with little or no net sales tax payment;

(b) Value of purchases and input tax thereon are equal or greater than the value of supplies and output tax respectively;

(c) Consistently huge carry forwards, with unrealistic levels of stocks;

(d) Meager capital amount declared in wealth statement / company's accounts vis a vis huge stocks;

(e) Use of frequent & huge credit notes to avoid payment of due sales tax;

(f) Recent registration, usually less than 2 years, with high value purchases or supplies or sudden start of voluminous transactions after a long dormant period;

(g) Registered persons' addresses in low income, residential or remote areas;

(h) Income tax returns are either not filed, or filed with very low income. No withholding tax deduction despite declaration of huge transactions;

(i) Nature of supplies is different from purchases (purchases of textile goods but supplies of iron scrap or vice versa etc. etc.);

(j) Focus on the cases of commercial importers, dealers/distributors of large companies and dealers of petroleum products which are generally engaged in issuing flying invoices. In such cases, a diligent comparison of goods imported/purchased with the nature of business of the buyers shall help establish the wrong-doing by the registered person(s).

(iii) Such persons usually operate in networks. When an issuer of fake/flying invoices is identified; scrutiny of the forward and backward transactions i.e. purchases and sales in Annex A and Annex C of their sales tax returns, shall help in uncovering other wrongdoers in the supply chain.

(iv) On having captured the data of lake / flying invoices and particulars of registered persons involved in the fraudulent activity, the staff shall also verify the physical existence of such registered persons and such reports shall be made part of record.

2. Suspension / blacklisting:

(i) On identification of the dubious/bogus/dummy registrations or use of fake / flying invoices by the registered persons, their registration, in accordance with the statutory procedure, must be immediately suspended by the concerned Commissioner of Inland Revenue in terms of section 21 of the Sales Tax Act, 1990 read with Rule 12(a) of the Sales Tax Rules, 2006. Such suspension must follow with the prompt statutory action for blacklisting.

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(ii) All the actions required for blacklisting must be completed expeditiously, and show cause notice for blacklisting be issued within 7 days as specified in rule l2(a)(vi) of the Sales Tax Rules 2006. During the process of blacklisting, the Commissioner concerned shall get registered person's physical verification report to determine existence (or non-existence of the firm), availability of reasonably sufficient manufacturing facilities as the case may be, at the declared premises, etc. It is now an open secret that fake firms are registered in the name of low-level workers or even unconcerned persons and with office address at remote, lesser-known plazas, colonies, etc. Physical verification report shall expose element of tax fraud in such cases and have substantial evidentiary value during the subsequent proceedings.

(iii) Blacklisting proceedings must not suffer any delay and the order for blacklisting must be issued in terms of rule 12(b) of the said Rules, within 90 days of the issuance of the show cause notice. Utmost care shall be exercised to avoid committing of common mistakes in the suspension/blacklisting orders which generally enable the persons to easily obtain relief from appellate authorities. Hence, a speaking order shall be passed clearly mentioning the reasons e.g. the fact of issuance of fake/flying invoices without actual supply of physical goods, non-existence at the declared address, lack or insufficiency of capital to hold stocks, the malafide intent to avoid payment of due tax or claiming illegal refunds, etc.

3. Action Against Beneficiaries:

(i) Mere suspension and blacklisting of dubious/fake firms etc. is not enough to eliminate the phenomenon of fake/flying invoices, because the fraudsters easily create new registrations to continue their illegal activities. Further, no recoveries can be made from such bogus/non-existent firms and field formations continue to create huge tax demands and the phenomenon of fake / flying invoices continues unabated.

(ii) Hence, the RTO staff must pursue the cases of the beneficiaries which are real and existing firms. Therefore, the officers shall identify the actual buyers/suppliers of fake/bogus firms to reach the real culprits. Immediate action must commence (under the relevant assessment, enforcement and penal provisions) against beneficiary(s) of fake and flying invoices for recovery of the sales tax evaded or receipt of false refunds. Here again, the show cause notices and orders must be drafted carefully to avoid those weaknesses which allow undue relief at appellate stage. Too many cases fail at appellate stage merely because the order simply states that purchases were made from a suspended/blacklisted person. Therefore, it must be clearly specified that the beneficiary knowingly and deliberately purchased/sold invoices, without any actual transaction of goods, in order to evade sales tax or to claim illegal refund(s). It should also be specified that although this fraudulent activity occurred prior to suspension/blacklisting; yet the beneficiary was fully aware of purchase/sale of fake / flying invoices, without physical transfer of any goods, with the intent to evade payment of tax or claiming undue refunds.

4. Registration of FIRs

The present loose and liberal enforcement regime has emboldened the unscrupulous registered persons to indulge, without the fear of being caught, in the lucrative business of use of fake / flying invoices. The edifice of sales tax law is erected on the glorious principle of self-assessment where complete trust is reposed

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in the taxpayers for submitting true & faithful declarations. To deter misutilization of such trust, law also has an in-built penal & prosecution mechanism. The officers, on having established the case of tax fraud in using lake / flying invoices, shall not stop short of registering an FIR against the perpetrators of such tax fraud under the relevant legal provisions and shall vigorously pursue their cases during the prosecution stage. The officers shall, with the help of automated systems, find out the IP addresses, coordinates, etc. of the perpetrators of such crime and take statutory action accordingly. Definition of tax fraud as provided in Section 2(37) of the Act may be carefully perused and the facts of fraudulent acts must clearly fall within the four corners of tax fraud.

5. Action Against e-Intermediaries

Sub-section (5) of Section 52A of the Act lays down that an e-intermediary shall, along with the registered person, be jointly and severally liable for the consequences if he knowingly or willfully submits a false or incorrect information to avoid payment of due tax, etc. Wherever, case is established with regard to use of fake / flying invoices, the officers shall also proceed against such e-intermediaries in terms of Section 37A of the Act as well as initiating proceedings for immediate suspension and subsequent cancellation of their licenses in accordance with the procedure prescribed in sales tax law.

6. Action against Insiders

It is not possible that so many firms/businesses keep on operating openly and defiantly by issuing false sales tax invoices which are used by a wide range of beneficiaries to cause huge loss of revenue, without the knowledge, active assistance and connivance of some officials of the department. The Chief Commissioners and Commissioners IR shall therefore, keep constant vigilance on their RTO staff to detect any such activity and based upon evidence of complicity, to take swift action against the departmental official(s) found involved or in connivance with such persons who are using fake / flying invoices.

Moreover. whenever any widespread fraud is detected in an RTO; responsibility should also be fixed on those officials who neglected to detect such activity and take appropriate legal action at the earliest.

7. Other Jurisdictions:

It is often found that the buyers/suppliers of a fake/bogus firm fall in the domain of other jurisdictions. In such case, it shall be the responsibility of the Chief Commissioner concerned to immediately share details of such cases to the relevant jurisdictions clearly informing that such registered persons in their jurisdiction are engaged in buying/selling of fake/flying invoices, and that action must be taken against them in accordance with this SOP. Commissioners IR who issue orders for suspension/blacklisting should also endorse a copy of the order to the respective jurisdiction(s) where the beneficiaries are located.

8. Reporting to the Board

Along with detection of fraudulent activities related to misutilization of invoices, the field formations shall share reports to the Board for an analysis at Board level how to improve upon the existing automated systems and statutory procedures to eliminate this phenomenon and to safeguard government revenues.

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The field formations may, for the sake of creating awareness among the masses and establishing deterrence, also consider giving widespread circulation to detection of such fraudulent activities without disclosing the particulars of the taxpayers.

(Naila Ashraf Khan)
Secretary (Sales Tax Operations)

C.No.01/POS/IR/2021-Vol-II/STGO/75977-R Islamabad, the 23th April, 2024

SALES TAX GENERAL ORDER No. 01 OF 2024

Subject: Tier-1 Retailers - Integration with FBR's POS System

The Finance Act, 2019 added sub-section (6) to section 8B of the Sales Tax Act, 1990 ("the STA, 1990") which provided that input tax of a Tier-1 Retailer "(T-1R)" who did not integrate its retail outlet in the manner prescribed under subsection (9A) of section 3 of the STA, 1990 during a tax period, would be reduced by 15%. The figure of 15% subsequently raised to 60% vide Finance Act, 2021.

2. In order to streamline the process of registration and integration of Tier-1 retailers, FBR has issued S.R.O 1842(I)/2023, dated 21st December, 2023, whereby retailers, whose deductible withholding tax under section 236H of the Income Tax Ordinance, 2001 during immediately preceding twelve consecutive months has exceeded Rs. 100,000 have been prescribed as Tier-1 retailers under clause (g) of section 2(43A) of the Sales Tax Act, 1990. Such retailers are liable to be registered and integrated with Board's computerized system for real-time reporting of sales under Sales Tax Act, 1990 and rules made thereunder. Federal Board of Revenue is pleased to issue an STGO for integration of such retailers who fulfill the conditions laid down in Section 2(43A)(g).

3. In order to operationalize this important provision of law, a systembased approach has been adopted whereby all T-1Rs who are liable to integrate but have not yet integrated, w.e.f. June-2024 (Sales Tax Returns filed in July, 2024) are to be dealt with as per the procedure laid down below:-

I. A list of 1,680 identified T-IRs, enclosed with this STGO has also been placed on FBR's web portal at www.fbr.gov.pk allowing them to integrate with the FBR's POS System by 31st May, 2024.

II. In case a notified T-1R claims that it is not a T-1R as per the definition provided in Section 2(43A) of the STA, 1990, and therefore not liable to integrate, it shall apply to the Commissioner concerned for exclusion from the list, and the Commissioner would make a decision in this regard in accordance with the procedure laid down in STGO 17 of 2022, dated 13.05.2022.

III. Upon filing of Sales Tax Return for the month of June, 2024 for all hereby notified T-1Rs not having yet integrated, their input tax claim would be disallowed as above, without any further notice or proceedings, creating tax demand by the same amount.

Enclosed: List of Inteerateble Tier-l Retailers *(List of T-1Rs not reproduced here)*

(Osama Sameer)
Deputy Director (POS-I)

1-237-10-01-2025

C.No.01(122)ST-L&P/2024/235732-R Islamabad, the 17th December, 2024

SALES TAX GENERAL ORDER No. 02 OF 2024

Subject: FMCG Sector - Integration with FBR's Digital Invoicing System

The SRO 28(1)/2024 of the Sales Tax dated 10.01.2024 notified the registered persons pertaining to the value and supply chain of Fast-Moving Consumer Goods whereby every registered person notified is required to install electronic invoicing system as provided in Chapter XIV of the Sales Tax Rules, 2006.

2. In order to operationalize this important provision of law, a system-based approach has been adopted whereby the FMCG Manufacturers and Importers will be integrated with FBR Digital Invoicing System in the Phase-1, as per procedure laid down below:

(i) A list of 107 identified FMCG manufacturers and importers, hereinafter referred to as the integrated supplier, as provided in Chapter XIV of the Sales Tax Rules, 2006, has been placed on FBR's web portal at www.fbr.gov.pk requiring them to integrate with FBR's digital invoicing system by 31st December, 2024.

(ii) In case a notified integrated supplier claims to be a non-FMCG manufacturer or importer, and, therefore, not liable to integrate, it shall apply to the Commissioner-IR concerned for exclusion from the list and the Commissioner-IR shall issue the exclusion certificate as the case may be.

(iii) The concerned Chief Commissioners-IR shall forward all the exclusion certificates issued by the Commissioners-IR to the IR Operations Wing, FBR.

(iv) In order to facilitate the integration drive, the concerned Chief Commissioners-IR shall also notify dedicated focal persons who will work in liaison with PRAL to meet the assigned integration targets. The concerned Chief Commissioners-IR shall also furnish a weekly integration report to the IR Operations Wing.

3. This issues with the approval of the competent authority i.e. Member (IR-Operations), FBR, Islamabad and shall be applicable with immediate effect.

(Osama Sameer)
Deputy Director (POS-I)

Enclosed: List of Retailers *not reproduced here)*

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1-237-10-01-2025

C.No.6(9)TTS/GLT/2025/89667-R Islamabad, the 18th July, 2025

Sales Tax General Order No. 01 of 2025

Subject: Electronic monitoring of Production of Green Leaf Threshing (GLT) units through video analytics / digital eye solution

In exercise of the powers conferred under Rule 15OZQR of the Chapter XIV-BA of the Sales Tax Rules, 2006. The Federal Board of Revenue is pleased to direct that Green Leaf Thrashing units shall be included / covered under the provisions of Chapter XIV-BA with immediate effect.

C.No.1(1)Secy(ST-Ops)/2022/97899-R Islamabad, the 06th August, 2025

Sales Tax General Order No. 02 of 2025

Subject: Procedure for Action under Section 37A of the Sales Tax Act, 1990

The Board is pleased to direct that the following procedure shall be followed before initiating investigation leading to action under sub-section (8) and (9) ofsection 37A of the Sales Ta.r Act, 1990.

(a) Inquiry shatl not be initiated unless approval from the Commissioner has been obtained;

(b) After conclusion of inquiry, the Commissioner shall not give approval to initiate investigation unless he has obtained approval from the Member (Inland Revenue Operations) of the Board;

(c) Before seeking approval of the Member (Inland Revenue Operations), it is binding upon the Commissioner to make consultation with two representatives ofthe business community from amongst such representatives as notified by the Board;

(d) For the purpose ofparagraph (c) of this STGO, the Board shall notiry a list of representatives of business community on FBR's web portal;

(e) For the purpose ofparagraph (d), the trade organizations mentioned in column (3) of the Table below shall nominate two persons each, (who should be compliant and reasonably significant taxpayers) and send their names to the Member Inland Revenue Operations, FBR Head Quarters.

S.#	Region	Trade Organizations
(1)	(2)	(3)
1	LTO Lahore, CTO Lahore, RTO Lahore, RTO Gujranwala and RTO Sialkot	PBC, LCCI, FPCCI, Sialkot and Gujranwala Chamber of Commerce & Industry
2	RTO Faisalabad and RTO Sargodha	FPCCI, APTMA and Faisalabad Chamber of Commerce & Industry
3	LTO Multan, RTO Multan, RTO Sahiwal and RTO Bahawalpur	FPCCI and Multan Chamber of Commerce & Industry

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4	LTO Islamabad, CTO Islamabad, RTO Islamabad and RTO Rawalpindi	PBC, FPCCI and Chambers of Commerce & Industry from Islamabad and Rawalpindi
5.	LTO Karachi, MTO Karachi, CTO Karachi, RTO-I Karachi and RTO-II Karachi	PBC, OICCL FPCCI and KCCI
6.	RTO Quetta, RTO Hyderabad and RTO Sukkur	FPCCI, Chambers of Commerce & Industry from Quetta and Hyderabad
7.	RTO Peshawar and RTO Abbottabad	FPCCI and Sarhad Chamber of Commerce & Industry

(f) The Member Inland Revenue Operations shall nominate 02 persons for each region for consultation from amongst persons nominated by the Trade Organizations based on the income tax payments made by the them for the latest tax year, expolts and compliance history.

(g) The Member Inland Revenue Operations shall not select more than one person from a nominating trade organization in one region.

C.No.1(1)Secy(ST-Ops)/2025/111889-R Islamabad, the 04th September, 2025

Sales Tax General Order No. 03 of 2025

Subject: Procedure for Action under Section 37A of the Sales Tax Act, 1990

In continuation of the STGO No.02 of 2025, dated 06.08.2025, the Board is pleased to further direct that following principles shall be followed before initiating investigation leading to action under sub-sections (8) and (9) of section 37 A of the Sales Tax Act, 1990:

(a) In those fraud cases, where cognizance was taken prior to 1st July, 2025, the principles laid down by Honorable Supreme Court vide judgement, dated 04.12.2024 passed in Civil Appeal No.350/2016 (Directorate of Intelligence & Investigation, FBR Vs Taj International (Pvt) Ltd etc.) and other connected cases shall be followed in letter and spirit;

(b) In those fraud cases, where cognizance was taken on or after 1st July, 2025, procedure as laid down under section 37A of the Act, as substituted vide Finance Act, 2025 read with STGO No.02, dated 06.08.2025 shall be followed;

(c) In any case, the fundamental principles of natural justice laid down by Higher Appellate Courts including due process of law and right to fair trial shall be followed in letter and spirit.

C.No.1(163)/ST-L&P/Ops/2025/128515-R Islamabad, the 08th October, 2025

Sales Tax General Order No. 04 of 2025 (Operations)

Subject: De- Registration of Sales Tax in Terms of Section 21 of the Sales Tax Act, 1990 Read with Rule 11 of Sales Tax Rules, 2006

Whereas, request of taxpayers for de-registration are processed in terms of Section 21 of the Sales Tax Act, 1990 (the Act) read with Rule 11 of Chapter I of Sales Tax Rules, 2006 (the Rules).

1-242-10-01-2026

2. And whereas, the taxpayers intended to get de-registration of sales tax registration are now required to apply through computerized system online to the Commissioner-IR having jurisdiction as required under sub-Rule (1) of Rule 11 of the Rules.

3. No manual application for de-registration shall be entertained by the Commissioner-IR having jurisdiction. The manual applications as pending till date are required to be processed through computerized system.

C.No.2(4)/T&Ts/Cement/2021(Vol-II)/135225-R Islamabad, the 23rd October, 2025

Sales Tax General Order No. 05 of 2025/IR Operations

Subject: Electronic Monitoring, Tracking and Tracing of Cement Bags

In supersession of STGO No. 19 of 2022 dated: 27.06.2022 and in terms of the provisions of Section 40C(2) of the Sales Tax Act, 1990 read with Rule 150ZF of the Sales Tax Rules, 2006 which empowers Federal Board of Revenue (FBR) to notify the date for the implementation of electronic monitoring, tracking and tracing of production, import and supply-chain of goods in the manner prescribed in the law on all manufacturing sites of notified sectors.

2. In exercise of the powers conferred under Section 40C(2) of Sales Tax Act, 1990 and Rule 150ZF of the Sales Tax Rules, 2006, The Federal Board of Revenue is pleased to direct that no Cement Bag shall be allowed to be removed from a production site, factory premises or manufacturing plant or import station without affixation of tax stampsfunique Identification Markings (UIMs) with effect from 1st November, 2025, which are to be obtained/procured from FBR's Licensee i.e. M/s. AJCL/MITAS/Authentix Consortium.

3. This issues with the approval of the Competent Authority, Member Inland Revenue Operations, FBR, Islamabad.

C.No.2(6)/T&T/Sugar/2021(Vol-II)/136606-R Islamabad, the 27th October, 2025

Sales Tax General Order No. 06 of 2025/IR Operations

Subject: Electronic Monitoring Production of Sugar Bags through Video Analytics

The provisions of Section 40C(2) of the Sales Tax Act, 1990 mandate the Federal Board of Revenue (FBR) to notify the date for the implementation of monitoring or tracking of production by electronic or other means including video analytics in the manner prescribed in the law on all manufacturing sites of notified sectors.

2. In exercise of the powers conferred under Section 40C(2) of Sales Tax Act, 1990 and Rule 150ZQT(2) of the Sales Tax Rules, 2006, The Federal Board of Revenue is pleased to direct that prior to the commencement of the upcoming sugar crushing season, no person engaged in manufacturing of sugar shall remove any production from their business premises unless it has undergone the process of production monitoring.

3. The Federal Board of Revenue is pleased to further direct that prior to the commencement of the upcoming sugar crushing season, all the sugar mills are required to procure and install the Production Monitoring Equipment with the following specifications;

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Requirements for **Graphical Processing Unit (GPU)**:

Manufactured by NVIDIA, AMD, Intel or Huawei that meet or exceed the following target specifications:

i. CUDA Cores: 10,000 or above (or equivalent compute units)
ii. Tensor Cores: 300 or above (or equivalent Al accelerators)
iii. RT Cores: 80 or above (or equivalent ray tracing cores)
iv. Base Clock: 2 GHz or above
v. Boost Clock: 2 GHz or above
vi. Memory: 16 GB to 24 GB minimum
vii. Memory Bus Width: 256-bit or higher
viii. Memory Bandwidth: Minimum 1000 GB/s
ix. Cooling: Dual fan or liquid cooling
x. Power Supply: 1300W Platinum-grade PSU or above

Note: CUDA cores are NVIDIA-specific. Equivalent metrics for AMD, Intel, and Huawei GPUs are stream processors, execution units, or Al cores.

Requirements for **Central Processing Unit (CPU)**:

Manufactured by AMD or Intel that meet or exceed the following target specifications:

i. Processor: AMD Ryzen 9 7950x (or equivalent)
ii. Cores: 16 cores with 32 threaded processor
iii. RAM: 32GB DDR5
iv. Storage: 2 x 1TB SSD (RAID 1)
v. Interface: PCI Express 4.0 x16
vi. Network: 1 Gigabit Ethernet interface (RJ45)
vii. Base Clock: 4.5 GHz or above
viii. Boost Clock: 5.7 GHz or above
ix. Motherboard: X670 AORUS (or equivalent)
x. Cooling: Liquid Cooling Supported

Requirements for **PoE Switches**:

i. Industrial grade
ii. IP 67
iii. SFP Port enabled
iv. Minimum 16 ports

4. All hardware installations must be placed on standard mounting racks in standard cabinets including but not limited to dust proof environmental control cabinet, dustproof with Lock and Key option for physical security of equipment.

5. All hardware installations(referred to herein as Production Monitoring Equipment) including GPU and CPU system must enable integration with the Production Monitoring Equipment/hardware already procured and installed by the sugar mills vide Board's letter dated F.NO.2(6)/T&Ts(Sugar)/2021-213583-R dated 30th October, 2024.

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6. All hardware installations (referred to herein as Production Monitoring Equipment) must allow seamless monitoring of production through video surveillance, video analytics or Digital Eye software, as defined under Rule 150ZQS of the Sales Tax Rules, 2006, as and when directed by the Board.

7. This issues with the approval of the competent authority, Member Inland Revenue Operations, FBR, Islamabad.

C.No.2(3)/T&Ts/Tobbaco/2021/142664-R Islamabad, the 10th November, 2025

Sales Tax General Order No. 07 of 2025/IR Operations

Subject: Electronic Monitoring Production of Tobacco sector through IP-CCTV Cameras

In exercise of powers conferred under Section 40C of Sales Tax Act, 1990 read with Chapter XIV-B & BA of Sales Tax Rules, 2006. The Tobacco manufacturers have already been communicated to install cameras vide letter F.No. 2(3)/T&Ts/ Tobacco/ 2021/ 103449-R, dated: 18.08.2025, letter F.No. 2(3)/T&Ts/ Tobacco/ 2021/104849-R, dated: 21.08.2025 and letter F. No. 2(3)/T&Ts/Tobacco/2021/ 105188-R, dated: 21.08.2025.

2. The Federal Board of Revenue is pleased to further direct that all Tobacco manufacturing units shall install IP-CCTV cameras on the direction of the Board on specified places of manufacturing facilities. No person engaged in manufacturing of Tobacco Products shall remove any production from their business premises unless it has undergone the process of production monitoring through IP-CCTV Cameras.

3. This issues with the approval of Competent Authority, Member Inland Revenue Operations, FBR, Islamabad and comes into force immediately.

C.No.1(190)/ST-L&P/2026/35900-R Islamabad, the 30th March, 2026

Sales Tax General Order No. 01 of 2026/IR Operations

Subject: Issuance of Electronic Sales Tax Invoices and Integration of Registered Persons

Whereas, the provisions of sub-sections (5) and (6) of Section 23 of the Sales Tax Act, 1990 mandate the Federal Board of Revenue (FBR) to require any person or class of persons to integrate their electronic invoicing system with the Board's computerized system for real-time reporting of sales in such mode, manner, and from such date as may be specified therein, and further provide that such integration shall be carried out by licensed integrators in the prescribed manner.

2. Whereas, FBR through SRO. 1413(1)/2025 dated 01.08.2025 obligate all sales tax registered persons to integrate with FBR’s computerized system through a licensed integrator and issue digital invoices. Whereas, some hardships of involvement of more than one licensee integrator in cases of persons/class of persons have been reported.

3. In order to streamline the procedure, the Federal Board of Revenue is pleased to direct that a registered person may, for the purposes of integration of its electronic invoicing hardware and software with the Board’s computerized system, engage one or more licensed integrators, as approved or notified by the Board, wherever required.

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4. The Federal Board of Revenue is pleased to further direct that an integrated person shall only be allowed to cancel, delete, or edit a valid electronic sales tax invoice generated due to bonafide mistake, through the Board's computerized system within a period of seventy-two (72) hours from the time of its generation.

5. Provided that any such cancellation, deletion, or editing after the expiry of seventy-two (72) hours from the time of generation of the electronic sales tax invoice shall be subject to prior approval of the concerned Commissioner Inland Revenue, in such manner and subject to such conditions as may be specified by the Board.

6. This issues with the approval of the competent authority i.e. Member (IR Ops), FBR, Islamabad.

F.No.3(7)/TDU/IR/FBR/37468-R Islamabad, the 1st April, 2026

Sales Tax General Order No. 02 of 2026/IR Operations

Subject: Electronic Monitoring of Tiles Production Through Video Analytics

In exercise of the powers conferred under Section 40C(2) of Sales Tax Act, 1990, read with Rules 15OZQR and 150ZQT of the Chapter XIV-BA of the Sales Tax Rules, 2006, the Federal Board of Revenue is pleased to direct as follows:

1. All registered persons engaged in the manufacturing of tiles shall install a video analytics solution, in accordance with the provisions of the aforesaid Rules, with immediate effect.

2. The production processes at all tile manufacturing units shall be monitored through video surveillance and video analytics systems. Such systems shall be installed at production lines using equipment supplied by vendors authorized by the Board.

3. All the registered persons engaged in tiles manufacturing are hereby directed under law to make necessary arrangements for installation of video analytics solution (including hardware and software) for successful implementation of electronic monitoring of production by 30th April, 2026.

4. To ensure timely and effective implementation, the respective Chief Commissioners Inland Revenue shall designate and notify dedicated focal persons. These focal persons shall coordinate with tile manufacturers and authorized vendors to facilitate installation and operationalization. A non-exhaustive, jurisdiction-wise list of registered tile manufacturers is enclosed for reference (Annex-A).

5. The details of the vendor authorized under Chapter XIV-BA of the Sales Tax Rules, 2006, for electronic monitoring of tile production through video analytics are as follows:

Company Name:	ISSM Labelling Solutions
Contact Person:	Haider Shafique
Phone/WhatsApp #	0310-5463614
Email:	haider.shafiq@issm.ai

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6. All authorized vendors shall ensure that their video analytics systems fully comply with the requirements prescribed under Rule 150ZQT of the Sales Tax Rules, 2006, including but not limited to:

(a) real time capture of production process;

(b) real time collection of data that shows production through object detection and object counting.

(c) transmission of data to Central Control Unit at Board on real time basis, storage and archiving of data:

(d) detection of unexpected stops:

(e) quantitative analyses of production, and

(f) data analytics for required legal actions.

7. This issues with the approval of the competent authority, Member IR-Operations, FBR, Islamabad and shall be applicable with immediate effect.

F.No. 6(23)/TTS/Bottled/2026/54259-R Islamabad, the 15th May, 2026

Sales Tax General Order No. 03 of 2026/IR Operations

Subject: Electronic Monitoring of Bottled Water Production

In exercise of the powers conferred under Section 40C(2) of Sales Tax Act, 1990, read with Rules 150ZQR and 150ZQT of the Chapter XIV-BA of the Sales Tax Rules, 2006, the Federal Board of Revenue is pleased to direct as follows:

1. All registered persons engaged in the production and packaging of bottled water, whether on their own account or as toll manufacturers, shall install the electronic production monitoring solution, in accordance with the provisions of the aforesaid Rules, with immediate effect.

2. Production Monitoring System comprises the following:

a. Hardware:

i. Industrial Barcode Scanner, at least one for each production line suitable for high-speed production lines (i.e. 40,000 - 60,000 SKUs per hour);

ii. Counting sensor, at least one for each production line;

iii. Industrial PC will all peripheral devices, at least one for one manufacturing facility

iv. IP Camera (1080P, 5MP), at least one for each production line

v. NVR (Network Video Recorder), supporting at least 8 channels with storage capacity of at least one month

vi. FIMI (Human Machine Interface),

vii. PLC (Programmable Logic Controller), supporting high number of I/O points (minimum 14/10)

viii. Display, LED-TV at least 43 inches

ix. UPS with capacity to sustain operations for 2 hours for all on-premises devices

x. Electrical cabinet IP67

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b. Software:

i. Production Monitoring and Information System

ii. Windows 10 (64-bit) or equivalent (for industrial PCs)

The production monitoring system (as above) shall be supplied, installed and maintained by the vendors authorized by the Board.

3. All the aforesaid registered persons are hereby directed under law to make necessary arrangements for installation of electronic production monitoring system by 15th June,2026.

4. To ensure timely and effective implementation, the respective Chief Commissioners Inland Revenue shall designate and notify dedicated focal persons. These focal persons shall coordinate with water bottlers and with authorized vendors to facilitate installation and operationalization.

5. The details of the vendors authorized by the FBR under Chapter XIV-BA of the Sales Tax Rules, 2006, are as follows:

Company Name:	M/s ISSM Labelling Solutions	M/s Authentik	M/s TolLink Pakistan Private Limited
NTN	A033994	7615201-4	1475124-7
Contact Person:	l. Salman Amin 2 Haider Shafique	1. Haseeb Uddin 2. Talha Baig	1. Ahmed Zeeshan 2. Mohammad Arif
Phone/WhatsApp#	1. 0313-4027777 2. 0310-5463614	1. 0301-8221756 2. 0346-2575523	1. 0300-8546496 2. 0300-5004732
Email:	1. salman@issm.ai 2. halder.shafiq@issm.ai	1. haseeb@authentiksolution.com 2. talha@authentiksolution.com	1. azeeshan@tollink.com.pk 2. marif@tollink.com.pk

6. All authorized vendors shall ensure that their production monitoring systerns fully comply with the requirements prescribed under Rule 15OZQT of the Sales Tax Rules, 2006, including but not limited to:

(a) real time capture of production process;

(b) real time collection of data that shows production through object detection and object counting;

(c) transmission of data to Central Control Unit at Board on real time basis, storage and archiving of data;

(d) detection of unexpected stops;

(e) quantitative analyses of production; and

(f) data analytics for required legal actions.

7. This issues with the approval of the competent authority. Member IR-Operations, FBR, Islamabad and shall be applicable with immediate effect.

F.No. 6(22)/TTS/Juices/2026/54258-R Islamabad, the 15th May, 2026

Sales Tax General Order No. 04 of 2026/IR Operations

Subject: Electronic Monitoring of Packaged Juices Production

In exercise of the powers conferred under Section 40C(2) of Sales Tax Act, 1990, read with Rules 150ZQR and 150ZQT of the Chapter XIV-BA of the Sales Tax Rules, 2006, the Federal Board of Revenue is pleased to direct as follows:

1-246-15-09-2026

1. All registered persons engaged in the production and packaging of juices, whether on their own account or as toll manufacturers, shall install the electronic production monitoring solution, in accordance with the provisions of the aforesaid Rules, with imrnediate effect.

2. Production Monitoring System comprises the following:

a. Hardware:

i. Industrial Barcode Scanner, at least one for each production line suitable for high-speed production lines (i.e. 40,000 - 60,000 SKUs per hour);

ii. Counting sensor, at least one for each production line;

iii. Industrial PC will all peripheral devices, at least one for one manutacturing facility

iv. IP Camera (1080P, 5MP), at least one for each production line

v. NVR (Network Video Recorder), supporting at least 8 channels with storage capacity of at least one month

vi. HMI (Human Machine Interface),

vii. PLC (Programmable Logic Controller), supporting high number of I/O points (minimum 14/10)

viii. Display, LED-TV at least 43 inches

ix. UPS with capacity to sustain operations for 2 hours for all on-premises devices

x. Electrical cabinet IP67

b. Software:

i. Production Monitoring and Information System

ii. Windows 10 (64-bit) or equivalent (for industrial PCs)

The production monitoring system (as above) shall be supplied, installed and maintained by the vendors authorized by the Board.

3. All the aforesaid registered persons are hereby directed under law to make necessary arrangements for installation of electronic production monitoring system by 15th June,2026.

4. To ensure timely and effective implementation, the respective Chief Commissioners Inland Revenue shall designate and notify dedicated focal persons. These focal persons shall coordinate with packaged juices manufacturers and with authorized vendors to facilitate installation and operationalization.

5. The details of the vendors authorized by the FBR under Chapter XIV-tlA of the Sales Tax Rules, 2006, are as follows:

Company Name:	M/s ISSM Labelling Solutions	M/s Authentik
NTN	A033994	7615201-4
Contact Person:	1. Salman Amin 2. Haider Shafique	1. Haseeb Uddin 2. Talha Baig
Phone/WhatsApp #	1. 0313-4027717 2. 0310-5463614	1. 0301-8221756 2. 0346-2575523
Email:	l. salman@issm.ai 2 - haidershafiq@issm.ai	1. haseeb@authen tiksolution.com 2. talha@authentiksolution. com

6. All authorized vendors shall ensure that their production monitoring systems fully comply with the requirements prescribed under Rule 150ZQT of the Sales Tax Rules, 2006, including but not limited to:

(a) real time capture of production process;

(b) real time collection of data that shows production through object detection and object counting;

(c) transmission of data to Central Control Unit at Board on real tirne basis, storage and archiving of data;

(d) detection of unexpected stops;

(e) quantitative analyses of production; and

(f) data analytics for required legal actions.

7. This issues with the approval of the competent authority, Member IR-Operations, FBR, Islamabad and shall be applicable with immediate effect.

C.No. 1(190)ST-L&P/2026/55306-R Islamabad, the 18th May, 2026

Sales Tax General Order No. 05 of 2026/ICT

Subject: ICT Service Providers - Integration with FBR's POS System

The Finance Act, 2025 added second proviso to section 3 of Islamabad Capital Territory (Tax on Services) Ordinance, 2001, which mandated the Federal Board of Revenue (FBR) to require any service provider as mentioned in Table 1 and Table 2 of the Schedule to integrate his business with the Board's computerized system for real-time reporting of provision of services.

2. In exercise of the powers conferred under the Ordinance, *ibid*, the Federal Board of Revenue is pleased to direct that all service providers specified in Table-1 and Table-2 of the Schedule to the said Ordinance, as further categorized in the table below, shall complete registration and testing for integration of their hardware and software with the Board's computerized system, through a licensed integrator, including Pakistan Revenue Automation Limited (PRAL), in accordance with the procedure prescribed under Chapter XIV of the Sales Tax Rules, 2006, and shall issue electronic invoices not later than the respective dates specified in columns (3), (4), and (5) of the table:-

Sr. No.	Category of Service Provider	Date for Registration	Date for Testing	Date for Issuance of Electronic Invoices
(01)	(02)	(03)	(04)	(05)
1	Public Limited Companies	25-05-2026	05-06-2026	15-06-2026
2	All companies excluding at Serial No.01 with turnover exceeding 1 billion rupees declared in sales tax returns for the last twelve months.	25-05-2026	05-06-2026	15-06-2026
3	All companies excluding at Serial No.01 with turnover not exceeding 1 billion rupees declared in sales tax returns for the last twelve months.	30-05-2026	10-06-2026	20-06-2026

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4	All individuals and Association of Persons with turnover exceeding 100 million rupees declared in sales tax returns for the last twelve months.	30-05-2026	10-06-2026	20-06-2026
5	Registered persons other than listed above.	01-06-2026	15-06-2026	25-06-2026

3. It is further clarified that service providers who have already completed registration and have integrated their Point of Sale / hardware & software with the Board's computerized system prior to issuance of this general order shall be deemed to have been duly integrated for the purposes of this order and shall not be required to undergo re-integration.

F.No.6(24)/TTS/Milk/2026/56427-R Islamabad, the 21st May, 2026

Sales Tax General Order No. 06 of 2026/IR Operations

Subject: Electronic Monitoring of Packaged Milk Production

In exercise of the powers conferred under Section 40C(2) of Sales Tax Act, 1990, read with Rules 15OZQR and 150ZQT of the Chapter XIV-BA of the Sales Tax Rules, 2006, the Federal Board of Revenue is pleased to direct as follows:

1. All registered persons engaged in the production and packaging of milk, whether on their own account or as toll manufacturers, shall install the electronic production monitoring solution, in accordance with the provisions of the aforesaid Rules, with immediate effect.

2. Production Monitoring System comprises the following:

a. Hardware:

i. Industrial Barcode Scanner, at least one for each production line suitable for high-speed production lines (i.e. 20,000 - 60,000 SKUs per hour);

ii. Counting sensor, at least one for each production line;

iii. Industrial PC will all peripheral devices, at least one for one manufacturing facility

iv. IP Camera (1080P, 5MP), at least one for each production line

v. NVR (Network Video Recorder), supporting at least 8 channels with storage capacity of at least one month

vi. HMI (Human Machine Interface),

vii. PLC (Programmable Logic Controller), supporting high number of I/O points (minimum 14/10)

viii. Display, LED-TV at least 43 inches

ix. UPS with capacity to sustain operations for 2 hours for all on-premises devices

x. Electrical cabinet IP67

b. Software:

i. Production Monitoring and Information System

ii. Windows 10 (64-bit) or equivalent (for industrial PCs)

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The production monitoring system (as above) shall be supplied, installed and maintained by the vendors authorized by the Board.

3. All the aforesaid registered persons are hereby directed under law to make necessary arrangements for installation of electronic production monitoring system by 30th June,2026.

4. To ensure timely and effective implementation, the respective Chief Commissioners Inland Revenue shall designate and notify dedicated focal persons. These focal persons shall coordinate with packaged milk manufacturers and with authorized vendors to facilitate installation and operationalization.

5. The details of the vendors authorized by the FBR under Chapter XIV-BA of the Sales Tax Rules, 2006 is available at https://fbr.gov.pk/electronic-monitoring-production/174607/174608

6. All authorized vendors shall ensure that their production monitoring systems fully comply with the requirements prescribed under Rule 15OZQT of the Sales Tax Rules, 2006, including but not limited to:

(a) real time capture of production process;

(b) real time collection of data that shows production through object detection and object counting;

(c) transmission of data to Central Control Unit at Board on real time basis, storage and archiving of data;

(d) detection of unexpected stops;

(e) quantitative analyses of production;and

(f) data analytics for required legal actions.

7. This issues with the approval of the competent authority, Member lR-Operations, FBR, Islamabad and shall be applicable with immediate effect.

F.No.6(22)/TTS/AERATD/2026/60286-R Islamabad, the 02nd June, 2026

Sales Tax General Order No. 07 of 2026/IR Operations

Subject: Electronic Monitoring of Aerated Waters or Beverages

In exercise of the powers conferred under Section 4OC(2) of Sales Tax Act, 1990, read with Rules 150ZQR and 150ZQT of the Chapter XIV-BA of the Sales Tax Rules, 2006, the Federal Board of Revenue is pleased to direct as follows:

1 All registered persons engaged in the production and packaging of aerated waters or beverages, whether orrtheir own account or as toll manufacturers, shall install the electronic production monitoring solution, in accordance with the provisions of the aforesaid Rules, with immediate effect.

2. The production Monitoring System shall comprise, including but not limited to, the following components:

a. Hardware:

i. Industrial Barcode Scanner, at least one for each production line suitable for high-speed production lines (i.e. 20,000 - 60,000 SKUs per hour);

ii. Counting sensor, at least one for each production line;

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iii. Industrial PC will all peripheral devices, at least one for one manufacturing facility

iv. IP Camera (1080P, 5MP), at least one for each production line

v. NVR (Network Video Recorder), supporting at least 8 channels with storage capacity of at least one month

vi. HMI (Human Machine Interface),

vii. PLC (Programmable Logic Controller), supporting high number of I/O points (minimum 14/10)

viii. Display, LED-TV at least 43 inches

ix. UPS with capacity to sustain operations for 2 hours for all on-premises devices

x. Electrical cabinet IP67

b. Software:

i. Production Monitoring and Information System

ii. Windows 10(64-bit) or equivalent (for industrial PCs)

The production monitoring system (as above) shall be supplied, installed and maintained by the vendors authorized by the Board.

3. All the aforesaid registered persons are hereby directed under law to make necessary arrangements for installation of electronic production monitoring system by 30th June,2026.

4. To ensure timely and effective implementation, the respective Chief Commissioners Inland Revenue shall designate and notifr dedicated focal persons. These focal persons shall coordinate with aerated waters and beverages manufacturers and with authorized vendors to facilitate installation and operationalization.

5. The details of the vendors authorized by the FBR under Chapter XIV-BA of the Sales Tax Rules, 2006, are as follows:

Company Name:	M/s Tollink Pakistan Private Limited	M/s Authentik
NTN	1475124-7	7615201-4
Contact Person:	1. Ahmed Zeeshan 2. Muhammad Arif	1. Haseeb Uddin 2. Talha Baig
Phone/WhatsApp #	1. 0300-8546496 2. 0300-5004732	1. 0301-8221756 2. 0346-2575523
Email:	1. azeeshan@tollink.com.pk 2. marif@tollink.com.pk	1. haseeb@authentiksolution.com 2. talha@authentiksolution.com

6. All authorized vendors shall ensure that their production monitoring systems fully comply with the requirements prescribed under Rule 150ZQT ofthe Sales Tax Rules, 2006, including but not limited to:

(a) real time capture of production process;

(b) real time collection of data that shows production through object detection and object counting;

1-246-15-09-2026

(c) transmission of data to Central Control Unit at Board on real time basis, storage and archiving of data;

(d) detection ofunexpected stops;

(e) quantitative analyses of production; and

(f) data analytics for required legal actions.

7. This issues with the approval of the competent authority, Member IR FBR, Islamabad and shall be applicable with immediate effect.

C.No.3(7)/ST&FE-Policy/2026 Islamabad, the 02nd July, 2026

Sales Tax General Order No. 08 of 2026/IR Policy

Subject: Visibility and Prominent Display of Retail Price and Sales Tax on Goods Specified in the Third Schedule to the Sales Tax Act, 1990

In terms of sub-section (2)(a) of section 3 ofthe Sales Tax Act, 1990, taxable supplies and imports of goods specified in the Third Schedule are chargeable to sales tax at the rate of eighteen per cent of the retail price, and the retail price along with the amount of sales tax is required to be legibly, prominently and indelibly printed or embossed by the manufacturer or, in the case of imported goods. by the importer on each article, packet, container, package, cover or label, as the case may be.

2. The Federal Board of Revenue has observed that, in a number of cases, the retail price on goods specified in the Third Schedule is either not printed, not clearly visible, or is obscured by the Lackground, monogram, design, colour scheme or other printed material, making it difficult to readily ascertain the retail price for the purposes of levy and collection of sales tax.

3. The Federal Board of Revenue is, therefore, pleased to direct that all manufacturers and importers of goods specified in the Third Schedule to the Sales Tax Act, 1990, (the list of which, together withlhe descriptions thereof, is enclosed as **Annex-A**) shall ensure that the retail price and the amount of sales tax are displayed in a clear, legible, prominent and indelible manner, using a font size and colour that distinctiy contrast with the background and remain readily visible and easily readable to the naked eye. The retail price and the amount of sales tax shall not be concealed, obscured or rendered unreadable by any design, monogram, sticker, wrapper or any other material affixed on the goods or their packing. The Mandatory Printing Specifications, attached as **Annex-B**. shall be complied with in letter and spirit.

4. Any contravention of the above directions shall entail action under the relevant provisions of the Sales Tax Act, 1990 and the rules made thereunder.

5. In case of any ambiguity regarding the implementation or interpretation of this General Order, the concerned persons may contact the IR-Policy Wing, Federal Board of Revenue, for clarification.

6. This General Order shall come into force with immediate effect.

Encl: As above.

1-246-15-09-2026

Annex - A

THIRD SCHEDULE

See clause (a) of sub-section (2) of section 3

Serial No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
1	Fruit juices and vegetable juices	20.09
2	Ice Cream.	2105.0000]
3	Aerated waters or beverages.	22.01 and 20.02
4	Syrups and squashes.	Respective headings
5	Cigarettes.	2402.2000
6	Toilet soap	3401.1100 and 3401.2000
7	Detergents	Respective heading
8	Shampoo	3305.1000
9	Toothpaste	3306.1010
10	Shaving cream	3307.1000
11	Perfumery and cosmetics	Respective sub-headings of 33.03 and 33.04.]
12	Tea	Respective sub-headings of 09.02
13	Powder drinks	21.06
14	Milky drinks	2106.9090]
15	Toilet paper and tissue paper	4818.1000 and 4818.2000]
16	Spices sold in retail packing bearing brand names and trade marks	09.04, 09.06, 09.08 and 09.10
17	Shoe polish and shoe cream	3405.1010]
18	Cement sold in retail packing	Respective heading
19	Mineral/bottled water	Respective heading
20	Household electrical goods, including air conditioners, refrigerators, deep freezers, televisions, recorders and players, electric bulbs, tube-lights, electric fans, electric irons, washing machines and telephone sets.	Respective heading
21	Household gas appliances, including cooking range, ovens, geysers and gas heaters.	Respective heading
22	Foam or spring mattresses and other foam products for household use.	Respective heading
23	Paints, distempers, enamels, pigments, colours, varnishes, gums, resins, dyes, glazes, thinners, blacks, cellulose lacquers and polishes sold in retail packing	Respective heading
24	Lubricating oils, brake fluids, transmission fluid, and other vehicular fluids sold in retail packing.	Respective heading
25	Storage batteries excluding those sold to automotive manufacturers or assemblers	Respective heading
26	Tyres and tubes excluding those sold to automotive manufacturers or assemblers	Respective heading
27	Motorcycles	Respective heading
28	Auto rickshaws	Respective heading
29	Biscuits in retail packing with brand name	Respective heading
30	Tiles	Respective heading
31	Auto-parts, in retail packing, excluding those sold to automotive manufacturers or assemblers	Respective heading]

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32	DAP	Respective heading]
33	Import of pet food including of dogs and cats sold in retail packing	2309.1000
34	Import of coffee sold in retail packing	0901.1100, 0901.1200, 0901.2100, 0901.2200, 0901.9000, 2101.1120
35	Import of chocolates sold in retail packing	1704.9010, 1806.2090, 1806.3100, 1806.3200, 1806.9000
36	Import of cereal bars sold in retail packing	1904.1010, 1904.1090, 1904.2000, 1904.3000, 1904.9000.”;
37	Vegetable and animal fats and oils, sold in retail packing.	Respective headings
38	Sugar confectionery, sold in retail packing.	Respective headings
39	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared, sold in retail packing.	19.02
40	Sauces, ketchup and other preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard, sold in retail packing.	Respective headings
41	Fermented beverages, sold in retail packing.	Respective headings
42	Petroleum jelly, paraffin wax, micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wax, other mineral waxes, and similar products obtained by synthesis or by other processes, whether or not coloured, sold in retail packing.	27.12
43	Plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls, sold in retail packing.	39.19, 39.20, 39.21
44	Tableware, kitchenware, plastic furniture, storage items, hygienic or toilet articles, and allied other household articles of plastics, sold in retail packing.	Chapter 39
45	Trunks, suit- cases, vanity- cases, executive-cases, briefcases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toilet bags, rucksacks, handbags, shopping- bags, wallets, purses, map- cases, cigarette-cases, tobacco-pouches, tool bags, sports bags, bottle- cases, jewellery boxes, powder-boxes, cutlery cases and similar containers, of leather or of composition leather, of sheeting of plastics, of textile materials, of vulcanised fibre or of paperboard, or wholly or mainly covered with such materials or with paper, put up for retail sale.	42.02
46	Footwear (all types) except where the manufacturer exclusively sells its products through digitally integrated and POS compliant retail outlets.	Respective headings
47	Bathroom accessories and bath items, sanitaryware including taps, showerheads, fittings, mixers, valves and other washroom accessories and fixtures, sold in retail packing	Respective headings
48	Crockery Items, sold in retail packing	Respective headings
49	Car and automobile accessories, sold in retail packing	Respective headings
50	Milk, fat-filled milk, preparations suitable for infants, and other products of milk, sold in retail packing	Respective headings

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51	Preparations for use on the hair, sold in retail packing	33.05
52	Pre- shave, shaving or after- shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorisers, whether or not perfumed or having disinfectant properties, sold in retail packing	33.07
53	Toilet or facial tissue stock, towel or napkin stock and similar paper of a kind used for household or sanitary purposes, cellulose wadding and webs of cellulose fibres, whether or not creped, crinkled, embossed, perforated, surface- coloured, surface-decorated or printed, in rolls or sheets, put up for retail sale.	4803.0000, 48.18
54	Jams, fruit jellies, marmalades, fruit or nut puree and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter, other fruit and vegetable preparations, sold in retail packing	20.07, 20.08
55	Household utensils, including Stainless steel, aluminum, melamine and other utensils and tableware put up for retail sale.	Respective headings
56	Ceramic products, including wash basins, commodes, tiles and allied ceramic sanitary products, put up for retail sale.	69.10”;

Annex - B

MANDATORY PRINTING SPECIFICATION

Retail Price & Sales Tax - Third Schedule Items

1. Purpose & Scope

This specification applies to every retail unit of goods listed in the Third Schedule of the Sales Tax Act, 1990, on which sales tax is charged on the printed retail price.

Every pack must display its retail price and sales tax in a way that is clearly legible, prominent, permanent, and impossible to conceal or remove. This replaces the current practice of printing the figures faintly, in tiny type, in obscure locations, or on removable stickers.

2. Information Required on Every Retail Pack

Field	Requirement
Retail Price (RP)	Price before sales tax, in Rupees.
Sales Tax (ST)	Tax amount and the rate applied.
Total Price	The actual amount the consumer pays (RP + ST). This must be shown — it is the figure the buyer checks.

Required printed format (one line or box):

Retail Price Rs 36.37 + Sales Tax Rs 6.55 (18%) = Total Rs 42.92

3. Size & Legibility

- Font: bold sans-serif (Arial, Helvetica or equivalent). No italics, no decorative or condensed faces.
- Colour: solid black, or one single dark colour.
- The price and tax figures must be prominent and easily readable at normal viewing distance.
- Figures must read horizontally and right-side up in normal display position.

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4. Background & Placement (anti-concealment)

- White/contrasting box: the figures sit inside a solid white box or a box in a colour that contrasts sharply with both the figures and the surrounding artwork.
- Placement — front or back: the box may be placed anywhere on the pack, on the front or the back, provided it is prominent and clearly visible. It may not be placed on the base, cap, neck, crimp, or buried in fine print.
- No graphics, folds, seams, shrink-wrap joins or perforations may cross or overlap the figures.
- The information may not be hidden under a flap, behind a tear strip, beneath the cap, or in any position obscured during normal shelf display.

5. Permanence

- Part of the printed label: the RP/ST box must be printed as part of the label or pack artwork. It must NOT be a separate sticker, paste-on label, or peelable tag.
- Rub test: the print must remain fully legible after a dry rub, a wet (damp cloth) rub, and normal handling. Anything that smudges or lifts fails.

6. Compliant vs. Non-Compliant (at a glance)

Compliant	Non-Compliant (currently common)
Bold, prominent figures in a white box, showing RP + ST + Total.	Tiny faint figures hidden in side-panel fine print.
Printed into the label artwork; survives rubbing and water.	Stuck on as a removable / peelable sticker.
Total price the consumer pays is clearly shown.	Only "RP+ST" shown with no total, so the buyer can't read the real price.
Prominently placed on the front or back, contrasting and unobstructed.	On the base, under the cap, or printed over busy graphics.

Illustrative examples:

(Pictures of products not reproduced here)

C.No. 3(7) ST&FE-POLICY/2026 Islamabad, the 07th July, 2026

Sales Tax General Order No. 09 of 2026/IR Policy

Subject: Procedure and Conditions for Application of Minimum Value Addition Tax at the Rate of one percent on Import of Coal under Clause (6) of the Twelfth Schedule to the Sales Tax Act, 1990

In terms ofclause (6) under the heading "**Procedure and Conditions**" of the Twelfth Schedule to the Sales Tax Act, 1990 the Federal Board of Revenue hereby prescribes the following procedure and conditions for the application of minimum value addition tax at the rate ofone per cent (1%) as specified therein on the import of coal. Namely:-

1-246-15-09-2026

1. **Applicability**.- This General Order shall apply to the import of coal falling under Chapter 27 of the Pakistan Customs Tariff where such coal is imported exclusively for, and directly supplied to, Coal-Fired Independent Power Producers.

2. **Conditions**.- The minimum value addition tax at the rate specified in clause (6) of the Twelfth Schedule shall be applicable only where-

(a) the importer is registered under the Sales Tax Act, 1990;

(b) the imported coal is imported exclusively for direct supply to a Coal-Fired Independent Power Producer holding a generation licence issued by the National Electric Power Regulatory Authority (NEPRA);

(c) at the time of import. the importer lumishes to the Collector of Customs a purchase order, supply agreement. contract or such other documentary evidence as may establish that the imponed coal is intended exclusively for direct supply to such Coal-Fired lndependent Porver Producer;

(d) the importer maintains complete documentary evidence relating to the import and subsequent direct supply of the coal and produces the same on demand before the Commissioner Inland Revenue or the Colleclor of Customs, as the case may be; and

(e) the importer complies with such verification or audit requirements as may be prescribed under the Sales Tax Act, 1990 and the rules made thereunder.

3. **Verification**.- The Collector of Customs may allow assessment of imported coal in accordance with clause (6) of the Twelfth Schedule on the basis of the documents fumished by the importer and may subsequently verify fulfilment of the prescribed conditions through post-clearance audit or in coordination with the Inland Revenue authorities.

4. **Recovery of Differential Tax**.- Where it is established that-

(a) the imported coal has been supplied toany person other than a Coal-Fired Independent Power Producer;

(b) the imported coal was not imported exclusively for direct supply to a Coal-Fired Independent Power Producer; or

(c) any condition prescribed under this General Order has not been fulfilled,

(d) the importer shall be liable to pay the differential amount of minimum value addition tax, together with default surcharge and penalty, if any, in accordance with the provisions of the Sales Tax Act, 1990.

5. **Definitions**.- For the purposes of this General Order, unless there is anything repugnant in the subiect or context,-

(a) "**Coal-Fired Independent Power Producer (IPP)**" means an lndependent Power Producer generating electricity from coal under a generation licence issued by the National Electric Power Regulatory Authority (NEPRA);

(b) "**Directsupply**" means the supply olimported coal by the imporler directly to aCoal-Fired lndependent Power Producer without any intermediate sale, transfer or diversion; and

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(c) words and expressions used but not defined in this General Order shall have the same meanings as assigned to them in the Sales Tax Act, 1990, the Customs Act, 1969, and the rules made thereunder.

6. This General Order shall come into force with immediate effect.

C. No. 3/2-STB/2026 (2)/76364-R Islamabad, the 14th July, 2026

Sales Tax General Order No. 10 of 2026/IR Policy

Subject: Removal of Difficulty for Voluntary Corporatization of Iron and Steel Manufacturers

As a consequence of Board's documentation drive, a considerable number of Individuals and Association of Persons manufacturing iron and steel intend to incorporate themselves as companies limited by shares, as mirror image of proprietorship or association of persons.

02. This voluntary incorporation is a welcome step towards documentation and digitalization of the economy in general and the iron and steel sector in particular. However, this transition has created a short-term difficulty regarding continuations of existing sales tax declaration, adjustment of input tax, output tax, refunds and payment of liabilities.

03. Therefore, in exercise of the powers conferred under section 55 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, for removal of this difficulty faced by Iron and Steel Manufacturers being Individuals and Association of Persons (as defined in Income Tax Ordinance, 2001) in becoming corporate entities jimited by shares, the Federal Board of Revenue is pleased to prescribe and implement with immediate effect, the following Standard Operating Procedures (SOPs):

1. The N1N allotted to the newly formed corporate entity shall be linked with the previous/existing NTN/STRN for the purpose of filing declarations, adjustment of input tax and calculation of sales tax liability.

2. This facility shall be available only to the entities specified in Table-1 below subject to fulfilment of the following conditions:

   (a) This facility shall only be available to the entities who voluntarily corporatize and apply to the Board for availing the benefit of this STGO.

   (b) The new entity shall be incorporated by on or before 31st July, 2026.

   (c) The individual business shall be converted into a wholly owned company in terms of section 95 of the Income Tax Ordinance, 2001.

   (d) An AOP shall be converted into a wholly owned Private Limited Company as per conditions laid down in section 96 of the Income Tax Ordinance, 2001.

   (e) The predecessor and successor entities shall be jointly and seve liable:

      (i) for retention of tes:niti and documents required to be maintained under this Act, for a period and purposes as specified under section 24 of the Sales Tax Act, 1990 and section 17 of the Federal Excise Act, 2005;

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(ii) for provision of record before the authorities of IR and personal appearance as and when required by him for the purposes specified under the provision of sales tax and federal excise law;

(iii) for payment of adjudged amount of arrears on account of sales tax and federal excise or the short-paid amount of tax and duty as the case may be;

(iv) to respond adjudication proceedings in respect of arrears detected or to be detected on account of sales tax and federal excise pertaining to the period before or after voluntary corporatization.

3. The Board shall decide the application within seven (07) days of receipt of the application, and in case of approval, the name of the entity shall be added to Table-1.

4. The facility for linking the previous NTN/STRN with the NTN/STRN of the newly formed corporate entity shall remain available till 31.12.2026 and the amount of excessive input/carried forward and stocks against thereof, shall be utilized by the entity voluntarily opting for corporatization till that date.

5. From the 1st day of January, 2027, new NTN/STRN shall completely and wholly be operative for the newly incorporated entity and no further activity/transaction against the old NTN/STRN shall be carried out after 31st day of December, 2026.

Table-1

Sr. No.	Name of Newly Incorporated Entity	NTN of Existing Entity	New NTN	New STRN	Registered Address	Factory/ Manufacturing Premises Address	Industrial Electricity Connection No.	Industrial Gas Connections (if any)

Note: For addition in the above table see STGO 12 of 2026.

C.No. 3(7) ST&FE-PoLICY/2026/77634-R Islamabad, the 17th July, 2026

Sales Tax General Order No. 11 of 2026/IR Policy

Subject: Implementation of Serial No 65 of the Third Schedule to the Sales Tax Act, 1990 in Respect of Supplies made through FBR Digitally Integrated and POS-Compliant Retailers

Under section 3(2)(a) of the Sales Tax Act, 1990 (hereinafter referred to as the "Act"), sales tax on goods specified in the Third Schedule is chargeable on the basis of the retail price. Through the Finance Act, 2026, Serial No. 65 was inserted in the Third Schedule for footwear of all types, except where the manufacturer exclusively sells its products through FBR digitally integrated and POS-compliant retail outlets.

2. Following the aforesaid amendment, the Federal Board of Revenue (FBR) received representations from the Pakistan Footwear Manufacturers Association (PFMA) highlighting certain implementation and interpretational issues arising fiom the application of Serial No. 65 of the Third Schedule. The matter was accordingly examined in light of the provisions of the Sales Tax Act, 1990.

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3. The Board observed that supplies made through documented supply chains, including supplies to, and supplies made by, FBR digitally integrated and POS-compliant retailers, are fully documented and electronically veriliable, and that the value of such supplies remains readily ascertainable under the Act. In case of footwear, manufacturers supplying goods to independent brand owners operating FBR digitally integrated and POS-compliant retail outlets ordinarily do not determine the ultimate retail price of such goods, which is fixed by the retailer in accordance with prevailing commercial practices. The Board is, therefore, satisfied that the legislative objectives underlying Serial No. 65 is duly achieved where such supplies remain within the documented and digitally verifiable supply chain.

4. Accordingly, the FBR hereby clarifics that the basis for the levy, assessment and collection of sale's tax in respect of goods specified under Seriai No. 65 of the Third Schedule shall be determined in accordance with the Implementation Matrix set out in Annexure-A, which shall form an inregral part of this General Order. The said Implementation Matrix shall be uniformly applied by all Inland Revenue authorities in the administration and enforcement of the aforesaid provisions of the Act.

5. All Chief Commissioners Inland Revenue shall ensure the strict, consistent and uniform implemenration of this General Order by the field formations under their respective jurisdictions.

6. Any question relating to the interpretation or implementation of this General Order shall be referred to the Inland Revenue (Policy wing). Federal Board of Revenue, for clarification.

7. This General Order shall come into force with effect from the 1st day of July, 2026.

[1][**"Annexure-A"**

Sr. No.	Nature of Supply	Applicable Basis for Levy and Collection of Sales Tax
1	Supplies of footwear made by registered manufacturers through their own FBR digitally integrated and POS-compliant retail outlets.	In case of local supplies by the manufacturer, sales tax shall be charged on the value of supply as defined in section 2(46) of the Act. In the case of imports of goods specified under Serial No. 65 of the Third Schedule. sales tax is assessable and collectable on a value equal to one hundred and thirty per cent (130%) of the value determined under section 25 of the Customs Act. 1969 (IV of 1969). inclusive of the applicable customs duties and Federal Excise Duty. Provided that such retailer shall pay tax on retail value of such goods.
2.	Supplies made by importers to registered manufacturers or FBR digitally integrated and POS-compliant retailers.	
3	Goods imported directly by FBR digitally integrated and POS-compliant retailers for subsequent supply to end consumers.	

[1]Appendix A substituted by STGO 19 of 2026 dated August 20, 2026.

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4	Supplies made by digitally integrated registered manufacturers or registered importers to registered corporate entities, Federal or Provincial Goveverment departments, autonomous bodies or statutory bodies, as end-consumer for their own use.	Provided further that both the supplier and the retailer are digitally integrated with the FBR and are POS-compliant, and that both issue digital tax invoices.]
5	Supplies made by a registered taxpayer manufacturing exclusively for an FBR digitally integrated and POS-compliant retailer	

C.No. 1(200) ST-L&P/2026/83465-R Islamabad, the 31st July, 2026

Sales Tax General Order No. 12 of 2026/IR Operations

Subject: Removal of Difficulty for Voluntary Corporatization of Iron and Steel Manufacturers

In pursuance to the Sales Tax General Order No 10/2026 dated 14.07.2026, after fulfilment of SOPs as provided in para 2 of the STGO ibid, the following new entities are added to the Table namely:-

S. No.	Name of Newly Incorporated Entity	NTN of Existing Entity	New NTN	New STRN	Registered Address	Factory / Manufacturing Premises Address	Industrial Electricity Connection No.	Industrial Gas Connection No. (If Any)
1	Karachi Steel Re-Rolling Mills (Pvt) Ltd	2221991	3658978	3277876392013	Plot No. 191, Industrial Area, I-10/3 , Islamabad	Plot No.191, Industrial Area, I-10/3, Islamabad	30141252371200 & 30141252371100	NA
2	Faizan Steel (Private) Limited	1226268-4	J483289-7	3277876392291	Plot No. 8-37 & 8-69 S.I.T.E., Karachi	Plot No. 8-37 & B- 69 S.I.T.E., Karachi	A/c # 04000020015787	Customer # 4790831000 & 5790831000
3	Aziz Re-Rolling Industries (Private) Limited	0788917-8	F509163-6	3277876391905	23-Km, GT Road, Muridkey	23-Km, GT Road, Muridkey	24-116411-0008301U	NA

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8	7	6	[1][5	4
Pak Iron & Steel Casting (Private) Limited	Union Steel Private Limited	Ittehad Iron & Steel Industries (Pvt) Limited	A-One Re-Rolling Steel Mills (Pvt) Ltd	Rasheed Steel (Pvt) Limited
0656949-8	4108044-7	0345163-1	7953605-8	3348026-5
J477190-1	J445341-3	J467697-3	J463136-5	J437493-3
3277876392672	3277876392027	3277876392154	3277876392400	327787639216O
Plot No 24, Industrial Area, Sector 1-9, Islamabad	D-36, S.I.T.E Manghopir Road, Karachi	Plot No.417, Industrial Area, Sector I-9/3, Islamabad	Suite No.303, 3rd Floor, Horizon Towner, Block-03, Clifton, Karachi	Plot No. 90 Muhammed Khan Colony Ittehad Town , Karachi, Pakistan
Plot No 24, Industrial Area, Sector 1-9, Islamabad	D-36, S.I.T.E Manghopir Road, Karachi	Plot NO.B1+20 Faisalabad Industrial Estate, FIEDMC, M-3, Faisalabad	B-221 & 226, H.I.T.E, Hub, Balochistan, Lasbela Hub	Plot No.90 Muhammed Khan Colony l ttehad ownT, Karachi, Pakistan
3014124176320OU, 3014124176320lU	BH001175	IESCO:2714124 01775050U, FESCO 30131525200538 & 30131525200539	LEIDA Account NO.E/B-221	Meter No.HT0-9172 Account No. 0400024087385 Consumer No. .BH001140
NA	NA	NA	NA]	NA

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[1]S. No. 5 substituted by STGO No. 13 of 2026 dated August 03, 2026.

13	12	11	10	[1][9]
M/s Ishtiaq Steel Industry (Pvt) Limited	M/s SGI Steel (SMC-Pvt) Limited	M/s Nawab Steel (Pvt) Limited	M/s A.F Steel Industries (Pvt) Ltd.	M/s Zahid Steel Industries (Pvt) Ltd.
1226341-9	3606973-6	7925108	1280045-7	8255820-3
J480201-6	J482834-2	J441847	J516165-6	J527785-7
3277876392260	3277876392946	3277876392802	3277876392593	3277876392575
Mehmood Booti Bund Road, Near Karol Ghatti Lahore	Plot No. 23/1, Phase-1 & II, Industrial Estate Hattar Haripur	Plot D-41 A, SITE, KARACHI	Lakhodair Road, Bund (Ring Road) Near New Shalimar Kanta, Lahore	Near Khokhar Village, Ring Road, Badami Bagh Lahore
Mehmood Booti Bund Road, Near Karol Ghatti Lahore	Plot No. 23/1, 23/1-A, 23/1-B Phas-I & II Industrial Estate Hattar Haripur	Plot 0-41 A, SITE, KARACHI	Lakhodair Road, Bund (Ring Road) Near New Shalimar Kanta, Lahore	Near Khokhar Village, Ring Road, Badami Bagh Lahore
24113559004602U 24113519004700U	272713201394 23R 272713201394 24U	BH000216	24113559004700U	24111520166000U
NA	NA	4011831000	NA	NA

[1]S. Nos. 9 to 15 added by STGO No. 18 of 2026 dated August 12, 2026.

19	18	17	[1][16	15	14
M/s AA International (Pvt) Limited	M/s Eastern Steel (Pvt) Limited.	MIs KBS Steel Industries (Pvt) Ltd.	M/s Neelum Steel Industries (SMC-Pvt) Limited	M/s AFCO Steel (Pvt) Limited	M/s Batala Iron Industries (Pvt) Limited
4875484-4	8139741	4288071-8	0017680-0	1415951	9184872-3
J656509-4	J498616	J655623-0	J548599-4	J498707	3612965-2
3277876393457	3277876392624	3277876393299	3277876393132	3277876392498	3277876392986
Main Sheikhupura Road, Near Kohloo Wala Stop, Near Shaheen Kanta Gujranwala Khiali Shahour	Baghat Pura Stop Near Jamal Kanta Bund Road, Lahore	Chianwali G.T Road, Gujranwala	Plot No.13/2, 13/3 Phase-III Ind ustri al Estate, Hattar, Harripur	38, Peco Road'Badami Bagh Lahore	I4-KM Sheikhupura Road, Kot Abdul Malik Gulfashan Town Batala Industries Lahore
Main Sheikhupura Road, Near Kohloo Wala Stop, Near Shaheen Kanta Gujranwala Khiali Shahour	Baghat Pura Stop Near Jamal Kanta Bund Road, Lahore	Chianwali G.T Road, Gujranwala	Plot No.13/2, 13/3 ,Phase-III Industrial Estate, Hattar,Harripur	21.5-KM Sheikhupura Road, Lahore	14-KM Sheikhupura Road, Kot Abdul Malik Gulfashan Town Batala Industries Lahore
27121330537313U	241135390031 00U	30121340001301U 30121340004201T	272713201395 94R 272713200009 38R	241116290347 0IU	241116190081 02 241116190081 03 241162901090 3
NA]	NA	NA	NA	NA]	NA

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[1]S. Nos. 16 to 19 added by STGO No. 21 of 2026 dated August 27, 2026.

[1]S. Nos. 20 to 23 added by STGO No. 23 of 2026 dated September 16, 2026. *Not reproduced here look the link: https://download1.fbr.gov.pk/Docs/20269171194156119STGO23.pdf*

C.No. 1(200) ST-L&P/2026/84185-R Islamabad, the 04th August, 2026

Sales Tax General Order No. 14 of 2026/IR Operations

Subject: Application of Sales Tax at the Rate of Rupees Five per Unit of Electricity Consumed by Iron and Steel Manufacturers (Melters, Re-Rollers and Composite Units). Superseded by STGO 16/2026

In exercise of the powers conferred by the third proviso to sub-section (2) of Section 6 of the Sales Tax Act. 1990, read with clause (g) of SRO 1245(I)/2026 dated 31.07.2026, the Federal Board of Revenue is pleased to notify the names of registered manufacturers in the iron and steel sector (Melters, Re-Rollers and Composite Units) whose imports of scrap HS code7204.3000. 7204.4100. 7204.4990 and 7204.4940 including purchases from EFS Importers directly during the preceding twelve months exceed seventy percent of their total purchases of scrap of aforementioned HS codes and whose operations are duly integrated with the FBR's computerized system. Accordingly, these manufacturers shall be charged sales tax at the rate of Rupees Five (Rs.5) per unit of electricity consumed through the electricity bills issued by the respective DISCOs. The names of the registered manufacturers are as under:

(S. No.1 to 99 List of Taxpayers is not reproduced here)

2. The list of taxpayers may be revised from time to time by the Board or on the recommendations of the Commissioner Inland Revenue (CIR), as the case may be. The Board or the respective field formations may independently examine the eligibility of any registered manufacturer for inclusion in or exclusion from the list in accordance with the prescribed criteria. In case any hardship arises, the matter may be brought to the notice of the concerned Commissioner Inland Revenue for appropriate consideration.

C.No. 3(7)ST&FE-POLICY/2026 Islamabad, the 05th August, 2026

Sales Tax General Order No. 15 of 2026/IR Policy

Subject: Clarification regarding Printing Requirements Prescribed under Sales Tax General Order No. 08 of 2026 and other related issues

The Board, vide Sales Tax General Order No. 08 of 2026, dated 02.07.2026, directed that all manufacturers and importers of goods specified in the Third Schedule to the Sales Tax Act, 1990, shall ensure that the retail price and the amount of sales tax are printed or embossed on such goods in accordance with the printing specifications prescribed therein. The mandatory printing specifications set out in Annex-B to the aforesaid General Order are required to be complied with in letter and spirit.

2. The Board had received several representations highlighting practical difficulties in complying with the prescribed printing requirements in respect of confectionery products, (chocolates, candies, toffees, and similar products), particularly owing to the extremely small size of individual wrappers and the limited printable surface available thereon.

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3. Accordingly, the Board is pleased to clarify that, where compliance with the prescribed printing requirements on the immediate retail unit of a confectionery product (chocolates, candies, toffees, and similar products) is not practically possible due to the limited printable surface available thereon, the retail price and amount of sales tax may, in lieu of printing or embossing the same on each individual piece, be printed or embossed on [1][packages containing not more than 250 pieces], [1][subject to the maximum retail price per piece not exceeding Rs. 10/- and weight per piece not exceeding l0 grams] and compliance with the provisions of the Sales Tax Act, 1990, and Sales Tax General Order No. 08 of 2026.

4. The sales tax amount so printed shall be clear, legible, conspicuous and indelible and shall, in all other respects, conform to the mandatory printing specifications prescribed under the aforesaid General Order.

C.No. 1(202) ST-L&P/2026/85500-R Islamabad, the 06th August, 2026

Sales Tax General Order No. 16 of 2026/IR Operations

Subject: Application of Sales Tax at the Rate of Rupees Five per Unit of Electricity Consumed by Iron and Steel Manufacturers (Melters, Re-Rollers and Composite Units)-amended by STGO 22/2026

In exercise of the powers conferred by the third proviso to sub-section (2) of Section 6 of the Sales Tax Act, 1990, read with clause (g) of SRO 1245(1)/2026 dated 31.07.2026 and in supersession of STGO 14/2026 dated 04.08.2026, the Federal Board of Revenue is pleased to notify the names of registered manufacturers in the iron and steel sector (Melters, Re-Rollers and Composite Units) whose imports of scrap HS code 7204.3000, 7204.4100, 7204.4990 and 7204.4940 including purchases from EFS Importers directly during the preceding twelve months exceed seventy percent of their total purchases of scrap of aforementioned HS codes and whose operations are duly integrated with the FBR's computerized system. Accordingly, these manufacturers shall be charged sales tax at the rate of Rupees Five (Rs.5) per unit of electricity consumed through the electricity bills issued by the respective DISCOs. The names of the registered manufacturers are as under:

(S. No.1 to 36 List of Taxpayers is not reproduced here)

2. The eligibility of above-mentioned taxpayers have been determined on the basis of criteria as provided in the SRO.1245(I)/2026 ibid for consumption of scrap as well as electricity units for production of steel products and import of scrap under the specified HS codes.

3. The list of taxpayers may be revised from time to time by the Board or on the recommendations of the Commissioner Inland Revenue (CIR), as the case may be. The Board or the respective field formations may independently examine the eligibility of any registered manufacturer for inclusion in or exclusion from the list in accordance with the prescribed criteria. In case any hardship arises, the matter may be brought to the notice of the concerned Commissioner Inland Revenue for appropriate consideration.

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[1]Substituted for "packages containing not more than 100 pieces" & "subject to the maximum retail price per piece not exceeding Rs. 5/-" respectively by STGO 17 of 2026 dated August 12, 2026.

4. This STGO is applicable on all electricity connections of above taxpayers from 01.07.2026.

5. The STGO 14 of 2026 dated 04.08.2026 is accordingly rescinded.

C.No.1(208) ST-L&P/2026/93231-R Islamabad, the 24th August, 2026

Sales Tax General Order No. 20 of 2026/IR Operations

Subject: Time-Bound Sales Tax Registration of Low-Risk Applicants and Pre-Registration Certification of Manufacturers by the Respective Trade Bodies

In exercise of the powers conferred under the Sales Tax Act, 1990 (the Act) and under Chapter-I of the Sales Tax Rules, 2006 (the Rules), the following instructions are hereby issued for ensuring expeditious, transparent and facilitative processing of applications for registration under the Act and Rules thereof:

1. The registration of persons liable to be registered for Sales Tax shall continue to be governed by the provisions of the Act and Chapter-I of the Rules.
2. Under Rule 5 of the Rules, an applicant is required to submit the prescribed application electronically along with the requisite information and documents, including bank account certificate, utility particulars and business premises photographs and, in the case of a manufacturer, photographs of machinery and industrial electricity/gas meter.
3. Rule 5 fiwther provides that, in the case of a manufacturer, the Board may require pre-verification or post-verification or both, through field offices or a third party authorized by the Board.
4. Accordingly, the following procedure shall be adopted to ensure that legitimate and low-risk applicants are registered expeditiously while maintaining necessary safeguards against fraudulent or fictitious registrations.
    a) All applications for Sales Tax registration submitted through the computerized system/IRIS shall be processed strictly on a risk-based basis.
    b) Applications falling within the low-risk category, as determined through the prescribed computerized risk parameters, shall be processed on a priority and time-bound basis.
    c) Where a low-risk application is complete in all respects and the prescribed requirements have been fulfilled, the local registration office shall ensure that the application is processed arid registration is granted without unnecessary delay and, as far as practicable, within three working days.
    d) No additional document or information shall be demanded from a low-risk applicant unless such document/information is:
        (i) Specifically required under the Sales Tax Act, 1990;
        (ii) Prescribed under the Sales Tax Rules, 2006;
        (iii) Required for verification of information furnished by the applicant; or

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(iv) Necessitated by a specific risk indicator generated through the computerized risk-management system.

e) Any application requiring further scrutiny shall be referred to the concerned officer with specific reasons recorded electronically, rather than keeping the application pending without assigning a reason.

f) Where an application is found to be incomplete or any prescribed document/information is missing, incorrect or insufficient, the applicant shall be intimated through the computerized system within seven days of submission of the application. The intimation shall clearly specify:

(i) The document/information that is missing;

(ii) The deficiency or discrepancy noticed;

(iii) The manner in which the deficiency is required to be rectified; and

(iv) The time allowed for compliance.

g) No general or vague objection shall be raised. Each objection shall be specific, relevant and traceable to the applicable statutory or regulatory requirement.

h) Once the applicant furnishes the required document(s)/information and the application becomes complete, the application shall be processed expeditiously without requiring the applicant to restart the registration process.

i) In order to facilitate expeditious registration of genuine manufacturing concerns, sectoral associations representing manufacturers of different sectors falls under purview of Federation of Chamber of Commerce and Industry (FPCCI) shall provide pre-registration certification regarding the credentials and existence of their member applicants.

j) The concerned sectoral association may certify, to the extent verifiable from its records, that:

(i) The applicant is engaged or intends to engage in the relevant manufacturing activity;

(ii) The business premises/factory stated by the applicant are identifiable;

(iii) The applicant is a member of the association, where applicable;

(iv) The nature of the proposed manufacturing activity corresponds with the sector represented by the association; and

(v) The particulars furnished by the applicant to the association have been examined against the available record of the association.

k) The certificate to be furnished by applicant or concerned association and electronically transmitted to the concerned LRO along-with other documents.

l) The certification issued by a sectoral association shall be treated as a facilitative pre-registration verification assistance and shall not dispense with or substitute any statutory requirement prescribed under the Sales Tax Act, 1990 or the Sales Tax Rules, 2006.

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m) The certification shall not confer any exemption, concession or immunity upon the applicant under the Sales Tax Act, 1990.

n) The concerned association shall be held responsible in case of any wrong information surfaced during physical verification by. the LRO

o) The concerned LRO is obligate to conduct pre-physical verification in the cases of a manufacturer in accordance with Rule 5(5) of the Sales Tax Rules, 2006 within three working days

p) The outcome of verification shall be recorded electronically and the application shall thereafter be processed without avoidable delay.

q) The registration process shall remain risk-based. High-risk or suspicious applications may be subjected to enhanced scrutiny, including pre-verification, post-verification or other verification measures permissible under law.

r) The low-risk classification shall not prevent FBR from undertaking subsequent verification where information subsequently available indicates risk, non-existence, misrepresentation, fake documentation or any other irregularity.

s) Any subsequent verification shall be conducted in accordance with the provisions of the Sales Tax Act, 1990 and the Sales Tax Rules, 2006.

2. All Chief Commissioners Inland Revenue and Commissioners Inland Revenue shall ensure strict compliance with this General Order.

C.No.1(202) ST-L&P/2026/98407-R Islamabad, the 05th September, 2026

Sales Tax General Order No. 22 of 2026/IR Operations

Subject: Application of Sales Tax at the Rate of Rupees Five per Unit of Electricity Consumed by Iron and Steel Manufacturers (Melters, Re-Rollers and Composite Units)- Amendment to STGO 16/2026

In exercise of the powers conferred by the third proviso to sub-section (2) of Section 6 of the Sales Tax Act, 1990, read with clause (g) of SRO 1245(1)/2026 dated 31.07.2026, the Federal Board of Revenue the Federal Board of Revenue is pleased to make the following further amendments in its Sales Tax General Order No. 16 of 2026 dated 6th August. 2026, namely:-

In the aforesaid General Order, in the Table, after serial number 31 in column (1) and the entries relating thereto in columns (2), (3),(4) and (5) the following new serial number and the entries relating thereto shall be added, namely:-

(S. No.32 to 36 List of Taxpayers is not reproduced here)

2. The eligibility of above-mentioned taxpayers have been determined on the basis of criteria as provided in the SRO. 1245(1)12026 ibid for consumption of scrap as well as electricity units for production of steel products and import of scrap under the specified HS codes.

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3. The list of taxpayers may be revised from time to time by the Board or on the recommendations of the Commissioner Inland Revenue (CIR), as the case may be. The Board or the respective field formations may independently examine the eligibility of any registered manufacturer for inclusion in or exclusion from the list in accordance with the prescribed criteria. In case any hardship arises, the matter may be brought to the notice of the concerned Commissioner Inland Revenue for appropriate consideration.

4. This STGO is applicable on all electricity connections of above taxpayers with immediate effect.

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