

# The SALES TAX RULES, 2006

Updated

By a team of ST&FE Policy Wing, FBR, Islamabad consisting of

Tariq Hussain Sheikh (Chief ST&FE-Policy)  
Ali Mohammad (Secretary ST&FE-Policy)  
Zahid Baig (Second Secretary ST&FE-Policy)

**Updated up to 31.12.2020**

Latest amendments are in

**RED**

(Any inadvertent error may kindly be reported for necessary correction to any  
of the following telephone contacts of the IR Policy Wing)

Ph: 051-9204520  
Ph: 051-9216840

---

May not be used as a reference in courts

## Table of Contents

---

THE SALES TAX RULES, 2006 .....	1
1. Short title, application and commencement .....	1
2. Definitions.....	2
CHAPTER I .....	10
REGISTRATION, COMPULSORY REGISTRATION AND DE-REGISTRATION .....	10
3. Application.....	10
[4. *** .....	10
[5. Application for registration .....	10
[5A. Temporary registration.....	12
[6. Compulsory registration.....	12
7. Change in the particulars of registration .....	13
8. Transfer of registration.....	13
9. Option to file application with Commissioner Inland Revenue .....	14
10. Cancellation of multiple registrations .....	14
11. De-registration.....	14
12. Blacklisting and suspension of registration.....	15
[12A. Non-active taxpayer .....	18
12B. Restoration as an active taxpayer .....	18
CHAPTER II.....	19
FILING OF RETURNS .....	19
13. Application .....	19
[14. Filing of returns.....	19
[14A. ***.....	22
[15. *** & 16. ***].....	22
17. Filing of Annual Sales Tax return .....	22
[18. Electronic filing of Sales Tax return .....	22
CHAPTER III.....	27
CREDIT AND DEBIT NOTE AND DESTRUCTION OF GOODS .....	27
19. Application .....	27
20. Cancellation or return of supply .....	27
21. Change in value of supply or amount of sales tax.....	27
22. Adjustment of input and output tax .....	28
[22A. Change in value of supply of electricity or natural gas .....	29

23. Destruction of goods .....	29
CHAPTER IV .....	30
APPORTIONMENT OF INPUT TAX .....	30
24. Application .....	30
25. Determination of input tax .....	30
CHAPTER V .....	34
REFUND .....	34
26. Application .....	34
[27. Establishment of CSTRO, Refund Division and posting of officers .....	35
28. Filing and processing of refund claims .....	35
29. Risk management system (RMS) .....	36
30. Processing through STARR channel .....	36
31. Payment by CSTRO .....	37
[32. *** .....	37
[33. Extent of payment of refund claim .....	37
[34. Refund of excess input tax not relating to zero-rated supplies .....	38
[34A. Sanction of refund claims of import-related sales tax by the Collectorates of customs.....	39
35. Responsibility of the claimant .....	40
36. Post-sanction audit of refund claims .....	40
37. Action on inadmissible claims .....	41
38. Supportive documents .....	41
39. Miscellaneous and savings .....	42
[39A. *** .....	42
[Chapter V-A.....	43
REFUND TO FIVE EXPORT-ORIENTED SECTORS .....	43
39B. Application .....	43
39C. Extent of payment of refund claim .....	43
39D. Filing and Processing of refund claims .....	43
39E. Risk management in refund processing .....	43
39F. Processing in FASTER module .....	44
39G. Miscellaneous.....	44
CHAPTER VI .....	45
SPECIAL AUDIT .....	45

40. Application .....	45
41. Special Audit .....	45
42. Scope of special audit.....	45
43. Form of audit report .....	45
44. Penalty .....	45
[CHAPTER VII.....	52
<i>Omitted</i> .....	52
45. <i>Omitted</i> .....	52
46. <i>Omitted</i> .....	52
47. <i>Omitted</i> .....	52
48. <i>Omitted</i> .....	52
49. <i>Omitted</i> .....	52
50. <i>Omitted</i> ] .....	52
[CHAPTER VIIA.....	52
<i>Omitted</i> ].....	52
CHAPTER VIII.....	53
SUPPLY OF ZERO-RATED GOODS TO DIPLOMATS, DIPLOMATIC MISSIONS, PRIVILEGED PERSONS AND PRIVILEGED ORGANISATIONS .....	53
51. Application .....	53
52. Supplies to diplomat and diplomatic missions .....	53
[52A. Supplies to diplomats and diplomatic missions by tier-1 retailers and refund of tax.....	54
53. Supplies to privileged persons.....	54
54. Supply of POL products to privileged persons.....	54
55. Refund .....	55
56. Supplies to the United Nations and organizations working under it .....	55
57. Supplies to Privileged Organizations other than the United Nations .....	56
[CHAPTER VIII-A .....	57
IMPORT OR SUPPLY OF EXEMPT GOODS TO ORGANIZATIONS OR AGENCIES UNDER GRANTS-IN-AID .....	57
57A. Application .....	57
57B. Procedure for availing exemption.....	57
CHAPTER IX .....	59
TAXPAYER'S AUTHORIZED REPRESENTATIVES .....	59
58. Application .....	59

---

59. Persons authorized to represent a taxpayer .....	59
60. Disqualifications.....	59
61. Procedure to appoint authorized representative .....	60
62. Power to disqualify.....	60
CHAPTER X.....	61
ALTERNATIVE DISPUTE RESOLUTION .....	61
[63. Application.....	61
64. Definitions.....	61
65. Application for alternative dispute resolution and appointment of Committee .....	61
66. Procedure to be followed .....	61
67. Working of the Committee.....	62
68. Decision of the Committee.....	62
69. Remuneration .....	63
CHAPTER XI .....	64
PART-I RECOVERY .....	64
70. Application .....	64
71. Initiation of recovery action .....	64
72. Stoppage of clearances and sealing of business premises .....	65
73. Demand Note.....	65
74. Attachment and sale of property .....	65
75. Master registers to be maintained by the referring authority and the Recovery Officer .....	65
76. Power to require information to be furnished.....	66
77. Mode of service of notice.....	66
78. Disposal of proceeds of execution.....	66
79. Ruling regarding disputed matters .....	66
80. Property liable to attachment and sale in execution .....	66
81. Objections and investigations, thereof .....	67
82. Removal of attachment on satisfaction of cancellation of a demand note .....	68
83. Officer entitled to attach and sell .....	68
84. Adjournment or stoppage of sale.....	68
85. Defaulter not to interfere with attached property .....	68
86. Prohibition against bidding or purchase by officer .....	68
87. Assistance for action .....	68

---

PART-II ATTACHMENT AND SALE OF MOVABLE PROPERTY .....	69
88. Warrant of attachment .....	69
89. Service of copy of warrant .....	69
90. Attachment .....	69
91. Property attached how to be dealt with .....	69
92. Search how to be made.....	69
93. Seizure after search of a building or premises.....	69
94. Seizure between sunrise and sunset.....	70
95. Seizure not to be excessive.....	70
96. Attachment of movable property which cannot be removed due to certain reasons .....	70
97. Storage of seized movable property .....	70
98. Attachment of negotiable instrument .....	70
99. Attachment of property in custody of public officer .....	70
100. Attachment of share in movable property .....	71
101. Attachment of property in partnership .....	71
102. Sale .....	71
103. Proclamation of sale .....	71
104. Sale after fifteen days .....	72
105. Sale by public auction .....	72
106. Sale by tender or sealed bids .....	72
107. Preference for the co-owner .....	72
108. Transfer of title.....	72
109. Irregularity not to vitiate sale .....	72
110. Negotiable instrument or share in a corporation .....	72
111. Order for payment of coin or currency notes to the Referring Authority.....	72
PART-III ATTACHMENT AND SALE OF IMMOVABLE PROPERTY .....	74
112. Attachment of immovable property .....	74
113. Service of order .....	74
114. Proclamation of attachment.....	74
115. Sale and proclamation of sale.....	74
116. Contents of proclamation of sale.....	74
117. Time of sale.....	74
118. Sale to be by public auction or tender .....	75

119. Deposit by purchaser and re-sale in default .....	75
120. Procedure in default of payment .....	75
121. Amount recoverable from purchaser in default.....	75
122. Authority to bid .....	75
123. Application to set aside sale of immovable property .....	75
124. Application to set aside sale of immovable property on ground of non-service of proclamation or irregularity.....	76
125. Setting aside of sale where defaulter has no saleable interest .....	76
126. Confirmation of sale.....	76
127. Return of purchase money in certain cases .....	76
128. Sale Certificate .....	77
129. Postponement of sale to enable defaulter to raise amount due under notice .....	77
130. Issue of fresh proclamation before re-sale.....	77
131. Bid of co-owner to have preference .....	77
<b>PART – IV APPOINTMENT OF RECEIVER.....</b>	<b>78</b>
132. Appointment of receiver for business .....	78
133. Appointment of receiver for immovable property.....	78
134. Qualification for receiver .....	78
135. Manner of working of receiver.....	78
136. Withdrawal of management .....	79
<b>PART-V MISCELLANEOUS .....</b>	<b>80</b>
137. Offences and penalties.....	80
138. Continuance of proceedings .....	80
139. Recovery from surety .....	80
140. Receipt to be given.....	80
141. Delivery of property in occupancy of defaulter .....	80
142. Delivery of property in occupancy of tenant.....	80
143. Resistance or obstruction by defaulter .....	80
144. Resistance or obstruction by a bona fide claimant .....	81
145. Dispossession by certificate holder or purchaser .....	81
146. <i>Bona fide</i> claimant to be restored to possession.....	81
147. Rules not applicable to transferee <i>pendente lite</i> .....	81
148. Delivery of moveable property, debts and share .....	81
149. Execution of documents and endorsement of negotiable instruments .....	82

150. Form .....	82
[CHAPTER XII.....	83
SPECIAL PROCEDURE FOR ACCESSING THE COMPUTERIZED SYSTEM.....	83
150A. Application .....	83
150B. Authorization .....	83
150C. Unique User Identifier .....	83
150D. Access to computerized system.....	83
150E. Responsibility of the user.....	83
150F. Cancellation of registration .....	84
150G. Recording of transmissions .....	84
150H. Scrutiny of records .....	84
CHAPTER XIII.....	85
ELECTRONIC INTERMEDIARIES.....	85
150I. Application.....	85
150J. Appointment of e-intermediary .....	85
150K. Cancellation of appointment.....	86
150L. Procedure to be followed by registered persons .....	86
150M. Procedure to be followed by e-intermediary.....	86
150N. Responsibilities of e-intermediary.....	86
150O. Responsibility of e-declaration Administrator.....	87
150P. Scrutiny of records .....	87
CHAPTER XIV.....	88
SPECIAL PROCEDURE FOR ISSUANCE OF ELECTRONIC SALES TAX INVOICES BETWEEN BUYERS AND SELLERS .....	88
150Q. Application .....	88
150R. Eligibility to use electronic invoicing system.....	88
150S. Issuance of electronic invoice and record .....	88
150T. Transmission of electronic invoice to the [Collector].....	88
150U. Use of formats and controls over transmission of electronic invoices .....	88
150V. Conditions for electronic storage.....	89
150W. Audit.....	89
150X. Same conditions to apply in respect of buyer for receiving electronic invoices .....	90
150Y. Failure to meet the conditions for electronic invoicing system.....	90



150Z. Provisions of Electronic Transactions Ordinance, 2002, to apply .....	90
[CHAPTER XIVA .....	91
<i>Omitted</i> ].....	91
[CHAPTER XIV-A .....	91
MONITORING OR TRACKING OF CERTAIN REGISTERED PERSONS BY ELECTRONIC OR OTHER MEANS .....	91
150ZA. Application.....	91
[150ZB. Electronic Invoice System .....	91
150ZC. Monitoring.....	92
150ZD. Electronic invoice data.....	92
150ZE. Failure to meet the conditions for electronic monitoring system .....	92
[CHAPTER XIV-AA .....	93
[ONLINE INTEGRATION OF TIER-1 RETAILERS].....	93
[150ZEA. Application.....	93
150ZEB. Obligations and requirements .....	93
150ZEC. Accreditation of Points of Sales (POS) Systems .....	98
150ZED. Records, access and audit .....	98
150ZEE. Online integration during intervening period.....	99
150ZEG. Reporting of failure to transfer sale data to the Board.....	100
[CHAPTER XIV-AB .....	101
CASH BACK TO CUSTOMERS.....	101
[CHAPTER XIV-B .....	103
ELECTRONIC MONITORING, TRACKING AND TRACING OF SPECIFIED GOODS AND LICENSING [THEREOF] .....	103
SUB-CHAPTER 1 PRELIMINARY .....	103
150ZF. Application .....	103
150ZG. Definitions.....	103
150ZH. Goods to be affixed with tax stamps, banderoles, stickers, labels, barcodes, etc. ....	104
SUB-CHAPTER 2 LICENSING.....	105
150ZI. Licensing of companies for electronic monitoring, tracking and tracing of specified goods .....	105
150ZJ. Functioning of Licensing Committee.....	105
150ZK. Application for grant of a licence.....	105
150ZL. Criteria for grant of a licence .....	106
150ZM. Procedure for grant of a licence .....	108

150ZN.	Rights granted to the licensee .....	109
150ZO.	Terms and conditions of the licence.....	109
150ZP.	Renewal of the licence .....	109
SUB-CHAPTER 3 RESPONSIBILITIES OF THE LICENSEE.....		110
150ZQ.	Licensee to run and manage the system.....	110
150ZQA.	Establishment of Central Control Room.....	110
150ZQB.	Establishment of regional control rooms.....	110
150ZQC.	Requirements to be met at the factory premises and at imports.....	111
150ZQD.	Technical and training support.....	111
SUB-CHAPTER 4 SUPERVISION OF THE SYSTEM, ENFORCEMENT AND EARLY TERMINATION .....		112
150ZQE.	Responsibilities of the Project Director .....	112
150ZQF.	Procedure for cancellation or termination of licence .....	112
SUB-CHAPTER 5 FEE AND CHARGES .....		113
150ZQG.	Fee and charges .....	113
150ZQH.	Determination of fee and charges.....	113
150ZQI.	Revision or alteration of fee and charges.....	113
SUB-CHAPTER 6 FUNCTIONS AND RESPONSIBILITIES OF OTHERS .....		114
150ZQJ.	Functions and responsibilities of the manufacturer or importer of specified goods.....	114
150ZQK.	Functions of the Commissioner Inland Revenue .....	115
150ZQL.	Responsibility of persons involved in the supply chain .....	115
SUB-CHAPTER 6 MISCELLANEOUS .....		115
150ZQM.	Liabilities of the licensee.....	115
150ZQN.	Establishment of Inland Revenue enforcement network.....	116
150ZQO.	Functioning of IR enforcement network.....	116
150ZQP.	Audit .....	116
[150ZQQ.	Dispute Resolution.....	116
(d)	real time collection of data that shows production through object detection and object counting; .....	118
(e)	transmission of data to central control room at FBR on real time basis, storage and archiving of data; .....	118
(f)	detection of unexpected stops; .....	118
(g)	quantitative analyses of productions; and .....	118
(h)	data analytics for required legal actions.....	118
[CHAPTER XIV-C .....		124
APPEALS AND ALLIED MATTERS.....		124

150ZR. Prescribed form of appeal to the Commissioner (Appeals) .....	124
150ZS. Date of presentation and filing of Appeals .....	124
150ZT. Documents to accompany Appeal.....	124
150ZU. Intimation of filing of appeal to the respondent.....	124
150ZV. Filing of affidavit regarding contrary facts .....	124
150ZW. Grounds which may be taken in appeal .....	124
150ZX. Defective appeals etc.....	125
150ZY. Power of attorney etc., by authorized representative .....	125
150ZZ. Procedure for filing and disposal of stay application.....	125
150ZZA. Date and place of hearing of appeal and stay applications.....	125
150ZZB. Hearing of appeal and stay applications.....	126
150ZZC. Maintenance and preservation of registers .....	126
150ZZD. Reports.....	126
150ZZE. Arrangement and preservation of record.....	126
150ZZF. Manner of destruction of record.....	127
150ZZG. Seal of the Commissioner (Appeals).....	127
[150ZZGA. Payment of appeal fee .....	127
[CHAPTER XIV-D .....	129
<b>WITHHOLDING OF SALES TAX BY THE RECIPIENT OF SUPPLY .....</b>	<b>129</b>
150ZZH. Application .....	129
150ZZI. Responsibility of a withholding agent.....	129
150ZZJ. Responsibility of the registered supplier.....	131
150ZZK. Responsibility of the Commissioner.....	131
[150ZZL. *** .....	132
[ CHAPTER XV .....	133
<b>PROCEDURE FOR AVAILING ZERO-RATING UNDER S.NO.12 OF THE FIFTH SCHEDULE TO THE ACT.....</b>	<b>133</b>
151. Application .....	133
152. Conditions and limitations for availing zero-rating facility .....	133
<b>CHAPTER XVI.....</b>	<b>135</b>
<b>SPECIAL PROVISIONS RELATING TO SERVICES .....</b>	<b>135</b>
153. Application .....	135
154. Provisions the Act to be followed .....	135
155. Special provisions relating to advertisements on television and radio .....	135

156. Special provisions relating to customs agents .....	135
CHAPTER XVII .....	136
DETERMINATION OF MINIMUM TAX LIABILITY .....	136
157. Procedure to be followed for determining minimum liability .....	136
158. Criteria for determination of minimum liability .....	136
CHAPTER XVIII .....	144
MISCELLANEOUS PROVISIONS .....	144
159. Grant of exemption under section 65 of the Act .....	144
160. Accounting for advance payments against supplies .....	144
161. Input tax credit against supplies made by the persons registered in AJK .....	145
162. Supply of Sugar to Trading Corporation of Pakistan by the sugar mills.....	145
163. Sharing of petroleum products by Oil Marketing Companies.....	146
164. Making of zero-rated supplies to a duty-free shop.....	146
165. Repeal.....	148
[STR-1] .....	149
[STR-2 Omitted] .....	151
[STR-3] .....	151
STR-4 .....	152
[STR-5] .....	153
STR-6.....	154
[STR-7] .....	155
STR-7A .....	172
[STR-8 Omitted].....	173
[STR-9 Omitted].....	173
STR-10.....	174
[STR-11].....	175
STR-12.....	177
STR-13 .....	178
STR-14 .....	179
STR-15 .....	181
STR-16.....	183
STR-17 .....	184
STR-18 .....	185

STR-19 .....	186
[STR-20].....	187
[STR-21].....	188
[STR-22].....	189
[STR-23].....	191
[STR-24].....	196
[STR-25].....	197
[STR-26].....	199
[STR-28].....	202
[STR-29].....	203
[STR-30].....	204
[STR-31].....	205

\*\*\*\*\*

<sup>1</sup>**Notification No. S.R.O.555(1)/2006, dated 5th June, 2006.**--In exercise of the powers conferred by sub-section (I) of section 4, <sup>2</sup>[section 40 and section 45A] of the Federal Excise Act, 2005, <sup>3</sup>[\*\*\*] section 50 <sup>4</sup>[and sub-section (1) of section 71] of the Sales Tax Act, 1990, read with <sup>5</sup>[sub-section (9A) of section 3,] <sup>6</sup>[sub-section (7) of section 3] sub- section (2) of section 8 <sup>7</sup>[, <sup>8</sup>/<sup>9</sup>[\*\*\*] of section 8], clause (ii) of sub-section (2) of section 8B, sections 9, 10, 14, 21 <sup>10</sup>[, 21A] and 28, clause (c) of sub-section (1) of section 22, <sup>11</sup>[first proviso to sub-section (1) of section 23], section 26, <sup>12</sup>[section 33] <sup>13</sup>[, section 40C], sub-section (6) of section 47 A, sections 48, <sup>14</sup>[ 50A, 52, 52A] and 66 thereof, the <sup>15</sup>[Federal] Board of Revenue is pleased to make the following rules, namely:--

## THE SALES TAX RULES, 2006

- 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.

---

<sup>1</sup> Reported as PTCL 2007 St. 190.

<sup>2</sup> The words and figures substituted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>3</sup> The expression “section 219 of the Customs Act, 1969 (IV of 1969),” omitted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>4</sup> Words inserted by Notification No. S.R.O. 698(I)/2019, dated 29th June, 2019.

<sup>5</sup> Expression inserted by Notification No. S.R.O. 1203(I)/2019, dated 10<sup>th</sup> October, 2019.

<sup>6</sup> Words inserted by Notification No. S.R.O. 698(I)/2019, dated 29th June, 2019.

<sup>7</sup> The comma, words, brackets, figures and letters inserted by Notification No. S.R.O 307(I)/2008, dated 24 March, 2008, reported as PTCL2008 St. 1822(ii).

<sup>8</sup> The words, figures, brackets and comma inserted by Notification No. S.R.O. 191(I)/2012, dated 23rd February, 2012, w.e.f. 1st March, 2012, reported as PTCL 2012 St. 807

<sup>9</sup> The expression “clause (b) of sub-section (1)” omitted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>10</sup> The comma and figure inserted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>11</sup> The words, figures, brackets and comma inserted by Notification No. S.R.O. 793(I)/2011, dated 24th August, 2011, w.e.f. 1st July, 2011, reported as PTCL 2012 St. 364.

<sup>12</sup> The words, figures, brackets and comma inserted by Notification No. S.R.O. 191(I)/2012, dated 23rd February, 2012, w.e.f. 1st March, 2012, reported as PTCL 2012 St. 807.

<sup>13</sup> The comma, word and figure inserted for the words and figures —and section 40I by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>14</sup> Substituted for the figure “52” by Notification No. S.R.O 470(I)/2007, dated 9th June, 2007 w.e.f. 1st day of July, 2007, reported as PTCL 2007 St.1726.

<sup>15</sup> Substituted for the figure “Central” by Notification No. S.R.O 307(I)/2008, dated 24th March, 2008, reported as PTCL 2007 St. 1822(ii).

**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;
- (v) "attachment officer" means an officer, not below the rank of Principal Appraiser or <sup>16</sup>[Superintendent or Senior Auditor], authorized 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 <sup>17</sup>[Federal Board of Revenue];

---

<sup>16</sup> Any reference to "Superintendent" and "Senior Auditor" shall be construed as reference to "Superintendent Inland Revenue" and "Senior Auditor Inland Revenue" respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Superintendent of Sales Tax and Senior Auditor of Sales Tax shall be exercised by Superintendent Inland Revenue and Senior Auditor Inland Revenue respectively vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>17</sup> Substituted for the words "Central Board of Revenue" by Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008 St. 1882.

- (viii) "claimant" means any registered person who files a claim for refund of sales tax under these rules;
- (ix) "<sup>18</sup>[Collector]" means the <sup>19</sup>[Collector of Sales Tax] having jurisdiction;
- (x) "<sup>20</sup>[Collectorate]" means the office of the <sup>21</sup>[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 <sup>22</sup>[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;
- <sup>23</sup>[(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;

---

<sup>18</sup> Any reference to "Collector" shall be construed as reference to "Commissioner Inland Revenue" by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR's Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>19</sup> Any reference to "Collector" shall be construed as reference to "Commissioner Inland Revenue" by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR's Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>20</sup> Now Regional Tax Office (RTO).

<sup>21</sup> Any reference to "Collector" shall be construed as reference to "Commissioner Inland Revenue" by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR's Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>22</sup> Substituted for the words "a commercial" by Notification No. S.R.O 470(1)/2007, dated 9th June, 2007 w.e.f 1st day of July, 2007 reported as PTCL 2007 St.1726.

<sup>23</sup> Clause (xiii-a) inserted by Notification No. S.R.O 470(1)/2007, dated 9th June, 2007 w.e.f 1st day of July, 2007 reported as PTCL 2007 St.1726.



- (xv) "CSTRO" means Centralized Sales Tax Refund Office to be established in the <sup>24</sup>[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;
- <sup>25</sup>[(xviii) \*\*\*]
- (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;
- <sup>26</sup>[(xxi-a) "e-declaration administrator" means an officer not below the rank of an <sup>27</sup>[ Additional Collector of Sales Tax], authorized by the <sup>28</sup>[ 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

---

<sup>24</sup> Substituted for the words —Central Board of Revenue by Notification No. S.R.O 530(I)/2008, dated 11th June, 2008, w.e.f. 1st day of July, 2008 reported as PTCL 1882.

<sup>25</sup> Clause (xviii) omitted by Notification No. S.R.O 530(I)/2008, dated 11 June, 2008, w.e.f. 1st day of July, 2008 reported as PTCL 2008 St.1882.

<sup>26</sup> Clauses (xxi-a), (xxi-b) & (xxi-c) inserted by Notification No. S.R.O. 470(I)/2007, dated 9 June, 2007, w.e.f. 1st day of July, 2007 reported as PTCL 2007 St. 1726.

<sup>27</sup> Any reference to —Additional Collector shall be construed as reference to —Additional Commissioner Inland Revenue by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of —Additional Collector of Sales Tax shall be exercised by —Additional Commissioner Inland Revenue vide FBR's Order C. no. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>28</sup> Any reference to —Collector shall be construed as reference to —Commissioner Inland Revenue by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of —Collector of Sales Tax shall be exercised by —Commissioner Inland Revenue vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

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 <sup>29</sup>[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);
- <sup>30</sup>[(xxviii-a) –licensee] means a person authorized by the Board to install, maintain and operate the system under Chapter XIV-B of these rules;]
- (xxix) "LRO" means Local Registration Office established in the <sup>31</sup>[Collectorate] of Sales Tax or Regional Tax Office (RTO)

---

<sup>29</sup> Substituted for the words "Central Board of Revenue" by Notification No. S.R.O 530(1)/2008, dated 11th June, 2008, w.e.f. 1st July., 2008 reported as PTCL 2008 St. 1882.

<sup>30</sup> Clause (xxviii-a) inserted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>31</sup> Now 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 document;

(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;

<sup>32</sup>[(xxxiii) \*\*\*]

<sup>33</sup>[(xxxiv) \*\*\*]

(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;

<sup>34</sup>[(xxxv-a) \*\*\*]

<sup>35</sup>[(xxxv-b) "null return" means, a sales tax return which shows no data relating to sales and purchases during a tax period].

<sup>36</sup>[(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 organizations working under it and shall include organizations which the Board may, by notification in the official Gazette, recognize to be a privileged organization;

---

<sup>32</sup> Clause (xxxiii) omitted by Notification No. S.R.O 530(1)/2008, dated 11th June, 2008, w.e.f. 1st of July,, 2008 reported as PTCL 2008 St. 1882.

<sup>33</sup> Clause (xxxiv) omitted by Notification No. S.R.O 530(1)/2008, dated 11th June, 2008, w.e.f. 1st day of July,, 2008 reported as PTCL 2008 St.1882.

<sup>34</sup> Clause (xxxv-a) omitted by Notification No. S.R.O 530(1)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008 reported as PTCL 2008 st.1882. Earlier Clause (xxxv-a) was inserted by Notification No. S.R.O 470(1)/2007, dated 9th June, 2007 w.e.f 1st day of July, 2007 reported as PTCL 2007 St. 1726.

<sup>35</sup>New clause (xxxv-b) inserted by Notification No. S.R.O. 776(I)/2020, dated 25<sup>th</sup> August, 2020.

<sup>36</sup> Clause (xxxv-b) inserted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

- (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
- (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 <sup>37</sup>[an Officer of Sales Tax] as appointed by the <sup>38</sup>[Collector] to exercise powers as contained in sub-section (2) of section 48 of the Act, who shall not be below the rank of <sup>39</sup>[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;

---

<sup>37</sup> Any reference to an "Officer of Sales Tax" shall be construed as reference to an "Officer of Inland Revenue" by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of —officer of Sales Tax with other designation shall be exercised by "officer of Inland Revenue" with any other designation vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>38</sup> Any reference to —Collector shall be construed as reference to —Commissioner Inland Revenue by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of —Collector of Sales Tax shall be exercised by —Commissioner Inland Revenue vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th November, 2009, w.e.f. 28th October, 2009

<sup>39</sup> Any reference to —Assistant Collector shall be construed as reference to —Assistant Commissioner Inland Revenue by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of —Assistant Collector of Sales Tax shall be exercised by —Assistant Commissioner Inland Revenue vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

- (xlv) "referring authority" means an officer, not below the rank of an <sup>40</sup>[Assistant Collector], desiring to recover Government dues through Recovery Officer;
- <sup>41</sup>[(xlv-a) "REGSYS" means the Board computerized system for registration of taxpayer;]
- (xlvi) "Relevant Acts" means the Act, the Federal Excise Act, 2005 <sup>42</sup>[, **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;
- <sup>43</sup>[(xlviii) \*\*\*]
- (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;
- (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;

---

<sup>40</sup> Any reference to —Assistant Collector shall be construed as reference to —Assistant Commissioner Inland Revenue by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of —Assistant Collector of Sales Tax shall be exercised by —Assistant Commissioner Inland Revenue vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>41</sup> Clause (xlv-a) inserted by Notification No. S.R.O. 79(I)/2014, dated 31st January, 2014.

<sup>42</sup> Expression inserted vide Notification No. SRO. 776(I)/2020 dated 25<sup>th</sup> August, 2020.

<sup>43</sup> Clause (xlviii) omitted by Notification No. S.R.O. 470(I)/2007, dated 9th June, 2007, w.e.f. 1st day of July, 2007, reported as PTCL 2007 St. 1726.

- <sup>44</sup>[(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” 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;
- <sup>45</sup>[(lx-a) “unique user identifier” means a unique identification name, number or password allotted by the Board to the authorized user of computerized system under section 50A of the Act;]
- (lxi) “WFP” means the World Food Program;
- (lxii) “WHO” means the World Health Organization.

(2) Other terms or expressions used but not defined here shall have the same meaning as are assigned to them in the Act.

---

<sup>44</sup> Clause (liv-a) inserted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>45</sup> Clause (1x-a) inserted by Notification No. S.R.O. 470(I)/2007, dated 9th June, 2007, w.e.f. 1st day of July, 2007, reported as PTCL 2007 St. 1726.

**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;

<sup>46</sup>[4. \*\*\*]

<sup>47</sup>[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;
- (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

---

<sup>46</sup> Rule 4 omitted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>47</sup> Rule 5 substituted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

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.

<sup>48</sup>[(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; and
- (e) in case of manufacturer, also the GPS-tagged photographs of machinery and industrial electricity or gas meter installed.

(3) On furnishing above documents, the system shall register the applicant for sales tax.

(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.

(5) In case of manufacturer, the Board may require post-verification 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.]

---

<sup>48</sup> Sub-rules (2) to (9) substituted by Notification No. S.R.O. 698(I)/2019, dated 29th June, 2019. These were earlier substituted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.



**<sup>49</sup>[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 <sup>50</sup>[omitted] sub-rule (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 <sup>50</sup>[omitted] sub-rule (2) 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 en-cashed.

(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.]

**<sup>51</sup>[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.

---

<sup>49</sup> Rule 5A inserted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>50</sup> Words omitted by Notification No. S.R.O. 1339(I)/2020, dated 16<sup>th</sup> December, 2020.

<sup>51</sup> Rules 6 to 11 substituted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

(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.

**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-1 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.

**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,--

(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).

**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.

**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 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.

(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.

**11. De-registration.**-- (1) Every registered person who ceases to carry on his business or whose supplies become exempt from tax, or who ceases to remain registered shall apply to the Commissioner Inland Revenue having jurisdiction 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 ninety 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 be caused to be de-registered through computerized system accordingly.

(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.

(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.]

**12. Blacklisting and suspension of registration.**— Where the Commissioner or Board has reasons to believe that the registered person is to be suspended or blacklisted,<sup>52</sup>[in order to ensure that the LTUs 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 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, namely:—

(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;

---

<sup>52</sup> Substituted for the words —the procedure as prescribed by the Board shall be followed by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

- (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;
  - (G) any other reason to be specified by the Commissioner;
- (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 LTUs/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 six 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 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;
  - (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;
  - (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; and

- (D) any other reason specified by the Commissioner;
- (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 LTU/RTO;
- (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;

**(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;
- (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).]

<sup>53</sup>[**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.]

---

<sup>53</sup> Rules 12A and 12B inserted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

## 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.

<sup>54</sup>**[14. Filing of returns.—** (1) Every person<sup>55</sup>[, 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 annexure provided therein, in accordance with the instructions given therewith, in the manner as specified in rule 18 <sup>56</sup>[:]

<sup>57</sup>[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

<sup>54</sup> Rule 14 substituted by Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008. Before substitution Rule 14 was amended by Notification Nos. S.R.O. 470(I)/2007, dated 9th June, 2007, w.e.f. 1st day of July, 2007, reported as PTCL 2007 St. 1726, 824(I)/2007, dated 16th August, 2007, reported as PTCL 2008 St. 543, w.e.f. 1st day of July, 2007 & S.R.O. 307(I)/2008, dated 24th March, 2008, reported as PTCL 2008 St. 1822(ii).

<sup>55</sup> Expression “, excluding a retailer not being a tier-1 retailer,” inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>56</sup> Substituted for the full stop by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>57</sup> Proviso inserted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.



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	M. Tons
36	Tyre & Tubes (motor car, bus, van, truck etc.)	"000" Nos.
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
<sup>58</sup> [44	Steel billets	M. Tons
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.
<sup>59</sup> [46	Cotton yarn	M. Tons
46A	Other yarn	M. Tons
46B	Processed fabric	“000” Meters]
47	Pesticides and insecticides	M. Tons
48	Liquid Glucose	M. Tons
<sup>60</sup> [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.]
<sup>61</sup> [53	Cane Molasses	M. Tons
54	Ethanol	M. Tons
55	Vegetable ghee	M. Tons

<sup>58</sup> Item 44 substituted and items 44A to 44E inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>59</sup> Item 46 substituted and items 46A and 46B inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>60</sup> Item 49 substituted and items 49A and 49B inserted by Notification No. S.R.O. 1203(I)/2019, dated 16<sup>th</sup> October, 2019.

<sup>61</sup> Items 53 to 57 inserted by Notification No. S.R.O. 1203(I)/2019, dated 16<sup>th</sup> October, 2019.

56	Cooking Oil	M. Tons
57	Edible oil	M. Tons
<sup>62</sup> [58]	Concentrate	Lit/kg]

(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.]

<sup>63</sup>[(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.]

<sup>64</sup>[14A.\*\*\*]

<sup>65</sup>[15.\*\*\* & 16.\*\*\*]

**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 STR-10, for a financial year by the 30<sup>th</sup> September of the following financial year, with the <sup>66</sup>[Collector] having jurisdiction.

<sup>67</sup>[**18. Electronic filing of Sales Tax return.**— <sup>68</sup>[(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<sup>68</sup>[:]

<sup>69</sup>[Provided that, in case a registered person fails to fill-in relevant data or information in any

<sup>62</sup> New S.No. 58 inserted by Notification No. S.R.O. 776(I)/202020, dated 25<sup>th</sup> August, 2020.

<sup>63</sup> Sub-rule (3) added by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>64</sup> Rule 14A omitted by Notification No. S.R.O. 487(I)/2011, dated 3rd June, 2011, w.e.f. 4th June, 2011.

<sup>65</sup> Rules 15 and 16 omitted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>66</sup> Any reference to “Collector” shall be construed as reference to “Commissioner Inland Revenue” by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of —Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR’s Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>67</sup> Rule 18 substituted by Notification No. S.R.O. 49(I)/2008, dated 15th January, 2008, reported as PTCL 2008 St. 1589. Before Rule 18 substitution it was amended by Notification No. S.R.O. 470(I)/2007, dated 9th June, 2007, w.e.f. 1st day of July, 2007, reported as PTCL 2007 St. 1726 & Notification No. S.R.O. 824(I)/2007, dated 16th August, 2007, reported as PTCL 2008 St. 543. This amendment shall be made and shall be deemed to have been so made on the 1st day of July, 2007.

<sup>68</sup> Sub-rule (1) substituted by Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008 St. 1882.

<sup>69</sup> For full stop colon substituted and thereafter proviso and explanation inserted by Notification No. S.R.O. 776(I)/202020, dated 25<sup>th</sup> August, 2020.

applicable column of the sales tax return or any annexure thereto in his case, such return shall be treated as invalid.

**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.]

<sup>70</sup>[(2) The proviso to clause (i) of sub-section (2) of section 7 and clause (I) 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.

(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.

(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.

(5) In case,--

(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 (I) 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

---

<sup>70</sup> Sub-sections (2) to (7) inserted by Notification No. S.R.O. 493(I)/2016, dated 1<sup>st</sup> July, 2016.

- 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;
- (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;
  - (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 (i), (ii) and (iii) is not done, the inadmissible input tax credit in terms of clause (I) 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 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.
- (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.

(7) The balance of earlier disallowed input tax credit in terms of clause (I) 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 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 supplier or buyer to declare his supplies made to the registered person and file monthly sales tax and federal excise return or to accept relevant Credit Note or to declare sales tax withheld amount as the case may be.]

(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 purposes.]

<sup>71</sup>[(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.]

<sup>72</sup>[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	18 <sup>th</sup> of the month following the tax period in which the bill or invoice has been issued for the supplies made during the billing period	21 <sup>st</sup> day following the 18 <sup>th</sup> day as specified in column (3)
2	Independent Power Producers	22 <sup>nd</sup> day of the month following the tax period to which sales tax invoice relates	25 <sup>th</sup> day following the 22 <sup>nd</sup> day as specified in column (3)
3	Gas transmission and	15 <sup>th</sup> of the month	18 <sup>th</sup> day following the

<sup>71</sup> Sub-rule (3) added by Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008 St. 1882.

<sup>72</sup> Proviso inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

	distribution companies	following the tax period in which the bill or invoice has been issued for the supplies made during the billing period	15 <sup>th</sup> day as specified in column (3)
4	Petroleum exploration and production companies	18 <sup>th</sup> of the month following the tax period in which supplies were made	21 <sup>st</sup> day following the 18 <sup>th</sup> day as specified in column (3)
5	CNG dealers (on quarterly basis)	15 <sup>th</sup> day of the month following the end of quarter of the financial year	18 <sup>th</sup> day following the 15 <sup>th</sup> day as specified in column (3)]
<sup>73</sup> [6.	Brick manufacturers (brick kilns paying tax under Tenth Schedule to the Act) (on quarterly basis)	15 <sup>th</sup> day of the month following the end of quarter of the financial year	18 <sup>th</sup> day following the 15 <sup>th</sup> day as specified in column (3)]

<sup>73</sup> Serial number 6 inserted by Notification No. S.R.O. 1203(I)/2019, dated 16th October, 2019.

## 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 <sup>74</sup>[National Tax Number] of the recipient;
- (ii) name and <sup>75</sup>[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 <sup>76</sup>[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.

**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 <sup>77</sup>[National Tax Number] of the supplier;

---

<sup>74</sup> Substituted for the words "registration number" by Notification No. S.R.O. 610(I)/2010, dated 1st July, 2010, reported as PTCL 2010 St. 1194, w.e.f. 1st October, 2010 as amended by Notification No. S.R.O. 821(I)/2010, dated 19th August, 2010.

<sup>75</sup> Substituted for the words "registration number" by Notification No. S.R.O. 610(I)/2010, dated 1st July, 2010, reported as PTCL 2010 St. 1194, w.e.f. 1st October, 2010 as amended by Notification No. S.R.O. 821(I)/2010, dated 19th August, 2010.

<sup>76</sup> Substituted for the word "buyer" by Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008 St. 1882.

<sup>77</sup> Substituted for the words "registration number" by Notification No. S.R.O. 610(I)/2010, dated 1st July, 2010, reported as PTCL 2010 St. 1194, w.e.f. 1st October, 2010 as amended by Notification No. S.R.O. 821(I)/2010, dated 19th August, 2010.



- (ii) name and <sup>78</sup>[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.

(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 herein before noted which lead to reduction in output tax or increase in <sup>79</sup>[input] tax can only be made if the corresponding Debit Note or Credit Note is issued within one hundred

---

<sup>78</sup> Substituted for the words “registration number” by Notification No. S.R.O. 610(I)/2010, dated 1st July, 2010, reported as PTCL 2010 St. 1194, w.e.f. 1st October, 2010 as amended by Notification No. S.R.O. 821(I)/2010, dated 19th August, 2010.

<sup>79</sup> Substituted for the word “output” by Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008 St. 1882.

and eighty days of the relevant supply:

Provided that the <sup>80</sup>[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.

<sup>81</sup>[(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.

<sup>82</sup>[**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 <sup>83</sup>[Collector of Sales Tax] having jurisdiction, and under the supervision of <sup>84</sup>[an officer of Sales Tax] not below the rank of an <sup>85</sup>[Assistant Collector] as may be deputed by the <sup>86</sup>[Collector] for the purpose <sup>87</sup>[and the input tax credit in respect of goods so destroyed shall not be admissible].

<sup>80</sup> Any reference to “Collector” shall be construed as reference to “Commissioner Inland Revenue” by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR’s Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>81</sup> Sub-rule (4A) inserted by Notification No. S.R.O. 918(I)/2019, dated 7th August, 2019.

<sup>82</sup> Rule 22A inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>83</sup> Any reference to “Collector” shall be construed as reference to “Commissioner Inland Revenue” by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR’s Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>84</sup> Any reference to an “Officer of Sales Tax” shall be construed as reference to an “Officer of Inland Revenue” by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Officer of Sales Tax with any other designation shall be exercised by —officer of Inland Revenue with any other designation vide FBR’s Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>85</sup> Any reference to “Assistant Collector” shall be construed as reference to “Assistant Commissioner Inland Revenue” by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Assistant Collector of Sales Tax shall be exercised by Assistant Commissioner Inland Revenue vide FBR’s Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>86</sup> Any reference to “Collector” shall be construed as reference to “Commissioner Inland Revenue” by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR’s Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>87</sup> The words added by Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008 St. 1882.

**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:--

$$\begin{array}{l} \text{Residual input tax credit} \\ \text{on taxable supplies} \end{array} = \frac{\text{Value of taxable supplies}}{(\text{Value of taxable} + \text{exempt supplies})} \times \text{Residual input tax}$$

(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.

**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.

(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

---

<sup>88</sup> Chapter IV-A inserted by Notification S.R.O 938(I)/2020 dated 01<sup>st</sup> October, 2020.

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 Board,—namely,

- (i) ascertainment of the exact description and specifications of the inputs and outputs;
- (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.

**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.”.

## CHAPTER V

### REFUND

**26. Application.**—<sup>89</sup>[(1)] This Chapter shall apply to all refund claims filed by—

- (a) registered manufacturer-cum-exporters and commercial exporters who zero rate all or part of their supplies under section 4 of the Act<sup>90</sup>, excluding the claims referred to in Chapter V-A;]
- (b) registered persons who acquire tax paid inputs for use<sup>91</sup>[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<sup>92</sup>[:  
<sup>93</sup>[\* \* \*]]
- <sup>94</sup>[(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;]
- (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 thereunder;<sup>95</sup> [\* \* \*]
- (e) persons claiming refund of sales tax under section 66 of the Act<sup>96</sup>; and]
- <sup>97</sup>[(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<sup>98</sup>[Chapter VIII] of these rules.]

<sup>99</sup>[(2) The provisions of this chapter shall apply, mutatis mutandis, to refund of federal excise

<sup>89</sup> The existing provision renumbered by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>90</sup> Expression inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>91</sup> Substituted for the words —in the manufacture of goods which are supplied to registered personl by Notification No. SRO 907(I)/2007, dated 7th September, 2007, reported as PTCL 2008 St. 579. This amendment shall be made and shall be deemed to have been so made on the 1st day of July, 2007.

<sup>92</sup> Substituted for the semi-colon by Notification No. S.R.O. 831(I)/2007, dated 18th August, 2007, reported as PTCL 2008 St. 66. This amendment shall be made and shall be deemed to have been so made on the 1st day of July, 2007.

<sup>93</sup> Proviso omitted by Notification No. SRO 907(I)/2007 dated 07.09.2007, reported as PTCL 2008 St. 579. This amendment shall be made and shall be deemed to have been so made on the w.e.f. 1st day of July, 2007. Before omission this proviso was added by Notification No.S.R.O.831(1)/2007, dated 18th August, 2007, reported as PTCL 2008 St. 66. This amendment shall be made and shall be deemed to have been so made on the w.e.f. 1st day of July, 2007.

<sup>94</sup> Clause (c) substituted by Notification No. SRO 307(I)/2008 dated 24.03.2008, reported as PTCL 2008 St. 1822(ii).

<sup>95</sup> The word “and” omitted by Notification No. SRO 307(I)/2008 dated 24.03.2008, reported as PTCL 2008 St. 1822(ii).

<sup>96</sup> Substituted for full stop by Notification No. SRO 307(I)/2008 dated 24.03.2008, reported as PTCL 2008 St. 1822(ii).

<sup>97</sup> Clause (f) substituted by Notification No. SRO 307(I)/2008 dated 24.03.2008, reported as PTCL 2008 St. 1822(ii).

<sup>98</sup> Expression substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>99</sup> Sub-rule (2) inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.



duty payable in sales tax mode under the Federal Excise Act, 2005.]

<sup>100</sup>[**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 including exports, 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:

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 [:]

<sup>101</sup>[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

---

<sup>100</sup> Rules 26A to 31 substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>101</sup> New proviso to sub-rule (1) of rule 28 inserted by Notification No. S.R.O 1172(I)/2020 dated 04<sup>th</sup> November, 2020.



date of issuance of BCA, whichever is later.]

(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.

**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 three 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.

(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.

(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.

(2) For the refund claims processed through FASTER or ERS, 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. After eight validation checks, including the initial one, if any amount still remains un-cleared, the same shall then be processed under STARR channel.

**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.

(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 in-charge 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.

**31. Payment by CSTRO.**– (1) For RPOs, received electronically, through ERS or 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.]<sup>102</sup>[Further, a claimant-wise bank advice duly signed by the signatory and co-signatory indicating the amount payable and the declared bank account of the claimant shall also be sent to the State Bank of Pakistan.]

<sup>103</sup>[**32. \*\*\***].

<sup>104</sup>[**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.]

---

<sup>102</sup> Expression inserted by Notification No. S.R.O. 1203(I)/2019, dated 16<sup>th</sup> October, 2019.

<sup>103</sup> Rule 32 omitted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>104</sup> Rule 33 substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>105</sup>**[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 <sup>106</sup>[\*\*\*] <sup>107</sup>[gas transmission and distribution companies,] manufacturers of fertilizers<sup>108</sup>[, cotton ginner], electric power producers and electric power distribution companies may claim refund of excess input tax over output tax in any tax period;

<sup>109</sup>[(b) \*\*\*]

(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.

<sup>110</sup>[(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:

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.]

---

<sup>105</sup> Rule 34 substituted by Notification No. SRO 307(I)/2008 dated 24.03.2008, reported as PTCL 2008 St. 1822(ii). Before substitution it was amended by Notification No. S.R.O 470(1)/2007, dated 9th June, 2007, w.e.f.1st day of July, 2007, reported as PTCL 2007 St.1726.

<sup>106</sup> Expression "persons making supplies under Notification No. S.R.O. 1125(I)/2011, dated the 31st December, 2011," omitted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>107</sup> The words and comma inserted by Notification No. S.R.O. 748(I)/2010, dated 5th August, 2010.

<sup>108</sup> Expression inserted by Notification No. S.R.O. 1203(I)/2019, dated 16th October, 2019.

<sup>109</sup> Clause (b) omitted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>110</sup> Sub-rule (2) substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

(3) The refund of excess input tax under this <sup>111</sup>[rule] shall be <sup>112</sup>[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 <sup>113</sup>[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 <sup>114</sup>[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.]

<sup>115</sup>**[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.

---

<sup>111</sup> The word “chapter” substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>112</sup> The expression “filed, processed and sanctioned” substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>113</sup> The expression “Companies Act, 2017 (XIX of 2017)” substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>114</sup> The expression “sales tax officers” substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>115</sup> Rule 34A inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 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 <sup>116</sup>[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.

**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 <sup>117</sup>[:]

<sup>118</sup>[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):]

<sup>119</sup>[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.

---

<sup>116</sup> Words inserted by Notification No. S.R.O. 918(I)/2019, dated 7th August, 2019.

<sup>117</sup> Substituted for full stop by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>118</sup> Proviso added by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>119</sup> Proviso substituted by Notification No. S.R.O. 1320(I)/2018, dated 2nd November, 2018.

**37. Action on inadmissible claims.**— Where the claim or any part thereof is found inadmissible <sup>120</sup>[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.**- <sup>121</sup>(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;

(c) goods declaration for export;

(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.]

(2) In addition to the documents specified in sub-rule (I), 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.

(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, <sup>122</sup>[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

---

<sup>120</sup> Substituted for the words “on account of discrepancies” pointed out by the RRAS by Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008 St. 1882.

<sup>121</sup> Sub-rule (1) substituted by Notification No. S.R.O. 918(I)/2019, dated 7th August, 2019.

<sup>122</sup> Substituted for the words “registration number” by Notification No. S.R.O. 610(I)/2010, dated 1st July, 2010, reported as PTCL 2010 St. 1194, w.e.f. 1st October, 2010 as amended by Notification No. S.R.O. 821(I)/2010, dated 19th August, 2010.

for in the inventory records and the invoices claimed are validated by the <sup>123</sup>[STRIVe system].

<sup>124</sup>[(5) In case of claims by diplomats, diplomatic missions and privileged persons and organizations, they shall submit original exemption order or certificate or FBR Booklet as referred to in Chapter 4 <sup>125</sup>[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.

<sup>126</sup>[(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.]

<sup>127</sup>[(4) \*\*\*]

<sup>128</sup>[**39A.** \*\*\*]

---

<sup>123</sup> Substituted for the word "CREST" by Notification No. S.R.O. 918(I)/2019, dated 7th August, 2019. Earlier, it was substituted for the words "registration number" by Notification No. S.R.O. 610(I)/2010, dated 1st July, 2010, reported as PTCL 2010 St. 1194, w.e.f. 1st October, 2010 as amended by Notification No. S.R.O. 821(I)/2010, dated 19th August, 2010.

<sup>124</sup> Sub-rule (5) added by Notification No. S.R.O. 307(I)/2008, dated 24th March, 2008, reported as PTCL 2008 St. 1822(ii).

<sup>125</sup> Substituted for the figure "X" by Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008 St. 1882.

<sup>126</sup> Sub-rule (3) substituted by Notification No. S.R.O. 918(I)/2019, dated 7th August, 2019.

<sup>127</sup> Sub-rule (4) omitted by Notification No. S.R.O. 918(I)/2019, dated 7th August, 2019.

<sup>128</sup> Rule 39A omitted by Notification No. S.R.O. 918(I)/2019, dated 7th August, 2019. Earlier it was substituted by Notification No. S.R.O. 76(I)/2009, dated 28th January, 2009, reported as PTCL 2009 St. 1159(ii). Before substitution Rule 39A was inserted by Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008 St. 1882.



<sup>129</sup>[Chapter V-A

**REFUND TO FIVE EXPORT-ORIENTED SECTORS**

**39B. Application.**—(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.

<sup>130</sup>[(2) The refund claims of aforesaid claimants 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 <sup>131</sup>[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:

<sup>132</sup>[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.]

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

---

<sup>129</sup> Chapter V-A inserted by Notification No. S.R.O. 918(I)/2019, dated 7th August, 2019.

<sup>130</sup> Sub-rule (2) substituted by Notification No. S.R.O. 1203(I)/2019, dated 16<sup>th</sup> October, 2019. Earlier, it was inserted by Notification No. S.R.O. 918(I)/2019, dated 7th August, 2019.

<sup>131</sup> The word “ceiling” substituted by Notification No. S.R.O. 1203(I)/2019, dated 16th October, 2019.

<sup>132</sup> *Proviso substituted by Notification No. S.R.O 1172(I)/2020 dated 04<sup>th</sup> November, 2020.*



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. 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.

**39G. Miscellaneous.**—The provisions relating to <sup>133</sup>[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.]

---

<sup>133</sup> Expression inserted by Notification No. S.R.O. 1203(I)/2019, dated 16<sup>th</sup> October, 2019.

## **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.

<sup>134</sup>[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 the Sales Tax Act, 1990.

(2) The following steps shall be 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 (c-filed and manually filed) shall be utilized as a basic data;
- (b) the Board shall decide the cases of person 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 web-portal, and prior to the balloting process, each year;
- (f) immediately after computer ballot, the lists of selected cases shall be generated and placed on FBR's web-portal;
- (g) the whole balloting system for audit selection shall be based only on the NTN / CNICs of the filers;
- (h) the NTN 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 case;
    - (B) financial ratios viz a viz industrial, sectoral or national ratios;
    - (C) industrial comparisons or bench marks;
    - (D) quantum of losses 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

---

<sup>134</sup> Chapter VIA inserted by Notification No. S.R.O 54(I)/2016 dated 28<sup>th</sup> January, 2016.

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 provision 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 along with 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.]

**<sup>135</sup>[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;

---

<sup>135</sup> Chapter VIB inserted by Notification S.R.O 1338(I)/2020 dated 16<sup>th</sup> December, 2020.

- (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:

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.]

<sup>136</sup>**[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,

---

<sup>136</sup> Chapter VIAB inserted by Notification S.R.O 888(I)/2020 dated 21<sup>st</sup> September, 2020.

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.

(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.]



<sup>137</sup>[CHAPTER VII

*Omitted*

*45. Omitted*

*46. Omitted*

*47. Omitted*

*48. Omitted*

*49. Omitted*

*50. Omitted]*

<sup>138</sup>[CHAPTER VIIA

*Omitted]*

---

<sup>137</sup> Chapter VII and rules 45 to 50 omitted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>138</sup> Chapter VIIA omitted by Notification No. S.R.O. 506(I)/2013, dated 12th June, 2013, w.e.f. 1st July, 2013. Before omission earlier Chapter VIIA was inserted by Notification No. S.R.O. 167(I)/2012, dated 22nd February, 2012, reported as PTCL 2012 St. 1036 and amended by Notification No. S.R.O. 589(I)/2012, dated 1st June, 2012, w.e.f. 2nd June, 2012, reported as PTCL 2013 St. 667.

## 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 organizations.

**52. Supplies to diplomat and diplomatic missions.**— (1) Any diplomat or diplomatic mission desirous of taking a zero-rated supply from a registered person shall apply to the <sup>139</sup> [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 fulfill the aforesaid conditions.

(3) The <sup>140</sup>[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

---

<sup>139</sup> Any reference to "Deputy Collector" and "Assistant Collector" shall be construed as reference to Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Deputy Collector of Sales Tax and Assistant Collector of Sales Tax shall be exercised by Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>140</sup> Any reference to "Deputy Collector" and "Assistant Collector" shall be construed as reference to Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Deputy Collector of Sales Tax and Assistant Collector of Sales Tax shall be exercised by Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

for presentation to the sales tax department as and when required to do so.

**<sup>141</sup>[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.]

**53. Supplies to privileged persons.--** (1) A privileged person desirous of taking zero-rated supply from a registered person shall apply to the <sup>142</sup>[Assistant Collector or Deputy Collector] having jurisdiction for permission to this effect along with the "FBR Booklet" issued in his name.

(2) The <sup>143</sup>[Assistant Collector or Deputy Collector] shall make entries of the goods intended to be purchased by the privileged person in the FBR 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 <sup>144</sup>[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,

---

<sup>141</sup> Rule 52A inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>142</sup> Any reference to "Deputy Collector" and "Assistant Collector" shall be construed as reference to Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Deputy Collector of Sales Tax and Assistant Collector of Sales Tax shall be exercised by Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>143</sup> Any reference to "Deputy Collector" and "Assistant Collector" shall be construed as reference to Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Deputy Collector of Sales Tax and Assistant Collector of Sales Tax shall be exercised by Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>144</sup> Any reference to "Deputy Collector" and "Assistant Collector" shall be construed as reference to Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Deputy Collector of Sales Tax and Assistant Collector of Sales Tax shall be exercised by Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

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 sub-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 <sup>145</sup>[Collector of Sales Tax] having jurisdiction, by fifteenth day of the month following the month in which zero-rated supplies under sub-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 organizations working under it. —** (1) The United Nations or organizations working under it, desirous of taking a zero-rated supply from a registered person shall apply to the <sup>146</sup>[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.

(2) The <sup>147</sup>[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.

---

<sup>145</sup> Any reference to "Collector" shall be construed as reference to "Commissioner Inland Revenue" by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR's Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>146</sup> Any reference to "Deputy Collector" and "Assistant Collector" shall be construed as reference to Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Deputy Collector of Sales Tax and Assistant Collector of Sales Tax shall be exercised by Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>147</sup> Any reference to "Deputy Collector" and "Assistant Collector" shall be construed as reference to Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Deputy Collector of Sales Tax and Assistant Collector of Sales Tax shall be exercised by Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

(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 Organizations other than the United Nations.--** (1) Any privileged organization desirous of taking a zero-rated supply from a registered person shall apply to the <sup>148</sup>[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 <sup>149</sup>[Assistant Collector or Deputy Collector] shall make entries of the goods intended to be purchased by the privileged organization 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.

---

<sup>148</sup> Any reference to "Deputy Collector" and "Assistant Collector" shall be construed as reference to Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Deputy Collector of Sales Tax and Assistant Collector of Sales Tax shall be exercised by Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>149</sup> Any reference to "Deputy Collector" and "Assistant Collector" shall be construed as reference to Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Deputy Collector of Sales Tax and Assistant Collector of Sales Tax shall be exercised by Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>150</sup>[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 *bona fide* use;
- (b) their quantity and value; and

<sup>151</sup>[(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 *bona fide*, shall<sup>152</sup>[, 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.

---

<sup>150</sup> Chapter VIII-A inserted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>151</sup> Clause (c) substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>152</sup> Expression inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

(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.]

## 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 <sup>153</sup>[, 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 <sup>154</sup>[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,

---

<sup>153</sup> The comma and word inserted by Notification No. S.R.O. 589(I)/2012, dated 1st June, 2012, w.e.f. 2nd June, 2012, reported as PTCL 2013 St. 667.

<sup>154</sup> Any reference to "Deputy Collector" and "Assistant Collector" shall be construed as reference to Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Deputy Collector of Sales Tax and Assistant Collector of Sales Tax shall be exercised by Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.



- (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 <sup>155</sup>[, 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.

---

<sup>155</sup> The comma and words inserted by Notification No. S.R.O. 589(I)/2012, dated 1st June, 2012, w.e.f. 2nd June, 2012, reported as PTCL 2013 St. 667.

## CHAPTER X

### ALTERNATIVE DISPUTE RESOLUTION

<sup>156</sup>[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 <sup>157</sup>[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) <sup>158</sup>[Chief Commissioner Inland Revenue having jurisdiction over the case,] shall be Chairperson of the Committee.

(4) <sup>159</sup>[omitted]

(5) <sup>152</sup>[omitted]

**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:-

<sup>156</sup> Rules 63 to 69 substituted by Notification No. S.R.O. 488(I)/2019, dated 25th April, 2019.

<sup>157</sup> Expression inserted by Notification No. S.R.O 793(I)/2020 dated 27<sup>th</sup> August, 2020.

<sup>158</sup> Expression substituted by Notification No. S.R.O 793(I)/2020 dated 27<sup>th</sup> August, 2020.

<sup>159</sup> Sub-rules (4) and (5) omitted Notification No. S.R.O 793(I)/2020 dated 27<sup>th</sup> August, 2020.

- (a) to decide about the place of sitting of the Committee <sup>160</sup>[omitted];
- (b) to specify date and time for conducting proceedings by the Committee;
- (c) <sup>161</sup>[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.

**68. Decision of the Committee.**— <sup>162</sup>[(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 <sup>163</sup>[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.

---

<sup>160</sup> Comma and words omitted by Notification No. S.R.O 793(I)/2020 dated 27<sup>th</sup> August, 2020.

<sup>161</sup> Clause (c) substituted by Notification No. S.R.O 793(I)/2020 dated 27<sup>th</sup> August, 2020.

<sup>162</sup> Sub-rule (1) substituted by Notification No. S.R.O 793(I)/2020 dated 27<sup>th</sup> August, 2020.

<sup>163</sup> Words substituted by Notification No. S.R.O 793(I)/2020 dated 27<sup>th</sup> August, 2020.

**69. Remuneration.**— (1) <sup>164</sup>[omitted].

(2) A member of the Committee appointed under clause <sup>165</sup>[(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 <sup>166</sup>[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.]

---

<sup>164</sup> Sub-rule (1) omitted by Notification No. S.R.O 793(I)/2020 dated 27<sup>th</sup> August, 2020

<sup>165</sup> Expression (b) substituted by Notification No. S.R.O 793(I)/2020 dated 27<sup>th</sup> August, 2020

<sup>166</sup> Expression substituted by Notification No. S.R.O 793(I)/2020 dated 27<sup>th</sup> August, 2020

**CHAPTER XI**  
**PART-I**  
**RECOVERY**

**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 <sup>167</sup>[Collector] may, if so requested by the person concerned, recover the dues in such installments 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

---

<sup>167</sup> Any reference to "Collector" shall be construed as reference to "Commissioner Inland Revenue" by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR's Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

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.

(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 affected.

**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 the 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 organization, 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 show 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;
- (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 abjection 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 abjection, 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.

**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 authorized 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 sepoy, 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).

**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 <sup>168</sup> [Officer of Sales Tax] authorized to receive the same, unless otherwise specifically provided by the. Act or rules made there under.

(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

---

<sup>168</sup> Any reference to an "Officer of Sales Tax" shall be construed as reference to an Officer of Inland Revenue by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Officer of Sales Tax with any other designation shall be exercised by Officer of Inland Revenue with any other designation vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

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.--** 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.

**101. Attachment of property in partnership.--** (1) Where the property to 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 sale 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.

**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, authorize 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.

**<sup>169</sup>[111A Exemption from attachment:** - 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

---

<sup>169</sup> Section 111A inserted by Notification No. 353(I)/2020, dated 5<sup>th</sup> May, 2020.

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;
- (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.]

**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.

(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
- (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 anything 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.

**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 <sup>170</sup>[officer of Customs, Federal Excise or Sales Tax], not below the rank of Principal Appraiser or <sup>171</sup>[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;

---

<sup>170</sup> Any reference to an “Officer of Sales Tax” and Federal Excise shall be construed as reference to an “Officer of Inland Revenue” by virtue of section 72A of the Sales Tax Act, 1990 and section 42A of Federal Excise Act, 2005. Powers and functions of Officer of Sales Tax and Federal Excise with any other designation shall be exercised by —officer of Inland Revenue with any other designation’ vide FBR’s Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009

<sup>171</sup> Any reference to Superintendent and Senior Auditor shall be construed as reference to Superintendent Inland Revenue and Senior Auditor Inland Revenue and Senior Auditor Inland Revenue respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Superintendent of Sales Tax and Senior Auditor of Sales Tax shall be exercised by Superintendent Inland Revenue and Senior Auditor Inland Revenue respectively vide FBR’s Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

- (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 authorize 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.

(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
  - (c) be responsible for any loss occasioned to the business or property by his willful 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.--** 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.

**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 bona fide 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. Bona fide 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.

(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 anyone 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 <sup>172</sup>[Federal Board of Revenue], in annexes to these rules or otherwise. In case the <sup>173</sup>[Federal Board of Revenue] has not prescribed any of such Forms, it shall be in such form as adopted by the Recovery Officer.

---

<sup>172</sup> Substituted for the words “Central Board of Revenue” by Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008 St. 1882.

<sup>173</sup> Substituted for the words “Central Board of Revenue” by Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008 St. 1882.

<sup>174</sup>[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, <sup>175</sup>[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

---

<sup>174</sup> Chapters XII, XIII & XIV added by Notification No. S.R.O. 470(I)/2007, dated 9th June, 2007, w.e.f. 1st day of July, 2007, reported as PTCL 2007 St. 1726.

<sup>175</sup> Substituted for the expression "at such time and in such manner, as may be prescribed" by Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008 St. 1882.



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
- (d) been convicted in an offence under this Act or any other law for the time being in force; 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.—**<sup>176</sup>[An officer or officers of Sales Tax], authorized by the <sup>177</sup>[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.

---

<sup>176</sup> Any reference to an “Officer of Sales Tax” shall be construed as reference to an “Officer of Inland Revenue” by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of officer of Sales Tax with other designation shall be exercised by officer of Inland Revenue with any other designation vide FBR’s Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>177</sup> Any reference to “Collector” shall be construed as reference to “Commissioner Inland Revenue” by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR’s Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

## **CHAPTER XIII**

### **ELECTRONIC INTERMEDIARIES**

**150I. Application.--** This Chapter shall apply to the persons appointed as e-intermediaries by the Board under sub-section (I) 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.--** (1) 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.

(2) 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.

(3) 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.

- (4) 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
- (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.

<sup>178</sup>[(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) <sup>179</sup>[An Officer of Sales Tax], authorized by the <sup>180</sup>[Collector] in this behalf, may examine records maintained by an e-intermediary, 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.

---

<sup>178</sup> Sub-rule (3) added by Notification No. S.R.O. 840(I)/2008, dated 13th August, 2008, reported as PTCL 2009 St. 284.

<sup>179</sup> Any reference to an "Officer of Sales Tax" shall be construed as reference to an "Officer of Inland Revenue" by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of officer of Sales Tax with other designation shall be exercised by officer of Inland Revenue with any other designation vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>180</sup> Any reference to "Collector" shall be construed as reference to "Commissioner Inland Revenue" by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR's Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

## CHAPTER XIV

### SPECIAL PROCEDURE FOR ISSUANCE OF ELECTRONIC SALES TAX INVOICES BETWEEN BUYERS AND SELLERS

**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 <sup>181</sup>[Collector].

**150T. Transmission of electronic invoice to the <sup>182</sup>[Collector].--** The registered supplier making supplies under this Chapter shall simultaneously transmit a copy of all such electronically issued invoices to the <sup>183</sup>[Collector of Sales Tax] having jurisdiction.

**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

---

<sup>181</sup> Any reference to “Collector” shall be construed as reference to “Commissioner Inland Revenue” by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR’s Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>182</sup> Any reference to “Collector” shall be construed as reference to “Commissioner Inland Revenue” by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR’s Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>183</sup> Any reference to “Collector” shall be construed as reference to “Commissioner Inland Revenue” by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR’s Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

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;
- (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.

**150W. Audit.--** (1) The registered person shall allow access to the record and documents maintained in electronic form as and when required by <sup>184</sup>[an Officer of Sales Tax] as provided under section 25 of the Act.

- (2) The <sup>185</sup>[an Officer of Sales Tax] shall have access to—
- (a) the operation of any computer system which generates or receives sales tax invoices;
  - (d) 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.

---

<sup>184</sup> Any reference to an “Officer of Sales Tax” shall be construed as reference to an “Officer of Inland Revenue” by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of officer of Sales Tax with other designation shall be exercised by officer of Inland Revenue with any other designation vide FBR’s Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>185</sup> Any reference to an “Officer of Sales Tax” shall be construed as reference to an “Officer of Inland Revenue” by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of officer of Sales Tax with other designation shall be exercised by officer of Inland Revenue with any other designation vide FBR’s Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

(3) The <sup>186</sup>[an 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 fulfill 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 <sup>187</sup>[ Collector of Sales Tax] having jurisdiction.

**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 <sup>188</sup>[Collector] is satisfied that the electronic system of the registered person is capable of doing the job.

**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.]

---

<sup>186</sup> Any reference to an "Officer of Sales Tax" shall be construed as reference to an "Officer of Inland Revenue" by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of officer of Sales Tax with other designation shall be exercised by officer of Inland Revenue with any other designation vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>187</sup> Any reference to "Collector" shall be construed as reference to "Commissioner Inland Revenue" by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR's Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>188</sup> Any reference to "Collector" shall be construed as reference to "Commissioner Inland Revenue" by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Collector of Sales Tax shall be exercised by Commissioner Inland Revenue vide FBR's Order C. No. 1(6)IR- Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

<sup>189</sup>[CHAPTER XIVA  
*Omitted*]

<sup>190</sup>[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.

<sup>191</sup>[**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;

---

<sup>189</sup> Chapter XIVA omitted by Notification No. S.R.O. 879(I)/2012, dated 17th July, 2012, reported as PTCL 2013 St. 90(i), Chapter XIVA shall be omitted and deemed to have been so omitted w.e.f. 23rd February, 2012. Before omission this Chapter was inserted by Notification No. S.R.O. 191(I)/2012, dated 23rd February, 2012, w.e.f. 1st March, 2012, reported as PTCL 2012 St. 807.

<sup>190</sup> Chapters XIV-A and XIV-B inserted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>191</sup> Rule 150ZB substituted by Notification No. S.R.O. 1203(I)/2019, dated 16<sup>th</sup> October, 2019. Earlier, it was inserted by Notification No. S.R.O. 494(I)/2015, dated 30<sup>th</sup> June, 2015.



- (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.
- (j) accreditation of POS system; and
- (k) reporting of failure of registered person to transfer sale data by the customer.]

<sup>192</sup>[(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.]

---

<sup>192</sup> Sub-rule (4) inserted by Notification No. 353(I)/2020, dated 5<sup>th</sup> May, 2020.

<sup>193</sup>[CHAPTER XIV-AA

<sup>194</sup>[ONLINE INTEGRATION OF TIER-1  
RETAILERS]

<sup>195</sup>[**150ZEA. Application.**—(1) The provisions of this Chapter shall apply to all Tier-1 retailers as defined in clause (43A) of section 2 of the Sales Tax Act, 1990.

(2) Commencing from the 1<sup>st</sup>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.]

<sup>196</sup>[(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.]

**150ZEB. Obligations and requirements.**— (1) The registered persons as specified in <sup>197</sup>[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) The integrated suppliers shall notify to the Board, through the Computerized System, of all their outlets, hereinafter referred to as notified outlets, <sup>198</sup>[\*\*\*] 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);

---

<sup>193</sup> Chapter XIV-AA inserted by Notification No. S.R.O. 1360(I)/2018, dated 12<sup>th</sup> November, 2018.

<sup>194</sup> The title “Online Integration of Leather and Textile Sector” substituted by Notification No. S.R.O. 1203(I)/2019, dated 16<sup>th</sup> October, 2019. Earlier, it was inserted by Notification No. S.R.O. 494(I)/2015, dated 30<sup>th</sup> June, 2015.

<sup>195</sup> Rule 150ZEA substituted by Notification No. S.R.O. 1203(I)/2019, dated 16<sup>th</sup> October, 2019. Earlier, it was inserted by Notification No. S.R.O. 1360(I)/2018, dated 12<sup>th</sup> November, 2018.

<sup>196</sup> Sub-rule (4) inserted by Notification No. 353(I)/2020, dated 5<sup>th</sup> May, 2020.

<sup>197</sup> Expression inserted by Notification No. S.R.O. 1203(I)/2019, dated 16<sup>th</sup> October, 2019.

<sup>198</sup> The expression “from which they intend to sell the supplies subject to lower rate as specified in the said serial number 66” omitted by Notification No. S.R.O. 1203(I)/2019, dated 16<sup>th</sup> October, 2019.

- (b) Name of Business;
- (c) Branch Name;
- (d) Branch Address;
- (e) POS Identification Number; and
- (f) Registration Date

<sup>199</sup>[(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;
  - (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;

---

<sup>199</sup> Sub-rule (3) omitted by Notification No. S.R.O. 1203(I)/2019, dated 16th October, 2019.

- (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;
    - <sup>200</sup>[(v) \*\*\*]
    - (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;

---

<sup>200</sup> Clause (xviii) omitted by Notification No. S.R.O 180(I)/2019, dated 4th February, 2019.

- (d) name of buyer, where recorded;
- (e) item-wise description of goods and price exclusive of tax;
- (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. <sup>201</sup>[\*\*\*]

(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.

(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.

(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.

(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.

---

<sup>201</sup> The expression "In case of credit card, the name of client and other relevant details thereof." omitted by Notification No. S.R.O 180(I)/2019, dated 4th February, 2019.

(10) The SDC shall be capable of generating and sending alert messages 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 installed at each notified outlet and the sales through debit or credit cards shall not be ordinarily refused.

<sup>202</sup>[(12) \*\*\*]

(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 <sup>203</sup>[one month]. Such recordings shall be provided to the Commissioner concerned as and when demanded and for the time as specified.

<sup>204</sup>[(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.]

(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 <sup>205</sup>[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.

<sup>206</sup>[(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:—

---

<sup>202</sup> Sub-rule (12) omitted by Notification No. S.R.O. 1203(I)/2019, dated 16th October, 2019.

<sup>203</sup> Words substituted for the words "three months" by Notification No. S.R.O 180(I)/2019, dated 4th February, 2019.

<sup>204</sup> Sub-rule (14) substituted by Notification No. S.R.O. 1203(I)/2019, dated 16th October, 2019. Earlier, it was inserted by Notification No. 494(I)/2015, dated 30<sup>th</sup> June, 2015.

<sup>205</sup> The expression "that the POS or Outlet is accredited by FBR to issue lower rate invoices" substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>206</sup> Sub-rules (18) and (19) inserted by Notification No. S.R.O 180(I)/2019, dated 4th February, 2019.

- (a) domain name;
- (b) domain name provider;
- (c) name of service provider managing the website; and
- (d) addresses of supply centres and warehouses.]

<sup>207</sup>[(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.]

**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.

**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.

---

<sup>207</sup> Sub-rule (19) substituted by Notification No. S.R.O. 1203(I)/2019, dated 16<sup>th</sup> October, 2019. Earlier, it was inserted by Notification No. S.R.O 180(I)/2019, dated 4<sup>th</sup> February, 2019 and amended by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

(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 <sup>208</sup>[supplies as referred to in column (1), at serial number 66 of Table-1 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 <sup>209</sup>[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 <sup>210</sup>[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 1<sup>st</sup> July, 2018, provided—

---

<sup>208</sup> Expression substituted by Notification No. S.R.O 1339(I)/2020 dated 16<sup>th</sup> December, 2020.

<sup>209</sup> Expression substituted by Notification No. S.R.O 1339(I)/2020 dated 16<sup>th</sup> December, 2020.

<sup>210</sup> Expression substituted by Notification No. S.R.O 1339(I)/2020 dated 16<sup>th</sup> December, 2020.



- (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 1<sup>st</sup> day of July, 2018.

<sup>211</sup>**[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 amount due under the Act.]

**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.]

---

<sup>211</sup> Rule 150ZEF substituted by Notification No. S.R.O. 1203(I)/2019, dated 16th October, 2019. Earlier, it was inserted by Notification No. S.R.O. 180(I)/2019, dated 4th February, 2019.

<sup>212</sup>[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 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-I 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

---

<sup>212</sup> Chapter XIV-AB inserted by Notification No. S.R.O 1339(I)/2020 dated 16<sup>th</sup> December, 2020.

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.

(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.]

<sup>213</sup>[CHAPTER XIV-B

**ELECTRONIC MONITORING, TRACKING  
AND TRACING OF SPECIFIED GOODS AND  
LICENSING <sup>214</sup>[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; <sup>215</sup>[\*\*\*]
- (e) cement<sup>216</sup>[; and
- <sup>191</sup>[(f) petroleum products’]

Provided that any or all of the said specified goods above shall be monitored, tracked and traced in the manner provided in this Chapter <sup>217</sup>[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;

---

<sup>213</sup> Chapter XIV-B substituted by Notification No. S.R.O. 250(I)/2019, dated 26th February, 2019. Earlier the Chapter XIV-B was inserted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>214</sup> Word substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>215</sup> The word “and” omitted by Notification No. S.R.O. 223(I)/2020, dated 16<sup>th</sup> March, 2020.

<sup>216</sup> Colon substituted and new clause (f) inserted by Notification No. S.R.O. 223(I)/2020, dated 16<sup>th</sup> March, 2020.

<sup>217</sup> The expression “from the date to be specified by the Board, through a general order” substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

- (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;
- <sup>218</sup>[(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 experts and any other officer or authority designated by the Board:]
- (e) “Project Director” means the Chief <sup>219</sup>[(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<sup>220</sup>[, 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 <sup>221</sup>[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:

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

---

<sup>218</sup> Clause (d) substituted by Notification No. S.R.O. 831(I)/2020, dated 09<sup>th</sup> September, 2020.

<sup>219</sup> The expression “(IR-Operations-I)” substituted by Notification No. S.R.O. 223(I)/2020, dated 16<sup>th</sup> March, 2020.

<sup>220</sup> Words inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>221</sup> The words “shall not be required to be affixed thereon, but” substituted by Notification No. S.R.O. 223(I)/2020, dated 16<sup>th</sup> March, 2020.

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 <sup>222</sup>[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.

**150ZJ. Functioning of Licensing Committee.-** (1) The licensing committee shall function in accordance with the provisions of these rules <sup>223</sup>[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;

---

<sup>222</sup> Word "company" substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>223</sup> Words inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

- (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;<sup>224</sup>[\*\*\*]
- (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.<sup>225</sup>[(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;

---

<sup>224</sup> The word “and” omitted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>225</sup> Clauses (o) and (p) inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

- (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;
  - (g) serialized secure stamps on <sup>226</sup>[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) <sup>227</sup>[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;

---

<sup>226</sup> The words “tobacco products” substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>227</sup> The word “must” substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.



- (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;
  - (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 <sup>228</sup>[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.

<sup>229</sup>[(7) In case of unforeseeable or unavoidable events or 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

---

<sup>228</sup> The expression "Number (UIN)" substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>229</sup> Sub-rule (7) inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

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:

<sup>230</sup>[\*\*\*]

(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.

(8) The qualified company shall be required to deposit <sup>231</sup>[unconditional] bank guarantee for rupees <sup>232</sup>[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 <sup>233</sup>[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 <sup>234</sup>[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.

<sup>235</sup>[(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.

---

<sup>230</sup> Proviso omitted by Notification No. S.R.O. 223(I)/2020, dated 16<sup>th</sup> March, 2020.

<sup>231</sup> Word inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>232</sup> The word "fifty" substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>233</sup> The word "cargo" substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>234</sup> Expression inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>235</sup> Sub-rule (4) inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

(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 <sup>236</sup>[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.

**150ZQA. 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.

**150ZQB. 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

---

<sup>236</sup> The word "authority" substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

for monitoring the movement of goods and vehicles and for responding in cases of alerts.

**150ZQC. 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.

**150ZQD. 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.

<sup>237</sup>[(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.]

---

<sup>237</sup> Sub-rule (5) inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

**SUB-CHAPTER 4  
SUPERVISION OF THE SYSTEM,  
ENFORCEMENT AND EARLY  
TERMINATION**

**150ZQE. 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 <sup>238</sup>[Committee], on the basis of material evidence, is of the opinion that there exists *prima facie* a sufficient case against the licensee, it may suspend the licence 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 <sup>239</sup>[and encash the security deposit.]

---

<sup>238</sup> The word "Authority" substituted Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>239</sup> Expression inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

(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<sup>240</sup>[and the decision of the Board shall be final.]

## **SUB-CHAPTER 5 FEE AND CHARGES**

**150ZQG. 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.

**150ZQH. Determination of fee and charges.-** (1) The licensing committee shall at the time of issuance of licence<sup>241</sup>[decide] the maximum amount of fee and charges<sup>242</sup>[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<sup>243</sup>[notified] by the licensing authority are being collected by the licensee.

**150ZQI. Revision or alteration of fee and charges.-** (1) The fee and charges determined in accordance with rule 150ZQH shall not be revised or altered in normal circumstances during the duration of the licence.

(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

---

<sup>240</sup> Expression inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>241</sup> The word “get” substituted by Notification No. S.R.O. 223(I)/2020, dated 16<sup>th</sup> March, 2020.

<sup>242</sup> The word “determined” substituted by Notification No. S.R.O. 223(I)/2020, dated 16<sup>th</sup> March, 2020.

<sup>243</sup> The word “determined” substituted by Notification No. S.R.O. 223(I)/2020, dated 16<sup>th</sup> March, 2020.

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.

## **SUB-CHAPTER 6 FUNCTIONS AND RESPONSIBILITIES OF OTHERS**

**150ZQJ. 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.

**150ZQK. 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.

**150ZQL. 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.

**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.

**150ZQP. Audit.-** The Project Director shall arrange to carry out audit of the system every year <sup>244</sup>[or at such frequent intervals as deemed appropriate]. The report shall be used for system related improvements and corrective and remedial actions, where warranted.]

<sup>245</sup>[**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.]

---

<sup>244</sup> Expression inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>245</sup> Rule 150ZQQ inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>246</sup>[CHAPTER XIV-BA

**VIDEO ANALYTICS RULES FOR ELECTRONIC MONITORING OF PRODUCTION OF SPECIFIED GOODS**

**SUB-CHAPTER 1  
PRELIMINARY**

**150 ZQR. Application.**—The provisions of this Chapter shall apply to video surveillance 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:

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.

**150 ZQS. 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;
- (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;
- (c) **“applicant”** means any registered company which applies for approval of its equipments for video monitoring of production under the rules;
- (d) **“pre-qualification”** means the selection of authorized vendor on the basis of evaluation criteria given in these rules;
- (e) **“video analytics”** or **“intelligent video analytics”** means a system for electronic monitoring of production on real-time basis;
- (f) **“intelligent videos surveillance”** 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.

**150 ZQT. Goods to be monitored electronically through video cameras etc-** (1) Production of specified goods, manufactured in Pakistan, shall be monitored through intelligent video surveillance, and video analytics by installation of equipments including video cameras, sensors, etc., at production lines, as are approved by the Board for,—

---

<sup>246</sup> Chapter XIV-BA inserted by Notification No. S.R.O. 889(I)/2020, dated 21<sup>st</sup> September, 2020.

- (d) real time collection of data that shows production through object detection and object counting;
- (e) transmission of data to central control room at FBR on real time basis, storage and archiving of data;
- (f) detection of unexpected stops;
- (g) quantitative analyses of productions; and
- (h) 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.

## **SUB-CHAPTER 2 APPROVAL OF THE VENDOR**

**150 ZQU. Approved vendors.**-(1) Manufacturers of specified goods shall buy video monitoring equipments only from the authorized vendor.

(2) No manufacturer of the specified goods shall buy video monitoring equipment which is not authorized or approved by the Board.

**150 ZQV. 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.

**150 ZQW. Application for approval .-** (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;
- (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.

**150 ZQX. 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:-

- (p) the equipment shall have high definition video camera and sensor that can record and count the production;
- (q) the equipment shall have ability to weigh the product contained in bags;
- (r) 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;
- (s) the equipment will conduct video analytics and communicate results thereof to CCR;
- (t) the equipment will report any unauthorized stoppages of production through generation of appropriate alarm;
- (u) 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;
- (v) the CCR should have a central data storage capacity capable of storing and retrieving data on long term basis up to five years; and
- (w) the equipment must be stable, fault-tolerant, secure and accessible only by username and password as authorized by the Board.

**150 ZQY. 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:-

- (k) monitoring capability on real-time basis at factory premises or production lines;
  - (l) the ability to configure the production unit remotely;
  - (m) 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;
  - (n) the system reporting should be capable to filter and process the production data for statistical and analytical purposes; and
  - (o) 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.

**150 ZQZ. 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).

(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 thirty 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 licensing committee shall recommend to the Board for grant of authorization to such vendor.

(7) The Board may grant authorization to the recommended vendor(s).

(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.

### **SUB-CHAPTER 3 RESPONSIBILITIES OF THE VENDOR**

**150 ZQZA. 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.

(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.

(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.

**150 ZQZB. 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.

**150 ZQZC. 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,-
  - (iii) all upgrades of the software;
  - (iv) 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.

#### **SUB-CHAPTER 4 FEE AND CHARGES**

**150 ZQZD. 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.

**SUB-CHAPTER 5  
FUNCTIONS AND RESPONSIBILITIES OF OTHERS**

**150 ZQZE. Functions and responsibilities of the manufacturer of specified goods.**—(1) The manufacturer of specified goods shall –

- (o) make all production facilities available for installation of the system and allow access to the vendor and FBR for routine operations, inspection and maintenance;
- (p) not supply any goods without routing them through the intelligent video analytics;—
- (q) be responsible to pay the fee as agreed with the vendor;
- (r) be responsible for smooth functioning, protection and security of the intelligent video analytics;
- (s) report to the Board and concerned Commissioner Inland Revenue, within twenty-four hours of any operational failure, damage, disruption or tampering of the intelligent video analytics:

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;

- (t) allow unhindered access to the FBR and any officer, authorized in this behalf;
- (u) 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;
- (v) make available the damaged equipments, camera, etc., for inspection by the officer authorized by Commissioner Inland Revenue;
- (w) 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 intelligent video analytics; and

- (x) production lines sealed as aforesaid shall not be de-sealed to resume operation except with the permission of the Commissioner Inland Revenue.

**SUB-CHAPTER 6**

**MISCELLANEOUS**

**150 ZQZF. 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.

(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.

**150 ZQZG. Audit.**-The FBR 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.]



<sup>247</sup>[CHAPTER XIV-C

**APPEALS AND ALLIED MATTERS**

**150ZR. Prescribed form of appeal to the Commissioner (Appeals):—** An appeal under section 45B 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 150ZZC.

**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.—** 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.

**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.

**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

<sup>247</sup> Chapter XIV-C inserted by Notification No. S.R.O. 277(I)/2018, dated 5<sup>th</sup> March, 2018.

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.

**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 Register
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 (I) 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 5<sup>th</sup> of every month:

(2) The Commissioner Inland Revenue (Appeals) shall submit the Stay Applications Disposal Report as set out in form STR-26 by the 5<sup>th</sup> and 20<sup>th</sup> 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.

(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).]

<sup>248</sup>[**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

---

<sup>248</sup> Rule 150ZZGA inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

with the appeal so filed with the relevant appellate authority.]

## 249 [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 1/5<sup>th</sup> 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>i.e.</i> Rs. 170 ÷ 5)
Sales tax payable by the withholding agent to the supplier	Rs. 136 ( <i>i.e.</i> Rs. 170- Rs.34)
Balance amount payable to the supplier by the withholding agent.	Rs. 1136 ( <i>i.e.</i> Rs. 1000 + Rs.136)

<sup>249</sup> Chapter XIV-D inserted by Notification No. S.R.O. 698(I)/2019, dated 29th June, 2019.

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.

(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 "B02341-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 15<sup>th</sup> 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.

(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.

<sup>250</sup>[150ZZL. \*\*\*]

---

<sup>250</sup> Rule 150ZZL omitted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>251</sup>[ 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;
- (c) in case the Commissioner is not satisfied with the declared input-output ratios because of their being, *prima facie*, 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

---

<sup>251</sup> Substituted for Chapter XV by Notification No. S.R.O. 918(I)/2019, 7<sup>th</sup> August, 2019. Earlier, the chapter was substituted for Rule 151 by Notification No. S.R.O. 470(I)/2007, dated 9th June, 2007, w.e.f. 1st day of July, 2007, reported as PTCL 2007 St. 1726.

- 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-31** against a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969);
  - (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;
  - (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.

**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.

## **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
  - (g) Production capacity of machinery installed.
- (4) The order communicating the minimum liability shall also communicate the criteria employed.

<sup>252</sup>CHAPTER XVII-A

**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.

---

<sup>252</sup> Chapter XVII-A inserted vide SRO 777(I)/2020 dated 25<sup>th</sup> August, 2020.

(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.

**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) \_\_\_\_\_
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 \_\_\_\_\_;
  - 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).

<sup>253</sup>CHAPTER XVII-B

**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.

---

<sup>253</sup> Chapter XVII-B inserted vide SRO 777(I)/2020 dated 25<sup>th</sup> August, 2020.

(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.

## **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.

**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.

**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.

**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 10<sup>th</sup> 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.

- (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-in-charge 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.



<sup>254</sup>[**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.]

\*\*\*\*\*

---

<sup>254</sup> New Rule 164A inserted by Notification S.R.O 931(I)/2020 dated 30<sup>th</sup> September, 2020.



[See rule 8 (1)]


**Federal Board of Revenue**  
**Taxpayer Registration Form**

**TRF-01 (V-2)**

*Note: Please follow the instructions printed over/with/containing this form and attach all the required documents for expeditious processing of your application.*

Other Activities	20	Activity Code	Other Business Activities in addition to the Principal Activity given at Str-12 above			Action (Add/ Delete)
HS Codes	22	Activity Code	HS Code	HS Description		
Business/Branches	23	Total Business/Branches		Provide details of all business branches/outlets; use additional copies of this form if needed		
	24	Branch/Outlet	Action Requested		Is it a sales outlet business?	
	25	Branch/Outlet Type	Business/Brand Name		Trade Name	
	26	Address				
	27	PTCL No.				
	28	Name of Business Possession			Owner's Name	
	29	Security Ref. No.				
	30	Gas Ref. No.				
	31	Business Branch Start Date			Business Branch Close Date (if applicable)	
	32	Total Bank Accounts		Provide details of all bank accounts; use additional copies of this form if needed		
	33	ACCOUNT No.	Action Requested		Is it Primary Account?	
34	AVC No.	AVC Title		Type		
35	Bank Name		City		Branch	
36			Account Start Date		Account Close Date, if close action is requested	
Employer	37	NTN/PTN	Name			
	38	Address		City		
Declaration	39	I, the undersigned solemnly declare that to the best of my knowledge and belief the information given above is correct and complete in all respects. It is further declared that any notice sent on the e-mail address or the address given in the registry portion will be accepted as legal notice served under the law.				
	40	Date	CNIC/Passport No.	Name of Applicant	Signature as appearing on CNIC/Passport	Thumb impression/Signature, Name in Farsi

IF No. 328T-LAP/2(14)

  
 (Muhammad Hayat Khan)  
 Secretary (Automation)

256

<b>“23</b>	<b>Details of business outlets/ branches</b>	Please provide names of all business branches/outlets along with complete addresses etc. Use copies of this form if needed.
	<b>Details of all brands names/ trademarks in which dealing.</b>	Shall provide details of all business brand names / trademarks etc. in which dealing. Use additional copies of this form if needed.”;

<sup>256</sup> Existing serial number 23 in form STR-1, substituted by SRO 776(I)/2020 dated 25<sup>th</sup> August, 2020.

257[STR-2 Omitted]

258[STR-3]

Government of Pakistan Federal Board of Revenue		STR-3
1	Sheet No. <input type="text"/> of <input type="text"/>	Token No. <b>N*</b> <input style="width: 100px;" type="text"/>
2	<div style="border: 1px solid black; padding: 5px;"> <b>De-Register From</b> <input type="checkbox"/> Income Tax                     <input type="checkbox"/> Sales Tax                     <input type="checkbox"/> Federal Excise                     <input style="width: 50px;" type="text"/> NTN                     <input style="width: 50px;" type="text"/> STRN                 </div>	
3	<b>Category</b> <input type="checkbox"/> Company <input type="checkbox"/> Individual <input type="checkbox"/> ACP <input type="checkbox"/> Resident <input type="checkbox"/> Non-Resident <input type="checkbox"/> Firm <input type="checkbox"/> Artificial Juridical Person <input type="checkbox"/> Body of persons formed under a foreign law	
4	<b>Status</b> <input type="checkbox"/> Non-Resident <input type="checkbox"/> Resident <input type="checkbox"/> Firm <input type="checkbox"/> Artificial Juridical Person <input type="checkbox"/> Body of persons formed under a foreign law	
5	<b>CHC/PP No.</b> <input style="width: 100px;" type="text"/>	
6	<b>Reg./ Inc. No.</b> <input style="width: 100px;" type="text"/>	
7	<b>Name</b> <input style="width: 100px;" type="text"/>	
8	<b>Address</b> <input style="width: 100px;" type="text"/>	
9	<b>Principal Activity</b> <input style="width: 100px;" type="text"/>	
10	<b>Rep. Type</b> <input type="checkbox"/> Representative u/s 172 <input type="checkbox"/> Authorized Rep. u/s 223 <input type="checkbox"/> In Capacity as _____	
11	<b>Address</b> <input style="width: 100px;" type="text"/>	
12	<b>E-Mail</b> <input style="width: 100px;" type="text"/>	
13	<input type="checkbox"/> Ceased to carry on business	
14	<input type="checkbox"/> Supplies have become exempt (Give details) _____	
15	<input type="checkbox"/> Taxable turnover during the last 12 months has remained below the threshold (a) Please give the value of taxable supplies you made in last 12 month Rs. <input style="width: 50px;" type="text"/> (b) Please give reason(s) for reduction in your taxable turnover (attach sheet, if necessary).	
16	<input type="checkbox"/> Transfer or sale of business (Attach proof) <input type="checkbox"/> Merger with another person (Attach proof)	
17	<input type="checkbox"/> Other (Please Describe) _____	
18	I, the undersigned solemnly declare that to the best of my knowledge and belief the information given above is correct and complete. It is further declared that any notice sent on the e-mail address or the address given in the registry portion will be accepted as legal notice served under the law.	
19	<b>Date</b> <input style="width: 50px;" type="text"/> <input style="width: 50px;" type="text"/> <input style="width: 50px;" type="text"/>	
20	<b>CNIC/ Passport No.</b> <input style="width: 100px;" type="text"/>	
21	<b>Name of Applicant</b> <input style="width: 100px;" type="text"/>	
22	<b>SIGNATURES</b> <input style="width: 100px;" type="text"/>	
23	<input type="checkbox"/> Above Taxpayer's Registration is allowed for De-Registration with effect from Date <input style="width: 50px;" type="text"/> <input style="width: 50px;" type="text"/> <input style="width: 50px;" type="text"/> with permission of this office. Request is being forwarded for necessary action at Registration Office.	
24	<input type="checkbox"/> Request regretted. Letter issued vide no. <input style="width: 50px;" type="text"/> Dated <input style="width: 50px;" type="text"/> <input style="width: 50px;" type="text"/>	
25	<b>Name of RTO/LTU</b> <input style="width: 100px;" type="text"/>	
26	<b>Signature &amp; Seal of Taxation Officer</b> <input style="width: 100px;" type="text"/>	
27	<input type="checkbox"/> De-Registration is done and verified in Registration System on <input style="width: 50px;" type="text"/> <input style="width: 50px;" type="text"/> <input style="width: 50px;" type="text"/>	
28	<b>Signature &amp; Seal of Registration Officer</b> <input style="width: 100px;" type="text"/>	

257 Form STR-2 omitted by Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008 St. 1882.

258 Form STR-3 substituted by Notification No. S.R.O. 429(I)/2009, dated 2nd June, 2009. Earlier Form STR-3 was substituted by Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008 St. 1882.

**STR-4**

[See rule 5(2)]

**STOCKS DECLARATION FORM**

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Description of taxable goods available in stock	Name and <sup>259</sup> [National Tax Number] of the supplier*	Sales Tax Invoice No. and date or name of customs station of clearance vessel name, IGM No. and date, Index No. BE, cash No. & date.	Value (exclusive of Sales Tax)	Sales Tax involved
(1)	(2)	(3)	(4)	(5)

\* In case of local goods, mention name and <sup>260</sup>[National Tax Number] of the supplier from whom such taxable goods were purchased during a period of 30 days prior to the date of application for registration. In case of goods imported during a period of 90 days prior to the date of application for registration, mention the exporter's name and country.

-----

<sup>259</sup> Substituted for the words "registration number" by Notification No. S.R.O. 610(I)/2010, dated 1st July, 2010, reported as PTCL 2010 St. 1194, w.e.f. 1st October, 2010 as amended by Notification No. S.R.O. 821(I)/2010, dated 19th August, 2010.

<sup>260</sup> Substituted for the words "registration number" by Notification No. S.R.O. 610(I)/2010, dated 1st July, 2010, reported as PTCL 2010 St. 1194, w.e.f. 1st October, 2010 as amended by Notification No. S.R.O. 821(I)/2010, dated 19th August, 2010.



### TAXPAYER REGISTRATION CERTIFICATE

<sup>262</sup>[NTN(National Tax  
Number)] Category  
Status  
CNIC/Passport No.      Birth Date:  
Reg./Inc. No.      Reg./Inc. Date:  
Name  
Address  
Principal Activity  
Other Activities  
Registered for  
Representative's CNIC

Name  
E-Mail Address

#### Tax Office

This Certificate shall be prominently displayed at a conspicuous place of the premises in which business or work for gain is carried on. It is also required to be indicated on the signboard where it is affixed.

*Note:* The NTN must be written on all returns, payment challans, invoices, letter heads, advertisements etc. and all correspondence made with the tax departments.]

<sup>261</sup> Form STR-5 substituted by Notification No. S.R.O. 429(1)/2009, dated 2nd June, 2009. Earlier Form STR-5 was substituted by Notification No. S.R.O. 530(1)/2008, dated 11th June, 2008, w.e.f 1st July, 2008, reported as PTCL 2008 SL 1882 and amended by Notification No. S.R.O. 761 (1)12008, dated 19th July, 2008, reported as PTCL 2009 St. 41.

<sup>262</sup> Substituted for the words "registration number" by Notification No. S.R.O. 610(I)/2010, dated 1st July, 2010, reported as PTCL 2010 St. 1194, w.e.f. 1st October, 2010 as amended by Notification No. S.R.O. 821(I)/2010, dated 19th August, 2010.

**STR-6**  
[See rule 6(2)]

C. No. \_\_\_\_\_

Date \_\_\_\_\_

M/s. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SUBJECT: COMPULSORY REGISTRATION**

Whereas it has been ascertained that you are liable to be registered under the Sales Tax Act, 1990, for the reason that: \_\_\_\_\_;

2. Whereas you have not yet got yourself registered; therefore, you are hereby given an opportunity to apply for registration in the form attached with this notice. You may also declare the stocks in hand, if any, in terms of section 59 of the Sales Tax Act, 1990, read with rule 5(2) of Chapter I of the Sales Tax Rules, 2006 in the Form at STR-4 to the Sales Tax Rules, 2006.

3. Kindly note that in case you fail to apply for registration by \_\_\_\_\_ (date),--

- (a) you shall be compulsorily registered under section 14 of the Act, read with rule 6 of the Sales Tax Rules, 2006, without any further notice;
- (b) you shall render yourself liable to penalty under clause 7 of section 33(1) of the Sales Tax Act, 1990; and
- (c) you shall also render yourself liable to arrest and prosecution in terms of section 37 A of the Sales Tax Act, 1990.

Encl. Registration Form (STR-1)

Local Registration Officer

Telephone:

Fax:

E-mail



<sup>263</sup>[STR-7]

<sup>264</sup>[Annex-A]

<sup>265</sup>[Annex-C]

<sup>266</sup>[Annex-H]

<sup>267</sup>[Annex-K]

---

<sup>263</sup> Form STR-7 substituted by Notification No. 1203(I)/2019, dated 16<sup>th</sup> October, 2019. Earlier, it was substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019. Before that, it was substituted by Notification No. S.R.O. 1004(I)/2012, dated 17<sup>th</sup> August, 2012, reported as PTCL 2013 St. 199 (ii). Before that, Form STR-7 was substituted by Notification No. S.R.O. 793(I)/2011, dated 24<sup>th</sup> August 2011, w.e.f. 1<sup>st</sup> July, 2011, reported as PTCL 2012 St. 364; S.R.O. 716(I)/2009, dated 10<sup>th</sup> August, 2009, reported as PTCL 2010 St. 3(ii); Notification No. S.R.O. 761(I)/2008, dated 19<sup>th</sup> July, 2008, reported as PTCL 2009 St. 41; Notification No. S.R.O. 530(I)/2008, dated 11<sup>th</sup> June, 2008, w.e.f. 1<sup>st</sup> July, 2008, reported as PTCL 2008 St. 1882; S.R.O. 1000(1)/2007, dated 29<sup>th</sup> September, 2007, reported as PTCL 2008 St. 632, w.e.f. 8<sup>th</sup> September, 2007 and S.R.O. 824(I)/2007, dated 16<sup>th</sup> August, 2007, reported as PTCL 2008 St. 543, w.e.f. 1<sup>st</sup> July, 2007 and amended by Notification Nos. S.R.O. 685(I)/2010, dated 26<sup>th</sup> July, 2010, w.e.f. 1<sup>st</sup> July, 2010, reported as PTCL 2011 St. 89(i); S.R.O. 610(I)/2010, dated 1<sup>st</sup> July, 2010, reported as PTCL 2010 St. 1194, w.e.f. 1<sup>st</sup> October, 2010 & S.R.O. 821(I)/2010, dated 19<sup>th</sup> August, 2010, reported as PTCL 2011 St. 90(i).

<sup>264</sup> Annex-A substituted by Notification No. S.R.O. 494(I)/2015, dated 30<sup>th</sup> June, 2015.

<sup>265</sup> Annex-C substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019. Earlier, it was substituted by Notification No. S.R.O. 494(I)/2015, dated 30<sup>th</sup> June, 2015.

<sup>266</sup> Annex-H substituted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>267</sup> Annex-K amended by Notification No. S.R.O. 295(I)/2020, dated 8<sup>th</sup> April, 2020. It was inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.



Government of Pakistan  
Sales Tax & Federal Excise Returns



Registry		NTN	Name	Tax Period (8/11/12)	Normal	Revised	Submission Date
		CNIC or case of individual	DD/YY/CC/PP/ND	Business Nature	Tax Office		
Sales Tax Credits	Sr.	Description		Gross Value	Taxable Value	Sales Tax	
	1	Domestic Purchases from Registered Persons (excluding fixed assets)	Annex-A & I				
	2	Domestic Purchases from Unregistered Persons	Annex-A & I	-			
	3	Imports excluding fixed assets (includes value addition tax on commercial impo)	Annex-B	-			
	4	Capital Goods / Fixed Assets (Domestic Purchases & Imports)	Annex-A, I & B	-			
	5	Input for the month = (1 + 3 + 4)					
	6	Credit brought forward from previous tax period					
	7	Non-creditable inputs (relating to exempt, non-taxed supplies of goods or services etc.)					
7a	Inadmissible input tax credit in terms of section 7(2)(i) read with section 8(1)(i) of the Sales Tax Act, 1990 or disallowance of reduction in output tax in respect of withholding of sales tax/Credit/Notes or disallowance of increase in input tax in respect of Debit Notes						
7b	Allowance of input tax credit and reduction of output tax out of previous return's row 7c						
7c	Balance of earlier disallowed input tax credit and disallowed reduction of output tax through row 7a						
8	Accumulated Credit = (5 + 6 + 7b - (7+7a))						
Sales Tax Debits	9	Total Goods or Services supplied locally (including Reduced Rate Sales)	Annex-C & I	-			
	10	Goods or Services supplied locally (at Reduced Rates)	Annex-C & I	-			
	11	Exports	Annex-D	-			
	12	Extra Tax under Chapter XIII of ST Special Procedure Rules, 2007	Annex-C				
	12a	Electricity supplied to marble/granite industry (non Adjustable)	KWH	Annex-C & I			
	13	Electricity supplied to steel sector	KWH	Annex-C & I			
	13a	Sales Tax portion of Sr. 13 collected at normal rate (adjustable against input)					
	13b	Adjustment given to Steel Makers under 58H(2c) of ST Special Procedure Rules, 2007	Annex-I				
	13c	Remaining Sales Tax portion of Sr. 13 (non-adjustable against input) = (13 - 13a - 13b)					
	14	Gas supplied to CNG sector on notified Value	Annex-C & I				
	14a	Sales Tax portion of Sr. 14 collected at 17% of value as in section 2(46)(a) (adjustable against input tax)					
	14b	Remaining Sales Tax portion of Sr. 14 (non-adjustable against input) = (14 - 14a)					
	15	Output Tax = (9 + 13a + 14a)					
	16	Sales Tax deducted by withholding agents	Annex-C & I				
	17	Accumulated Debit = (15 - 16)					
18	Sales Tax u/s 3(3) on electricity supplied to Retailers (non Adjustable)						
18a	Turnover Tax payable by retailers @ 2%	Turnover					
19	Re-rollable scrap sold by ship breakers @ Rs 8000/MT	M Tons	Annex-C & I				
20	Re-rollable scrap @Rs 5920/MT	M Tons	Annex-C & I				
21	Sales Tax payable by steel sector under special procedure whose liability was not discharged through electricity bills or self-generation						
22	Sales Tax withheld as withholding agent	Annex-A & I					
23	Sales Tax Arrears including Principal, Default Surcharge & Penalty	Annex-D					
23a	Further Tax charged under section 3(1A) on supplies made to Unregistered Person (non adjustable)						
23b	Extra Tax collected under SRO 599(I)/2013 on sale of Electricity & Gas	Annex-C & I					
24	Whether excluded from Section 8B(1) under SRO 847(I)/2007	Select reason in case of "Yes"					
25	Admissible Credit [if 24 = Yes then 8; if 24 = No, then (least of (8-4) or "90% of 15" or 17) + ((8-4) < "90% of 15" then 4; otherwise zero)]						
26	Excess Unadjusted Credit [if 24 = Yes and 25 > 17 then (25 - 17); otherwise zero; if 24 = No then (8 - 25)]						
27	Credit Carried forward on account of Value Addition Tax	Annex-F					
28	Unadjusted Credit Available for the purpose of refund = (26 - 27)						
29	Refund Claimed (Provide Stock Statement as Annex-G now, or file it later as per rules)						
30	Credit to be carried forward [if 28 > 29, then [(28 - 29) + 27]; otherwise 27]						
31	Federal Excise Duty (FED) Drawback	Annex-E					
32	Sales Tax Payable (if 17 > 25 then (17 - 25); otherwise zero) + [(12+12a+13c + 14b + 18+13a+ 19 +20+ 21 + 22 + 23+23a+23c)]						
33	Federal Excise Duty (FED) Payable (incl. FED @ Rs 1/KG on Locally Produced Oil, from Annex-A)	Annex-E & A					
34	Petroleum Levy (PL) Payable						
35	Total amount to be paid = (32 + 33 + 34)						
36	Tax paid on normal/previous return (applicable in case of revised return)						
37	Balance Tax Payable (Refundable) = (35 - 36)						
38	Select bank account for receipt of refund						
Declaration	I, _____ holder of CNIC No. _____						
	in my capacity as authorized person do solemnly declare that to the best of my knowledge and belief the information given in this return is correct and complete in all respects in accordance with the provisions of applicable law.						
Date: _____ Submitted electronically by using User-ID, Password and PIN as electronic signature							
Head wise Payable	Head of Account	Amount	Head of Account	Amount			
	002041 - Sales Tax on Goods	-	002485 - FED Excluding Natural Gas	-			
	002066 - Sales Tax on Services	-	002501 - FED on Natural Gas	-			
	002090 - FED in VAT Made	-	002085 - Petroleum Levy	-			
	Total Amount Payable				-		
Total Amount Paid (in figures)			in words				
CPR Nos. CPR-1, CPR-2, CPR-3, ...							



**GOODS DECLARATION - IMPORTS (GDI)**

NTN: 9999999-9 \*\*\*\*\* Name of the Registered Person \*\*\*\*\*

Sr.	Particulars of GD Imports (Found in Customs Data)				HS Code	Type	Sales Tax Rate	Quantity, in case of Edible Oil (MT) and Ship for Breaking (LDT)	Sales Taxable Value of Imports	Sales Tax Paid at Import Stage	Value Addition Tax Paid at Import Stage
	Collectorate	GD Type	GD Number	GD Date							
1											-
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
<b>Total</b>								-	-	-	-

**Note:**

- 1) Quantity shall be recorded in Metric Tones for imports of Edible Oil and LDT for Ship Breaking
- 2) Value Addition Tax will be applicable on Imports @3%.
- 3) The Importer may also load the GDs from Customs data which will be editable by registered person and will also identify the type "Fixed Assets"
- 4) The HS Code will be optional for manual entry and will be populated by system if data will be uploaded from Customs.
- 5) The Cash Number & Date will be populated by system on the basis of Customs data.
- 6) No Manual entry will be allowed in Annex-B, all data shall be fetched from Customs DB. If the data is somehow not available in customs DB, the same should be er

<b>DOMESTIC SALES INVOICES (DSI)</b>																							
NTN: 9999999-9 Name of the Registered Person _____														Tax Period: MM-YYYY									
Sr.	Particulars of Buyer				Sale Origination Province of Supplier	Document				Sale Type	Rate	Quantity	UoM	Value of Sales Excluding Sales Tax	Fixed / notified value or Retail Price	Sales Tax/ FED in ST Mode	Extra Tax	Further Tax	Total Value of Sales (In case of PFAD only)	ST Withheld at Source	Exemption, Zero & Reduce Rated Reference		
	NTN	CNIC	Name	Type		Type	Number	Date	HS Code												SRO No. / Schedule No.	Item S. No.	
1																							
2																							
3																							
4																							
5																							
6																							
7																							
8																							
9																							
10																							
11																							
12																							
13																							
14																							
15																							
<b>Total Sales</b>											-	-	-	-	-	-	-	-	-	-	-	-	-

GOODS DECLARATION - EXPORTS (GDE)										Annex-D	
NTN: 9999999-9 ***** Name of the Registered Person *****										Tax Period: MMM-YYYY	
Sr.	Particulars of GD EXPORT (Machine Number)				HS Code	Value of Exports in Pak	Value of Short Shipment	Value of Goods Actually	Value of Goods Admissibl	MR / Consignm ent	MR / Consignment Shipping Date
	Collectorate	GD Type	GD Number	GD Date							
1							-				
2							-				
3							-				
4							-				
5							-				
6							-				
7							-				
8							-				
9							-				
10							-				
11							-				
12							-				
13							-				
14							-				
15							-				
<b>Total</b>						-	-	-	-		
<b>Note:</b>											
1) The Exporter will load the shipping bills from Customs data which will be editable by the regesterde persons.											
2) The Exporter may change the value of column "Value of Goods Actually Shipped" of selected shipping bills too but it should be less the value provided by the system.											
3) The HS Code will be optional for manual entry and will be populated by system if data will be uploaded from Customs.											
4) The MR / Consignment Shipping Number & Date will be populated by system on the basis of Customs data.											

<b>FEDERAL EXCISE DUTY ON NATURAL GAS</b>							<b>Annex-E1</b>
NTN: 9999999-9 *****		Name of the Registered Person *****			Tax Period: MMM-YYYY		
Sr.	Name of Well	Location/City	Province	UoM	Quantity	Rate	FED Paid
1							
2							
3							
4							
5							
6							
7							
<b>Total</b>					-		-

<b>CARRY FORWARD SUMMARY</b>				<b>Annex-F</b>
NTN: 9999999-9 *****		Name of the Registered Person *****		Tax Period: MMM-YYYY
Description		Domestic Purchases	Imports	Total
1. Value	a. Opening Balance			-
	b. Purchased/Imported during the Period			-
	c. Consumed/Sold during the Period			-
	d. Closing Balance	-	-	-
2. Sales Tax Excluding VAT	a. Opening Balance			-
	b. Purchased/Imported during the Period			-
	c. Consumed/Sold during the Period			-
	d. Closing Balance	-	-	-
3. Value Addition Tax	a. Opening Balance			-
	b. Imported during the Period		-	-
	c. Consumed/Sold during the Period			-
	d. Closing Balance		-	-

<b>Sales Tax Arrears</b>				<b>Annex-G</b>
NTN: 9999999-9 *****		Name of the Registered Person *****		Tax Period: MMM-YYYY
Sr.	Type	Details	Tax Period	Amount
1	Default Surcharge			
2				-
3				-
4				-
5				-
6				-
<b>Total (Principal Amount, Default Surcharge, Penalty &amp; Others)</b>				-



CONSUMPTION OF INPUTS / STOCK STATEMENT																					
NTN _____		Name of the Registered Person _____												Tax Period _____		MMM-YYYY					
Sr	HS Code	Item Description	Unit of Measure	Item Type	Value of Input Goods					Quantity of Goods					Input Tax Involved						
					Opening Balance	Purchases Reported during the month	Consumed / Sold during the month (Domestic Taxable Supplies)	Consumed / Sold (Export Supplies)	Consumed / Exported (Zero Rated / Exports)	Closing Balance	Opening Balance	Purchases Reported during the month	Consumed / Sold during the month (Domestic Taxable Supplies)	Consumed / Sold (Export Supplies)	Consumed / Exported (Zero Rated / Exports)	Closing Balance	Opening Balance	Purchases Reported during the month	Consumed / Sold during the month (Domestic Taxable Supplies)	Consumed / Sold (Export Supplies)	Consumed / Exported (Zero Rated / Exports)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
1																					
2																					
3																					
4																					
5																					
6																					
Total																					

**Note:**

The stock statement is mandatory for refund claims filed under section 10. Other registered persons are encouraged to provide these details.

The refund claimants may submit stock statement within 120 days from due date of filing of return.

The due date of filing of Annex-H shall be considered the date of filing refund claim. The claim will be processed after submission of stock statement.

<sup>268</sup>[Value and quantity of goods shall also include value and quantities of inputs purchased from unregistered persons]

For item type, following the following types shall be shown in drop down list. The claimant shall select any one of the categories.

- a. Direct raw material
- b. Indirect raw material (accessories)
- c. Dyes and chemicals
- d. Packing material
- e. Processing charges
- f. Utilities (electricity, gas)
- g. Alternate energy (furnace oil, diesel, coal etc.)
- h. Spare parts
- i. Oil and lubricants
- j. Machinery
- k. Other fixed assets
- l. Services

<sup>268</sup> The expression "In column No.5, for example in case of yarn, count of yarn 20/s 100% Cotton, 36/s PC etc and in case of fabric construction such as 20\*20/11\*60" substituted by Notification No. S.R.O. 1203(I)/2019, dated 16<sup>th</sup> October, 2019.

- <sup>269</sup>[m. Same-state goods
- n. Others (please specify)]

**Declaration:**

I, hereby, declare that the amount of refund claimed is in accordance with the provisions of the Sales Tax Act, 1990, and rules made there under and the data provided in relevant monthly ST&FE return(s) is correct and in order.

Name of declarant \_\_\_\_\_  
Title / Designation \_\_\_\_\_

---

<sup>269</sup> Item m substituted and item n inserted by Notification No. S.R.O. 1203(I)/2019, dated 16<sup>th</sup> October, 2019.

**DEBIT & CREDIT NOTES (DCN)**

**Annex-I**

NTN: 9999999 \*\*\*\*\* Name of the Registered Person \*\*\*\*\*

Tax Period MMM-YYYY

Sr.	Particulars of Supplier / Buye				Debit / Credit Note				Original Invoice							Revised Invoice			Difference Adjustable (Original - Revised)									
	NTN	CNIC	Name	Type	Number	Date	Type	Reason	Type	Number	Date	Sale / Purchase Type	Qty	Value Excludin g Sales Tax	Sales Tax/ FED in ST Mode	ST With held	Qty	Value Excludin g Sales Tax	Sales Tax/ FED in ST Mode	ST Withh eld	Qty	Value Excludin g Sales Tax	Sales Tax/ FED in ST Mode	ST Withheld				
1																						0	0	0	0			
2																						0	0	0	0			
3																						0	0	0	0			
4																						0	0	0	0			
5																												
6																												
7																												
8																												
9																												
10																												
11																												
12																												
13																												
14																												
15																												
																					Adjustable purchases from registered persons				0	0	0	0
																					Purchases from un-registered persons				0	0	0	0
																					Adjustable sales to registered persons				0	0	0	0
																					Adjustable sales to un-registered persons				0	0	0	0

ANNEX J (PRODUCTION)											
PRODUCTION DATA										<b>Annex-J</b>	
NTN	99999-9	Tax Period	****	Name of the Registered Person			*****	Tax Period	MMMM-YYYY		
SR	NTN	Business Name	Item Code	Product Detail	Qty in Opening Balance	Quantity Produced	Qty Supplied	Value of Qty Supplied	Quantity in closing Balance	Value of Local Supplies	Value of Total Exports
					<b>Total</b>						

<sup>270</sup> Existing Annex-J substituted by Notification No. S.R.O. 776(I)/2020, dated 25<sup>th</sup> August, 2020.

### Statement of Production and Supplies for Steel Products

#### Part A - Steel melting and re-rolling:

272[A]	S.No.	Consumer number of Electricity Meter	Electricity units consumed during month (kwh)
	Total		]

Ref.	Description	Steel billets	Steel ingots / bala	Steel bars and other long profiles (made from purchased billets/ ingots)	Steel bars and other long profiles (made from self-manufactured billets / ingots)
(1)	(2)	(3)	(4)	(5)	(6)
B	Quantity supplied (MT) (from Annex-C)				
C	Higher of actual and minimum fixed value of supplies (Rs.) (from Annex-C)				
D	Output tax payable on C (Rs.) (From Annex-C)				

<b>Working for Minimum Production:</b>						<b>Total</b>
E	Presumptive electricity consumed on supplies made (kwh)					
F	Excess of actual declared electricity consumption over presumptive (kwh)					

<sup>271</sup> Annex-K inserted by Notification No. S.R.O. 918(I)/2019, dated 7th August, 2019.

<sup>272</sup> Table substituted by Notification No. S.R.O. 295(I)/2020, dated 8th April, 2020.

G	Apportionment of excess electricity at F (kwh)					
H	Quantity adjustment against electricity at G (MT)					
I	Minimum Value of quantity in H (Rs.)					
J	Output tax payable on value at I (Rs.)					
K	Accumulated adjustment brought forward (Rs.)					
L	Adjustment in Column 19 of return					
M	Accumulated adjustment carried forward (Rs.)					

Note: In-house consumption of billets / ingots by composite units may not be included in columns (2) and (3)

**Part B - Ship-breaking:**

Ref.	Description	Ship-plates	Other re-rollable scrap	Total
(1)	(2)	(3)	(4)	(5)
N	Quantity supplied (MT) (from Annex-C)			
O	Higher of actual and minimum fixed value of supplies (Rs.) (from Annex-C)			
P	Output tax payable on O (Rs.) (from Annex-C)			

**Working for Minimum Production: Ship-wise details (only those under breakage)**

Q	Ship No.	1	2	3	4	Total
R	GD Detail					
S	LDT (MT)					
T	Period in months required for breaking (part of month to be treated as full month)					

U	Minimum Production for the month					
V	Quantity adjustment for minimum production					

Ref.	Description	Ship-plates	Other re-rollable scrap	Total
W	Apportioned quantity adjustment			
X	Minimum Value of quantity in AA (Rs.)			
Y	Output tax payable on value at AB (Rs.)			
Z	Accumulated adjustment brought forward (Rs.)			
AA	Adjustment in Column 20			
AB	Accumulated adjustment carried forward (Rs.)			

<b>BREAKUP OF SERVICES PROVIDED</b>				<b>Annex-P</b>
<b>TO BE COMPLETED BY THE SERVICE PROVIDER</b>				
NTN: 9999999-9		Tax Period:		
<b>Sr.</b>	<b>Province/ Area from which service is provided</b>	<b>Value of Services excluding Sales</b>	<b>Sales Tax Charged</b>	<b>%age</b>
1	Balochistan			
2	Khyber Pakhtunkhwa			
3	Punjab			
4	Sindh			
5	Capital Territory & Others			
<b>Total</b>		-	-	-
<b>Note:</b>				
1) On the basis of this information, the tax paid by the Service Provider will be proportionately distributed among the provinces.				
2) The system will fill this annexure automatically according to the province wise sales of services declared by registered person in Annex -				
3) The tax share will be credited to the designated account of the Provinces which will be reflected in the Main Page of the ST&FE Return, on CPR as well as in the bank scroll."				



### Application for Refund

Name of Registered Person				
NTN				
Tax period of refund claim	From		To	
Amount claimed	Figures:			
	Words:			
<b>Declaration:</b>				
I, hereby, declare that the amount of refund claimed is in accordance with the provisions of the Sales Tax Act, 1990, and rules made there under and the data provided in relevant monthly ST&FE return(s) is correct and in order.				
Name of declarant				
Title / Designation				
Statement of audited accounts under section 8B attached?	Yes		Not applicable	
Date of Submission:				

<sup>273</sup>**[STR-8 Omitted]**

<sup>274</sup>**[STR-9 Omitted]**

---

<sup>273</sup> Form STR-8 omitted by Notification No. S.R.O. 470(I)/2007, dated 9th June, 2007, w.e.f. 1st day of July, 2007, reported as PTCL 2007 St. 1726.

<sup>274</sup> Form STR-9 omitted by Notification No. S.R.O. 824(I)/2007, dated 16th August, 2007, reported as PTCL 2008, St. 543. This amendment shall be made and shall be deemed to have been so made on the 1st day of July, 2007.

**Annual Sales Tax Return** 1. **Type of Return** (Please mark ✓ in the relevant box)

	Original	Revised	<b>STR-10</b>
--	----------	---------	---------------

(As required under section 26 of the Sales Tax Act, 1990 read with Rule 17 of Sales tax Rules, 2006)

2. Tax Year Ending **3 0 - 0 6 -** 3. NTN \_\_\_\_\_

4. Sales Tax Reg. No. \_\_\_\_\_ Please mark ✓ in the relevant box

5. Federal Excise Reg. No. \_\_\_\_\_

6. Status  Ind  AOP  Coy

7. Taxpayers Name \_\_\_\_\_  
(As per Sales Tax Registration Certificate)

8. Taxpayers Address \_\_\_\_\_

9. Turnover/Sales

	Value excluding Sales Tax	Rate	Output Sales Tax
(a) Supplies made, services rendered/provided including utilities and goods & services subject to excise duty in VAT mode			
(i) Taxable - Supplies - Local Services	_____	_____	_____
(ii) Zero-rated - Supplies - Local	_____	_____	_____
Supplies - DTRE	_____	_____	_____
Supplies - Export	_____	_____	_____
(iii) Exempt - Supplies - Local	_____	_____	_____
(iv) Others - If any, specify _____	_____	_____	_____
(v) Total supplies/services & Output Sales Tax as per Monthly Returns [Add 9(a)(i) to 9(a)(iv)]	_____	_____	_____
(b) Adjustments in Supplies/Services to arrive at Turnover/Sales			
(i) Rebates / duty draw backs	_____	_____	_____
(ii) Advances against sales outstanding at the begning of the year included in the supplies/services of the preceeding year	_____	_____	_____
(iii) Any other, specify _____	_____	_____	_____
(iv) Sub-Total [Add 9(b)(i) to 9(b)(iii)]	_____	_____	_____
(v) Commission and brokerage	_____	_____	_____
(vi) Advances against sales outstanding at the end of the year included in the supplies/services of the current year	_____	_____	_____
(vii) Any other, specify _____	_____	_____	_____
(viii) Sub-Total [Add 9(b)(v) to 9(b)(vii)]	_____	_____	_____
(c) Turnover/Sales and Output Sales Tax [9(a)(v) plus 9(b)(iv) minus 9(b)(viii)]	_____	_____	_____

10. Summary of Sales Tax Paid, Refund, Adjustment, Etc., claimed in monthly Sales Tax Returns

(a) Opening balance of:

(i) Un-paid refunds claim \_\_\_\_\_

(ii) Un-adjusted adjustment notes \_\_\_\_\_

(b) Sales tax paid during the year

Month	Year	Amount	Month	Year	Amount	Month	Year	Amount
Jul	_____	_____	Nov	_____	_____	Mar	_____	_____
Aug	_____	_____	Dec	_____	_____	Apr	_____	_____
Sep	_____	_____	Jan	_____	_____	May	_____	_____
Oct	_____	_____	Feb	_____	_____	Jun	_____	_____

(c) Sales Tax refundable for the year (Add refundables for each of the months) \_\_\_\_\_

(d) Sub-Total [Add 10(a) and 10(c)] \_\_\_\_\_

(e) Sales Tax refunds received durring the year \_\_\_\_\_

(f) Balance carried forward [10(d) minus 10(e)] \_\_\_\_\_

(f) Represented by closing balances of:

(i) Un-paid refunds claim \_\_\_\_\_

(ii) Un-adjusted adjustment notes \_\_\_\_\_

(iii) Total [10(f)(i) plus 10(f)(ii)] \_\_\_\_\_

**Verification**

I, \_\_\_\_\_, holder of CNIC No. \_\_\_\_\_, in my capacity as Self/Member or Partner of Association of persons/Principal Officer/Trustee/Representative\* of the Taxpayer named above, do solemnly declare that to the best of my knowledge and belief the information given in this Return, is/are correct, complete and in accordance with the provisions of the Sales Tax Act, 1990 and Rules and Notifications issued thereunder.

As defined in section \_\_\_\_\_ of the Sales Tax Act, 1990 and Section \_\_\_\_\_ of the Federal Excise Act, 2005.

The alternative in the verification, which is not applicable, should be scored out)

Date (dd/mm/yyyy) \_\_\_\_\_ Stamp \_\_\_\_\_ Signature \_\_\_\_\_

For Assistance - Call Help line Center at Tele: 0900-00-227, 051-111-227-227, Fax 051-9205693 and E-mail at helpline@ctr.gov.pk


<sup>275</sup>[STR-11]  
[See rule 18(2)]  
**PART-I**

<b>Federal Board Of Revenue</b> Government of Pakistan <b>SALES TAX PAYMENT CHALLAN</b>	
<b><u>INPUT FORM</u></b>	
<sup>276</sup> [National Tax Number].	NTN : _____
Year Name _____	Tax Period _____
Address _____	
HEAD OF ACCOUNT	Amount in Pak. Rupees B-02341    Sales Tax
B-02366	Sales Tax on Services
B-02367	Federal Excise Duty Levy in VAT
Mode _____	
Amount in words _____	Total Amount _____
<b><u>DECLARATION</u></b>	
I hereby declare that the particulars mentioned in this challan are correct.	
CNIC of Depositor _____	
Name of Depositor _____	
Stamp & Signatures _____	
Date _____	
<b>Note:</b> This is an Input Form and should not be signed/ stamped by Bank. However, a CPR should be issued after receipt of payment by the Bank.	

<sup>275</sup> Form STR-II substituted by Notification No. S.R.O. 840(I)/2008, dated 13th August, 2008, reported as PTCL 2009 St. 284. Earlier Form STR- II was substituted by Notification No. S.R.O. 824(I)/2007, dated 16th August, 2007, reported as PTCL 2008 St. 543, w.e.f. 1st day of July, 2007.

<sup>276</sup> Substituted for the words —Sales Tax Reg. No. by Notification No. S.R.O. 610(I)/2010, dated 1st July, 2010, reported as PTCL 2010 St. 1194, w.e.f. 1st October, 2010 as amended by Notification No. S.R.O. 821(I)/2010, dated 19th August, 2010.

(e) For Part II of STR 11 the following shall be substituted:

 <b>Federal Board of Revenue</b> Government of Pakistan					
<b>FEDERAL EXCISE PAYMENT CHALLAN</b>					
<b>INPUT FORM</b>					
Sales Tax Reg. No. <input style="width: 150px;" type="text"/>	NTN <input style="width: 80px;" type="text"/>				
Name _____	Tax Period <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 40px;">Month</td> <td style="width: 40px;">Year</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	Month	Year		
Month	Year				
Address _____					
<b>HEAD OF ACCOUNT</b>	<b>Amount in Pak Rs.</b>				
B-02485 Federal Excise Duty (excluding FED on natural gas)	<input style="width: 150px;" type="text"/>				
B-02501 Federal Excise Duty on Natural Gas	<input style="width: 150px;" type="text"/>				
C-03901 Petroleum Development Levy (PDL)	<input style="width: 150px;" type="text"/>				
Total Amount	<input style="width: 150px;" type="text"/>				
Amount in words _____					
<b>DECLARATION</b>					
I hereby declare that the particulars mentioned in this challan are correct.					
CNIC of Depositor <input style="width: 150px;" type="text"/>					
Name of Depositor _____					
Date _____	<b>Stamp &amp; Signatures</b>				
<b>Note:</b> This is an input form and should not be signed/stamped by the Bank. However, a CPR should be issued after receipt of payment by the Bank.					

[C.No. 3(10)ST-L&P/2007]

**Secretary (ST&FE-L&P)**

<sup>277</sup> Part-II of STR-II substituted by Notification No. S.R.O. 716(I)/2009, dated 10th August, 2009, reported as PTCL 2010 St. 3(ii).

**STR-12**

[See rules 52, 53, 55 &amp; 57]

**AUTHORIZATION FOR ZERO-RATED SUPPLY**

O. \_\_\_\_\_

Date: \_\_\_\_\_

Messrs. \_\_\_\_\_ have applied for zero-rated  
**(Name of buyer)**

Supply under chapter VIII of sales Tax Rules, 2006, on the basis of the following document:--

1. FBR Booklet No. \_\_\_\_\_
2. M/O foreign Affairs Exemption Order No. \_\_\_\_\_
3. Other \_\_\_\_\_

The claim for zero-rating has been found in order and the formalities specified in the said Rules have been fulfilled by this office.

M/s \_\_\_\_\_ are, therefore, authorized to deliver the following  
**(Name & <sup>278</sup>[National Tax Number] of registration supplier)**

goods to the said applicant against a zero-rated invoice:--

S.NO.	Description	Quantity and/ or value
1.		
2.		
3.		
4.		
5.		
6.		

<sup>279</sup>[Assistant/Deputy Collector]  
 (Signature, name and official seal)

<sup>278</sup> Substituted for the words —Registration No. by Notification No. S.R.O. 610(I)/2010, dated 1st July, 20201, reported as PTCL 2010 St. 1194, w.e.f. 1st October, 2010 as amended by Notification No. S.R.O. 821(I)/2010, dated 19th August, 2010.

<sup>279</sup> Any reference to “Deputy Collector and Assistant Collector” shall be construed as reference to “Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue” respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Deputy Collector of Sales Tax and Assistant Collector of Sales Tax shall be exercised by Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively vide FBR’s Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

**STR-13**  
[See rule 61]

**LETTER OF AUTHORIZATION**

I, \_\_\_\_\_, Proprietor/Partner/Director of M/s. \_\_\_\_\_, hereby authorize Mr. \_\_\_\_\_ S/o Mr. \_\_\_\_\_ N.I.C.No. \_\_\_\_\_ to represent before the adjudicating authority or the Customs, Excise and Sales Tax Appellate Tribunal, \_\_\_\_\_ Bench on behalf of M/s. \_\_\_\_\_ Sales Tax/Federal Excise <sup>280</sup>[National Tax Number] \_\_\_\_\_ for single hearing on \_\_\_\_\_ (date)/till the decision of the case. (Cross out whichever is not applicable) or till withdrawal of this authorization, whichever is earlier.

I also affirm and certify that he fulfills the conditions of an authorized representative as prescribed in Chapter IX of the Sales Tax Rules, 2006.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

(Proprietor/Partner/Director)

N.I.C. No. \_\_\_\_\_

Company or Business Seal/Stamp

---

<sup>280</sup> Substituted for the words —Registration No. by Notification No. S.R.O. 610(I)/2010, dated 1st July, 2010, reported as PTCL 2010 St. 1194, w.e.f. 1st October, 2010 as amended by Notification No. S.R.O. 821(I)/2010, dated 19th August, 2010.

**FORM OF DEMAND NOTE**

C. No. \_\_\_\_\_

Dated: \_\_\_\_\_

SUBJECT: \_\_\_\_\_

Reference \_\_\_\_\_

*(e.g. Order-in-Original No., Bank Guarantee No., Insurance Guarantee No., etc.)*

WHEREAS a sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only), as Government dues (as per Schedule attached) is outstanding and needs to be recovered from the following:

M/s. \_\_\_\_\_

Address \_\_\_\_\_

Phone No \_\_\_\_\_

<sup>281</sup>[National Tax Number] \_\_\_\_\_

N.T.N. No. \_\_\_\_\_

Known properties: \_\_\_\_\_

2. The above-mentioned Government dues are on account of Sales Tax and other levies under the Sales Tax Act, 1990. It is certified that all other formalities under the Act and rules made thereunder have been completed as follows, and there exists no bar or stay order against recovery:-

- (a) Action taken under clause (a) of section 48 of the Sales Tax Act, 1990,
- (b) Action taken under clause (b) of section 48 of the Sales Tax Act, 1990,
- (c) Action taken under clauses (c) and (ca) of section 48 of the Sales Tax Act, 1990, and
- (d) Action taken under clause (d) of section 48 of the Sales Tax Act, 1990.

3. You are, therefore, requested to recover the above-mentioned Government dues in terms of section 48 of the Sales Tax Act, 1990 and rules made thereunder. The Government dues may be remitted to the undersigned as soon as the same are recovered.

Referring Authority  
(Name)

<sup>282</sup>[Assistant/Deputy Collector of Sales Tax]

Seal \_\_\_\_\_

<sup>281</sup> Substituted for the words "Sales Tax Registration No." by Notification No. S.R.O. 610(I)/2010, dated 1st July, 2010, reported as PTCL 2010 St. 1194, w.e.f. 1st October, 2010 as amended by Notification No. S.R.O. 821(I)/2010, dated 19th August, 2010.

<sup>282</sup> Any reference to "Deputy Collector and Assistant Collector" shall be construed as reference to "Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue" respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Deputy Collector of Sales Tax and Assistant Collector of Sales Tax shall be exercised by Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.



To,

The Sales Tax Recovery Officer,  
\_\_\_\_\_

.....

**SCHEDULE**

<b>S. No.</b>	<b>Description</b>	<b>Amount</b>
1.	Serial No. ____	
2.	File No. _____	
3.	Sales Tax	Rs.__(Rupees____only)
4.	Default surcharge	Rs.__(Rupees____only)
5.	Federal Excise duty	Rs.__(Rupees____only)
6.	Customs duty	Rs.__(Rupees____only)
7.	Fines	Rs.__(Rupees____only)
8.	Penalty	Rs.__(Rupees____only)
9.	Personal Penalty	Rs.__(Rupees____only)
10.	Surcharge	Rs.__(Rupees____only)
11.	Penal surcharge	Rs.__(Rupees____only)
12.	License fee	Rs.__(Rupees____only)
13.	Income Tax	Rs.__(Rupees____only)
14.	Other	Rs.__(Rupees____only)
	(i)	Rs.__(Rupees____only)
	(ii)	Rs.__(Rupees____only)
	(iii)	Rs.__(Rupees____only)
	(iv)	Rs.__(Rupees____only)
	<b>TOTAL</b>	Rs.__(Rupees____only)

**FORM OF MASTER REGISTER**

1. Sr. No. \_\_\_\_\_
2. Defaulters Name, Address and Phone No. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. Referring Authority  
\_\_\_\_\_  
\_\_\_\_\_
4. (i) No. and date of issue and date of Receipt of demand Note  
\_\_\_\_\_  
(ii) Reference Nos. \_\_\_\_\_
5. Details of Government dues \_\_\_\_\_

S.No.	Description	Amount
1.	Sales Tax	Rs.__(Rupees__only)
2.	Default surcharge	Rs.__(Rupees__only)
3.	Federal Excise duty	Rs.__(Rupees_____only)
4.	Customs duty	Rs.__(Rupees__only)
5.	Fines	Rs.__(Rupees__only)
6.	Penalty	Rs.__(Rupees_____only)
7.	Personal Penalty	Rs.__(Rupees_____only)
8.	Surcharge	Rs.__(Rupees__only)
9.	Penal surcharge	Rs.__(Rupees__only)
10.	License fee	Rs.__(Rupees_____only)
11.	Income Tax	Rs.__(Rupees__only)
12.	Other	Rs.__(Rupees__only)
	(i)	Rs.__(Rupees__only)
	(ii)	Rs.__(Rupees__only)
	(iii)	Rs.__(Rupees__only)
	(iv)	Rs.__(Rupees__only)
	<b>TOTAL</b>	Rs.__(Rupees__only)

- (6) Date of issue of notice under rule 71
- (7) Date of issue of notice under rule 72
- (8) Date of issue of notice and action taken under rule 74 \_\_\_\_\_
- (9) Known properties of the defaulter:--  
(i) Movable \_\_\_\_\_  
(ii) Immovable \_\_\_\_\_
- (10) Name and designation of Attachment Officer \_\_\_\_\_
- (11) Details of movable properties attached:--  
(i) \_\_\_\_\_  
(ii) \_\_\_\_\_  
(iii) \_\_\_\_\_
- (12). Date of proclamation of attachment of immovable properties:  
(i) \_\_\_\_\_  
(ii) \_\_\_\_\_
- (13) Details of immovable properties attached:--  
(iii) \_\_\_\_\_  
(iv) \_\_\_\_\_  
(v) \_\_\_\_\_
- (14) Date of appointment of receiver, name of receiver and details of business or properties:--  
(i) \_\_\_\_\_  
(ii) \_\_\_\_\_
15. Date of sales of properties and their details:--  
(i) \_\_\_\_\_  
(ii) \_\_\_\_\_
16. Amount of sale proceeds or amount of profits along with mode of receipt :--  
(i) \_\_\_\_\_  
(ii) \_\_\_\_\_
17. Disposal of sale proceeds \_\_\_\_\_
18. \_\_\_\_\_  
Date of recovery and details of Government dues shown in column recovered along with the manner of recovery.  
\_\_\_\_\_

**FORM OF NOTICE TO SALES TAX, CUSTOMS, FEDERAL EXCISE AND INCOME TAX  
AUTHORITIES**

No. \_\_\_\_\_

Dated: \_\_\_\_\_

SUBJECT: \_\_\_\_\_

WHEREAS, Government dues amounting to Rs. \_\_\_\_\_ (Rupees only), are outstanding against M/s. \_\_\_\_\_ (Name and Complete Address)

having <sup>283</sup>[National Tax Number] \_\_\_\_\_

which they have failed to pay so far.

2. NOW, THEREFORE, in exercise of the powers conferred by clause (a) of sub-section (1) of section 48 of the Sales Tax Act, 1990, I do hereby require all Customs, Federal Excise, Sales Tax and Income Tax Authorities that with immediate effect and till further orders:--

(a) to deduct the aforesaid amount from any money owing to the said M/s. \_\_\_\_\_ which may be under the control of respective authorities; and

(b) the Government dues so recovered should be sent to the undersigned immediately.

(iii) (iii) All other concerned.

Referring Authority

(Name)

<sup>284</sup>[Assistant/Deputy Collector of Sales Tax]

Seal \_\_\_\_\_

To,

(i) M/s. \_\_\_\_\_

(ii) M/s. \_\_\_\_\_

representative).

(defaulter).

(clearing agent or

<sup>283</sup> Substituted for the words "Sales Tax Registration No." by Notification No. S.R.O. 610(I)/2010, dated 1st July, 2020, reported as PTCL 2010 St. 1194, w.e.f. 1st October, 2010 as amended by Notification No. S.R.O. 821(I)/2010, dated 19th August, 2010.

<sup>284</sup> Any reference to "Deputy Collector and Assistant Collector" shall be construed as reference to "Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue" respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Deputy Collector of Sales Tax and Assistant Collector of Sales Tax shall be exercised by Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

**FORM OF NOTICE OF RECOVERY**

No. \_\_\_\_\_

Dated: \_\_\_\_\_

SUBJECT: **Notice for Recovery under Section 48 of the Sales Tax Act, 1990**

WHEREAS, Government dues amounting to Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only), are recoverable from you, M/s \_\_\_\_\_ on account of \_\_\_\_\_.

2. AND WHEREAS, you have failed to deposit the above said Government dues recoverable from you and it is believed that the outstanding Government dues cannot be recovered from you in the manner so far followed;

3. NOW, THEREFORE, you (M/s. \_\_\_\_\_) are hereby served with this notice in terms of section 48 of the Sales Tax Act, 1990 to pay the amount within fifteen days from the date of service of -this notice, failing which following proceedings under section 48 of the Sales Tax Act, 1990 will be initiated without any further notice:--

Removal of goods from your business premises shall be stopped and the business premises sealed after fifteen days of issue of this notice till such time the amount of tax is paid or recovered in full.

4. You are also directed not to directly or indirectly, sell, mortgage, charge, lease or otherwise deal with all movable and immovable property belonging to you except with the permission of the undersigned.

Referring Authority

(Name)

<sup>285</sup>[Assistant/Deputy Collector of Sales Tax]

Seal \_\_\_\_\_

To,

(i) M/s. \_\_\_\_\_

(defaulter).

(ii) M/s. \_\_\_\_\_

(clearing agent or

representative). (iii) All other concerned.

-----

<sup>285</sup> Any reference to "Deputy Collector and Assistant Collector" shall be construed as reference to "Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue" respectively by virtue of section 72A of the Sales Tax Act, 1990. Powers and functions of Deputy Collector of Sales Tax and Assistant Collector of Sales Tax shall be exercised by Deputy Commissioner Inland Revenue and Assistant Commissioner Inland Revenue respectively vide FBR's Order C. No. 1(6)IR-Judicial/2009, dated 11th November, 2009, w.e.f. 28th October, 2009.

**STR-18**

[See rule 74]

**FORM OF NOTICE FOR ATTACHMENT AND RECOVERY**

**Subject: Notice for Recovery under section 48 of the Sales Tax Act, 1990**

WHEREAS, Government dues amounting to Rs. \_\_\_\_\_  
(Rupees \_\_\_\_\_ only) are recoverable from you,  
M/s \_\_\_\_\_ on  
account of \_\_\_\_\_.

2. AND, WHEREAS, you have failed to deposit the above said Government dues recoverable from you and no recovery could be made in the terms of clauses (a), (b), (c), (ca), (d) and (f) of sub-section (1) of Section 48 of the Sales Tax act, 1990.

3. AND WHEREAS, it is believed that the outstanding Government dues cannot be recovered from you in the manner so far followed.

4. NOW, THEREFORE, you are hereby served with this notice in terms of Section 48 of the Sales Tax Act, 1990 to pay the amount within fifteen days from the date of service of this notice, failing which following proceedings under Section 48 of the Sales Tax Act, 1990 and the rules made there under shall be initiated without any further notice:-

- (a) attachment and sale of moveable and immovable property; and
- (b) appointment of receiver for the management of the movable or immovable property.

5. You are also directed not to directly or indirectly, sell, mortgage, charge, lease or otherwise deal with all movable and immovable property belonging to you except with the permission of the undersigned.

7. Such attached properties can be seized / sold under Chapter XI of the Sales Tax Rules, 2006, or a receiver can be appointed to manage them. To avoid such a situation it shall be in your own interest to pay the Government dues within fifteen days from the date of service of this Notice.

\_\_\_\_\_  
(Name)  
Sales Tax Recovery Officer \_\_\_\_\_ (Seal)

To,

- (i) M/s. \_\_\_\_\_ (defaulter).
- (ii) M/s. \_\_\_\_\_ (agent or representative).
- (iii) M/s. \_\_\_\_\_ (other concerned).

**FORM OF WARRANT OF ATTACHMENT**

C. No. \_\_\_\_\_

Date: \_\_\_\_\_

**Subject:** \_\_\_\_\_

WHEREAS Mr. \_\_\_\_\_ (Designation \_\_\_\_\_) has been appointed as Attachment Officer in terms of the Chapter XI of the Sales Tax Rules, 2006, to attach the movable properties of M/s. \_\_\_\_\_ for the recovery of outstanding Government dues amounting to Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only), recoverable from the above-mentioned defaulter.

THEREFORE, Mr. \_\_\_\_\_ (, Designation \_\_\_\_\_) is hereby directed to seize the movable properties belonging to the defaulter while observing the provisions of Chapter XI of the Sales Tax Rules, 2006, save exceptions as provided under the above said rules. He is also directed to report to the undersigned about the completion of attachment formalities as soon as these are completed.

(Name)

\_\_\_\_\_  
Sales Tax Recovery Officer

\_\_\_\_\_  
(Seal)

To,

(i) The Attachment Officer,

\_\_\_\_\_

\_\_\_\_\_

along with a copy to be served on the defaulter or his agent.

(ii) Notice Board.

\_\_\_\_\_

**Application for appointment as e-Intermediary**

<sup>287</sup>[Collectorate]: (where registration desired)

(1)	Business Name	<input type="text"/>
(2)	NTN	<input type="text"/>
(3)	Business Status	<input type="text"/>
(4)	Address of Registered Head office	<input type="text"/>
(i)	City	<input type="text"/>
(ii)	Post Code	<input type="text"/>
(iii)	Premises (Tick)	<input type="checkbox"/> Self Owned <input type="checkbox"/> Rented
(iv)	Phone no.	<input type="text"/>
(v)	Fax No.	<input type="text"/>
(vi)	E-Mail address	<input type="text"/>
(vii)	Bank Account No.	<input type="text"/>
(viii)	Bank name & Address	<input type="text"/>

I, \_\_\_\_\_, the undersigned, hereby, certify that the information above is true and correct and further that the applicant has not been involved in any case of tax fraud.

Signature & Stamp: \_\_\_\_\_ Name: \_\_\_\_\_ Designation: \_\_\_\_\_

\*\*\*\*\*

<sup>286</sup> Form STR-20 added by Notification No. S.R.O. 470(I)/2007, dated 9th June, 2007, w.e.f. 1st day of July, 2007, reported as PTCL 2007 St. 1726.

<sup>287</sup> Now Regional Tax Office (RTO).



**AUTHORIZATION FOR EXEMPT SUPPLY**

O. \_\_\_\_\_

Date: \_\_\_\_\_

M/s. \_\_\_\_\_ has applied for exempt supply

*(Name of buyer)*

under chapter VIII-A of sales Tax Rules, 2006, on the basis of the following documents:-

1. Economic Affairs Division's Exemption Order No. \_\_\_\_\_
2. Other \_\_\_\_\_

The claim for exempt supply has been found in order and the formalities specified in the said rules have been fulfilled by this office.

M/s \_\_\_\_\_ is / are, therefore, authorized to deliver the

*(Name & National Tax Number of registered supplier)*

following goods to the said applicant against an invoice showing tax exemption (for the last transaction):--

S. No.	Description	Quantity	Value
1.			
2.			
3.			
4.			
5.			
6.			

[Officer of Inland Revenue]  
(Signature, name and official seal)]

289[STR-22]  
[See rules 57A & 57B]

### EXEMPTION ORDER FOR EXEMPT SUPPLIES UNDER GRANT IN AID

*[Under serial No. 48 of the Sixth Schedule to the Sales Tax Act 1990]*

Economic Affairs Division Progressive No. \_\_\_\_\_ dated \_\_\_\_\_

1. DETAIL OF THE ORGANIZATION SEEKING EXEMPT SUPPLY		2. REFERENCE TO AGREEMENT AUTHORIZING EXEMPTIONS	
i.	Title/Name of Organization/Agency: _____	i.	Name of Agreement: _____
ii.	Address: _____ _____	ii.	Date of Signing of Agreement with GOP: _____
<b>3. PROJECT DETAILS:</b>		<b>4. NO. &amp; DATE OF FBR's CONSENT</b> (under S.No.48 of Sixth Schedule to the Sales Tax Act,1990) _____ _____	
i.	Title/Name of the Project: _____		
ii.	Start Date of the Project: _____		
iii.	Terminal Date of the Project: _____		
<b>5. DETAILS OF IMPORT / SUPPLY (as the case may be)</b>			
<b>A. Import</b>			
i	IGM No. & Date		
ii	Bill of Lading / Airway Bill No.		
iii	Good's declaration No. & date if any		
iv	Packing List No. & Date		
v	Commercial Invoice No. & Date		
vi	Any other documents / forms used for Customs clearance		
vii	Name & Particulars of Customs Clearing Agent, if any		
<b>B. Local Supply</b>			
i	Name of the Local Supplier		
ii	Sales Tax Registration No. / National Tax Number		
iii	Address		
<b>6.DETAILS OF GOODS ALLOWED IMPORT / PURCHASE (LOCAL SUPPLY)</b>			
Description of goods			
Specification of goods			
Total quantity			
Unit Value			

**CERTIFICATE:** It is certified that goods are for *bona fide* use by the organization/agency and are relevant with the project under Grant-in-Aid.

**Signature and name of Head of the  
Organization/Agency**

(The officer authorized to sign for and on  
Behalf of the Organization/Agency)

**Signature, Name and official seal of  
authorized officer of EA**

**Copy to:**

1. Chairman, Federal Board of Revenue, Islamabad
2. The [Name of Head/ Representative], [Name of Organization/Agency.]





a) Sales Tax										<p><b>General Guidelines</b></p> <p>1. Indicate the section and sub-section of the Sales Tax Act, 1990 under which appeal filed.</p> <p>2. Where payment made on more than one date please give details on a separate Sheet.</p> <p>3. AOP: Association of Persons</p> <p>4. CMA: Cost &amp; Management Accountant.</p> <p>5. AR: Authorized Representative</p>
b) Default Surcharge										
c) Penalty										
d) Others										
(e) Total										
(f) Undisputed liability. (This shall not be less than the tax due on the basis of returns).										
(g) Tax Demand										

N.B. (i) 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) certificate showing the date of service of notice of demand or the impugned order on the appellant; and
- (e) 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

---

---

---

---

GROUND 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. I 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  | <input type="checkbox"/> |
| ii)  | Receipt of courier service  | <input type="checkbox"/> |
| iii) | Receipt of personal service | <input type="checkbox"/> |

Signature of Appellant \_\_\_\_\_

Name (in capital letters) \_\_\_\_\_

CNIC Number of person signing the appeal \_\_\_\_\_





**FORMAT OF REGISTERS**

<sup>291</sup>[STR-24]  
(See Rule-150ZZC)

**APPEAL REGISTER**

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

**STAY APPLICATION REGISTER**

S.#	Appeal No.	Date of institution of Appeal	Name, STRN/ CNIC	Date of receipt	Tax Period(s)	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 institution 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)		(8)

<sup>291</sup> STR-24 inserted by Notification No. S.R.O. 277(I)/2018, dated 5th March, 2018.

292[STR-25]  
(See Rule-150ZZD)

**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)

**Appeals for Disposal**

Opening Balance	Transfer			Remand Back	Fresh Filling	Revenue involved (M)	Available for Disposal
	In	Out	Net				
(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)

Withdrawal		Revenue (Million)		Stay of Proceedings as per ADRC		Revenue (M)	
During the month	Up to the month	During the month	Up to the month	During the month	Up to the month	During the month	Up to 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 Involved (M)	No. of Cases	Revenue Involved (M)	No. of Cases	Revenue Involved (M)	No. of Cases	Revenue Involved (M)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

<sup>292</sup> STR-25 inserted by Notification No. S.R.O. 277(I)/2018, dated 5th March, 2018.

**Analysis of Appeals Decided.**

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

**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)

(See sub-rule (2) of Rule 150ZZD)

**STAY APPLICATIONS DISPOSAL REPORT  
FOR THE MONTH OF \_\_\_\_\_**

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

<sup>293</sup> STR-26 inserted by Notification No. S.R.O. 277(I)/2018, dated 5th March, 2018.

**Application for Alternative Dispute Resolution  
under section 47A of the Sales Tax Act, 1990**

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 47A of the Sales Tax Act, 1990.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. A request is made to constitute a Committee as provided under sub-rule (2) of rule 65 of Sales Tax Rules, 2006.

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 \_\_\_\_\_

**Annexure**

[see paragraph 2 of STR-27]

- (1) Name of the applicant (in block letters) \_\_\_\_\_
- (2) National tax number/STRN \_\_\_\_\_
- (3) CNIC (for individuals) \_\_\_\_\_
- (4) Address of the applicant \_\_\_\_\_

<sup>294</sup> STR-27 substituted by Notification No. S.R.O. 793(I)/2020, dated 27<sup>th</sup> August, 2020.

(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 47A of the Sales Tax Act,1990, 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 \_\_\_\_\_ ]

**Government of Pakistan**  
**Monthly Sales Tax Return for Withholding Agents**

Withholding agent's name & address	Period	Month	Year			NTN / FTN			

Detail of Sales Tax Withheld During the Month (attach additional sheets if required)					
S.No.	Name of Supplier	NTN	No. of Invoices	Total Sales Tax Charged	Sales Tax Withheld
Total Sales Tax withheld during the month					

Verification	I, _____, holder of NIC number _____, in my capacity as _____, hereby, certify that the information given herein is correct and complete and in accordance with the provisions of the Sales Tax Act, 1990, and rules and notifications issued thereunder.				
	Date (dd/mm/yyyy)		Stamp		Signature

Details of ST Paid	Head of Account	Amount	For Bank Use	Amount Received:	
	B02341- Sales Tax			(in words)	
	B02366-Sales Tax on service			(in figures)	
	B02367-FED in sales tax mode			Bank Officer's Signature	
	Total Amount Deposited			Bank Stamp	
				Date (mm/dd/yyyy)	

295 STR-28 inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>296</sup>[STR-29]

[see rule 152(2)(a)]

**Application for Annual Requirement of Inputs**

Name of the Manufacturer	
N.T.N.	
Address	
Application date	

S. No.	Description of goods to be manufactured	PCT Heading	Description of raw materials, components, sub-components, assemblies, sub-assemblies and packing materials	PCT Heading	Input-output Ratio	Quantity
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Signature \_\_\_\_\_

<sup>296</sup> STR-29 inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.



<sup>297</sup>[STR-30]

[see rule 152(2)(b)]

**Approval of Declaration of Input-Output Ratios**

Approval Number	
Name of the Manufacturer	
N.T.N.	
Date of expiry of approval	

S. No.	Description of goods to be manufactured	PCT Heading	Description of raw materials, components, sub-components, assemblies, subassemblies and packing materials	PCT Heading	Quantity Allowed
(1)	(2)	(3)	(4)	(5)	(6)

Signature of Authorized Officer \_\_\_\_\_

<sup>297</sup> STR-30 inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.

<sup>298</sup>**[STR-31]**  
[see rule 152(2)(e)]

**Import Authorization for Customs Computerized System**

Name of the Manufacturer	
N.T.N.	
Address	

S. No.	Description of input goods to be imported	PCT Heading	Quantity	Value
(1)	(2)	(3)	(4)	(5)

Signature of Authorized Officer \_\_\_\_\_

\*\*\*\*\*

<sup>298</sup> STR-31 inserted by Notification No. S.R.O. 918(I)/2019, dated 7<sup>th</sup> August, 2019.