

*The*  
**SALES TAX RULES,**  
**2006**

Updated by ST&FE Policy Wing, FBR

*By*

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**Updated up to 31.07.2015**

*Last amendments made through  
Notification S.R.O. No. 494(I0/2015, dated 30.06.2015,  
have been shown in  
**BLUE***

Any inadvertent error may kindly be reported for necessary correction to any of above mentioned officers at following phone numbers:

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<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, section 219 of the Customs Act, 1969 (IV of 1969), section 50 of the Sales Tax Act, 1990, read with sub-section (2) of section 8 <sup>3</sup>[, <sup>4</sup>[[clause \(b\) of sub-section \(1\) of section 8](#)], [clause \(ii\) of sub-section \(2\) of section 8B](#), sections 9, 10, 14, 21 <sup>5</sup>[, [21A](#)] and 28, [clause \(c\) of sub-section \(1\) of section 22](#), <sup>6</sup>[[first proviso to sub-section \(1\) of section 23](#)], section 26, <sup>7</sup>[[section 33](#)] <sup>8</sup>[, [section 40C](#)], sub-section (6) of section 47 A, sections 48, <sup>9</sup>[[50A](#), [52](#), [52A](#)] and 66 thereof, the <sup>10</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.

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1 Reported as PTCL 2007 St. 190.

2 [The words and figures substituted by Notification No. S.R.O. 494\(I\)/2015, dated 30th June, 2015.](#)

3 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).

4 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.

5 [The comma and figure inserted by Notification No. S.R.O. 494\(I\)/2015, dated 30th June, 2015.](#)

6 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.

7 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.

8 [The comma, word and figure inserted for the words and figures “and section 40” by Notification No. S.R.O. 494\(I\)/2015, dated 30th June, 2015.](#)

9 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.

10 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).

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(3) They shall come into force on the first day of July, 2006.

**2. Definitions.--** (1) In these Rules, unless there is anything repugnant to the subject or context,--

- (i) "Act" means the Sales Tax Act, 1990;
- (ii) "accountant" means—
  - (a) a Chartered Accountant within the meaning of the Chartered Accountants Ordinance, 1961 (X of 1961); or
  - (b) a Cost and Management Accountant within the meaning of the Cost and Management Accountants Act, 1966 (XIV of 1966); or
  - (c) a member of any association of accountants recognized in this behalf by the Federal Government;
- (iii) "adjudicating authority" means any officer appointed to Adjudicate and decide cases under section 179 of the Customs Act, 1969 (IV of 1969), section 45 of the Sales Tax Act, 1990, and section 31 of the Federal Excise Act, 2005;
- (iv) "Agreement" means the agreement executed between the Board and the Bank for the purposes of payment of tax and submission of tax returns;
- (v) "attachment officer" means an officer, not below the rank of Principal Appraiser or <sup>11</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>12</sup>[Federal Board of Revenue];
- (viii) "claimant" means any registered person who files a claim for refund of sales tax under these rules;

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11 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.

12 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.

- (ix) "<sup>13</sup>[Collector]" means the <sup>14</sup>[Collector of Sales Tax] having jurisdiction;
- (x) "<sup>15</sup>[Collectorate]" means the office of the <sup>16</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>17</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>18</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;
- (xv) "CSTRO" means Centralized Sales Tax Refund Office to be established in the <sup>19</sup>[Federal Board of Revenue] for disbursement of refund of sales tax;

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13 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.

14 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.

15 Now Regional Tax Office (RTO).

16 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.

17 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.

18 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.

19 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.

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- (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>20</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>21</sup>[(xxi-a) "e-declaration administrator" means an officer not below the rank of an <sup>22</sup>[Additional Collector of Sales Tax], authorized by the <sup>23</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 automatically without human intervention;
- (xxi-c) "electronic invoicing" means electronic transmission and storage of sales tax invoices, without the delivery of paper documents;]

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20 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.

21 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.

22 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.

23 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.

- (xxii) "Electronic Sales Tax Return Form" means a Form of sales tax Return available on the <sup>24</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>25</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>26</sup>[Collectorate] of Sales Tax or Regional Tax Office (RTO) having jurisdiction;
- (xxx) "LTU" means the Large Taxpayer Unit having jurisdiction;

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24 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.

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

26 Now Regional Tax Office (RTO).

- (xxxix) "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;
- (xxxixii) "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>27</sup>[(xxxixiii) \*\*\*]
- <sup>28</sup>[(xxxixiv) \*\*\*]
- (xxxixv) "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>29</sup>[(xxxixv-a) \*\*\*]
- <sup>30</sup>[(xxxixv-b) "package" means a packet, bottle or other single retail unit of the goods specified in the Table under rule 150ZF;]
- (xxxixvi) "PACCS" means Pakistan Automated Customs Clearance System;
- (xxxixvii) "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;
- (xxxixviii) "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

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27 Clause (xxxixiii) 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.

28 Clause (xxxixiv) 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.

29 Clause (xxxixv-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 (xxxixv-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.

30 Clause (xxxixv-b) inserted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

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>31</sup>[an Officer of Sales Tax] as appointed by the <sup>32</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>33</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;
- (xlv) "referring authority" means an officer, not below the rank of an <sup>34</sup>[Assistant Collector], desiring to recover Government dues through Recovery Officer;

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31 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.

32 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.

33 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.

34 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>35</sup>[(xlv-a) “REGSYS” means the Board computerized system for registration of taxpayer;]
- (xlvi) "Relevant Acts" means the Act, the Federal Excise Act, 2005 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>36</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>37</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

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

36 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.

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

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>38</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.

## **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;

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<sup>38</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.

- (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>39</sup>[4. \*\*\*]

<sup>40</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 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,

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<sup>39</sup> Rule 4 omitted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>40</sup> Rule 5 substituted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

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.

(2) The applicant shall submit through the computerized system the following documents, namely:-

- (a) CNIC of all owners, members, partners or directors, as the case may be, and the representative, if any, and in case of non-residents, their passports;
- (b) in case of a company or registered AOP, the Registration or Incorporation Certificate, along with Form III or Form A as prescribed in the Companies Ordinance, 1984 (XLVII of 1984);
- (c) in case of a partnership, the partnership deed;
- (d) bank account certificate issued by the bank in the name of the business;
- (e) lease or rent agreement, if the premises is on rent, along with CNIC of the owner of the premises;
- (f) ownership documents of the premises, such as registered sale deed or registered transfer deed;
- (g) latest utility bills (electricity, gas, land-line telephone, and post-paid mobile phones, as the case may be);
- (h) list of machinery installed in case of manufacturer;
- (i) distribution certificate from the principal showing distributorship or dealership, in case of distributor or dealer;
- (j) balance sheet/statement of affairs/equity of the business;
- (k) particulars of all branches in case of multiple branches at various locations; and
- (l) particulars of all franchise holders in case of national or international franchise.

(3) The applicant being the owner, authorized member or partner or authorized director, as the case may be, shall visit the concerned RTO for biometric verification along with all those documents

specified under sub-rule (2) which have not been submitted through computerized system.

(4) Subject to sub-rule (2) the applicant shall also submit the following to the computerized system through the electronic application prescribed by the Board for the purpose, namely:-

- (a) GPS-tagged photographs of the business premises, office equipment, electricity meter and gas meter;
- (b) in case of manufacturer, in addition to clause (a), GPS-tagged photographs of factory premises, machinery, industrial electricity or gas meter installed; and
- (c) in case of wholesaler, in addition to clause (a), GPS-tagged photographs of the business premises and go-down.

(5) Incomplete applications shall not be entertained by the computerized system.

(6) Where an applicant has unsold or unused stocks of tax-paid inputs on which he desires to claim the benefit of section 59 of the Act, he shall declare such stocks in a statement in the Form set out as STR-4, to be appended with his application for registration.

(7) The application shall be processed by the computerized system and if found complete in all respects, shall be assigned a risk score. In case the application is found low risk, registration shall be issued by the computer system and certificate shall be sent to the applicant by courier service. The high risk cases shall, for further inquiry and scrutiny of documents, be sent to the Commissioner Inland Revenue, designated in the RTO for the purpose.

(8) Where a person, who has furnished a Form for registration, discovers any omission or wrong statement therein, or notices a subsequent change in any information, particulars, annexures, statements, documents or data already furnished, he may, without prejudice to any liability incurred by him under any provision of the Act, furnish a revised Form for registration.

(9) In case the person applying for registration as manufacturer is sharing the premises, he shall provide evidence of –

- (a) demarcation of manufacturing premises for registration, and
- (b) installation of sub-meter by the relevant utility company, in case he does not have independent industrial utility connection but is using electricity or gas through sub-meter.]

<sup>41</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 clause (h) of sub-rule (1A) and sub-rule (1B) 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 clause (h) of sub-rule (1A) and sub-rule (1B) of rule 5 are not fulfilled within sixty days of issuance of the temporary registration, such temporary registration shall be disabled and the post-dated cheques submitted shall be encashed.

(5) A person holding temporary registration shall file monthly return in the form STR-7, but shall not issue a sales tax invoice and if such invoice is issued, no input tax credit shall be admissible against such invoice.

(6) No sales tax refund shall be paid to the person during the period of temporary registration and the amount of input tax may be carried forward to his returns for subsequent tax periods.]

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<sup>41</sup> Rule 5A inserted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>42</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.

(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

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

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>43</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;
  - (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;

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<sup>43</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.

- (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>44</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.]

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<sup>44</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>45</sup>[**14. Filing of returns.—** (1) Every person 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>46</sup>[:]

<sup>47</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**

<b>S. No.</b>	<b>Product</b>	<b>Unit of measurement</b>
(1)	(2)	(3)
1	Sugar	M. Tons
2	Tea blended	M. Tons
3	Cigarettes	Million Nos.
4	Aerated Waters	"000" Litres

<sup>45</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>46</sup> Substituted for the full stop by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

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

5	Paper	M. Tons
6	Board	M. Tons
7	Chemicals	M. Tons
8	Caustic soda	M. Tons
9	Toilet soap	M. Tons
10	Flakes & Detergent	M. Tons
11	Industrial Gases (Chlorine, Hydrogen, Oxygen etc.)	M. Tons
12	Paints & Varnishes	M. Tons
13	LPG	M. Tons
14	Natural Gas	Million Cu. Meters
15	Cement	"000" M. Tons
16	Ceramic Tiles	'000' Sq. Meters
17	Refrigerators	Nos.
18	Air conditioners (Split/ Window)	Nos.
19	Deep freezers	Nos.
20	T. V. Sets	Nos.
21	Washing machines	Nos.
22	Cables & wire (insulated)	"000" Meters
23	Trucks	Nos.
24	Buses	Nos.
25	Jeeps	Nos.
26	Motor Vehicles of all kind	Nos.
27	LCVs/ LTVs	Nos.
28	Motors cycles	Nos.
29	Tractors	Nos..
30	Ice Cream	"000" Litres
31	Biscuits	M. Tons

32	Fruits/ Vegetable Juices	"000" Litres
33	Syrups/Squashes	"000" Litres
34	Mineral Water	"000" Litres
35	Soda ash	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
44	Iron & Steel products including stainless steel products	M. Tons
45	Storage Batteries (all kinds)	Nos.
46	Processed Fabrics	"000" Meters
47	Pesticides and insecticides	M. Tons
48	Liquid Glucose	M. Tons
49	Fertilizers	M. Tons
50	Footwear	Nos.
51	Power Transformers	Nos.
52	Filter rod	Nos.]

(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>48</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>49</sup>[14A. \*\*\*]

**15. Receipt of return by the Bank.--** (1) The Bank official shall ensure that the particulars entered in all the three copies of the return are identical and that the amount deposited by the registered person tallies with the amount indicated as "TOTAL SALES TAX PAYABLE" in the return, and shall thereafter sign and stamp the return indicating the date of payment of tax and submission of tax return.

(2) The Bank shall forward the original copy of the return to the concerned <sup>50</sup>[Collectorate] of Sales Tax or the LTU, as the case may be. The second copy thereof along with the computer generated receipt shall be delivered to the registered person as a token of receipt of payment of sales tax and filing of return and the third copy shall be retained by the Bank for its record.

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

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

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<sup>48</sup> Sub-rule (3) added by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>49</sup> Rule 14A omitted by Notification No. S.R.O. 487(I)/2011, dated 3rd June, 2011, w.e.f. 4th June, 2011.

<sup>50</sup> Now Regional Tax Office (RTO).

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

**16. Payment of service charges to the Bank.--** (1) The Bank shall charge ten rupees per return (including nil returns) as service charges from the <sup>51</sup>[Collectorates] having jurisdiction in the area where the Bank branches are located.

(2) For the purpose of claiming service charges referred to in sub-rule (1), the Manager of the main branch of the Bank shall submit the claim to the <sup>52</sup>[Assistant Collector], Assessment and Processing Division of the concerned <sup>53</sup>[Collectorate] in the first week of the following month supported by a statement indicating date, number of returns received, number of returns submitted to the <sup>54</sup>[Collectorate], amount of sales tax collected and amount of sales tax deposited in the State Bank of Pakistan.

(3) The <sup>55</sup>[Assistant Collector], Assessment and Processing Division, shall verify the statement submitted under sub-rule (2) from the Accounts Section of the <sup>56</sup>[Collectorate] and from his

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51 Now Regional Tax Offices (RTOs).

52 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.

53 Now Regional Tax Office (RTO).

54 Now Regional Tax Office (RTO).

55 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.

56 Now Regional Tax Office (RTO).

own record. If the claim is found to be in order and the <sup>57</sup>[Assistant Collector] is satisfied that the Bank has fulfilled its responsibility under clauses (iv), (vi), paragraphs a and b of the Agreement, he shall sanction the claim and issue a cheque within a week from the date of submission of the claim, provided that in case of delay by the <sup>58</sup>[Collectorate], it shall pay a penalty at the rate of fifteen per cent per annum for the amount late sanctioned.

(4) If the Bank fails to fulfill the conditions specified in clause (iv), clause (vi), paragraph a, or paragraph b of the Agreement, the <sup>59</sup>[Assistant Collector] shall deduct the amount of penalty leviable thereunder on the Bank at the rate of 15% per annum against the amount late deposited in the State Bank of Pakistan from the service charges admissible to the Bank.

(5) If the returns are not submitted to the <sup>60</sup>[Collectorate] within forty-eight hours of the receipt thereof returns in the designated branches of the Bank, the service charges in respect of the returns submitted late shall also be deducted and the remaining amount, if any, shall be sanctioned by the <sup>61</sup>[Assistant Collector] and cheque therefore will be issued to the Bank.

(6) For deduction of any amount under sub-rule (4), the <sup>62</sup>[Assistant Collector] shall intimate the Bank the reasons thereof within seven days of deduction.

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57 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.

58 Now Regional Tax Office (RTO).

59 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.

60 Now Regional Tax Office (RTO).

61 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.

62 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.

(7) Where it is not clear as to whether deduction should be made, the <sup>63</sup>[Assistant Collector] shall require the Bank for clarification before taking a decision.

(8) All public holidays and the number of days the <sup>64</sup>[Collectorate] is prevented from functioning, due to the factors beyond its control, shall be excluded while calculating delay in sanctioning the claim for service charges.

(9) Where the <sup>65</sup>[Assistant Collector] requires any clarification from the Bank, the time taken by the Bank for this purpose shall be excluded from the time specified for sanctioning the service charges claim.

**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

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63 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.

64 Now Regional Tax Office (RTO).

65 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.

66 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.

67 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.

68 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.

as specified by the Board through a general order.]

(2) 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>69</sup>[(3) 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.]

### **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:--

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<sup>69</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.

- (i) name and <sup>70</sup>[National Tax Number] of the recipient;
- (ii) name and <sup>71</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>72</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>73</sup>[National Tax Number] of the supplier;
- (ii) name and <sup>74</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;

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70 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.

71 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.

72 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.

73 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.

74 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.

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- (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>75</sup>[input] tax can only be made if the corresponding Debit Note or Credit Note is issued within one hundred and eighty days of the relevant supply:

Provided that the <sup>76</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.

(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.

**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>77</sup>[Collector of Sales Tax] having jurisdiction, and under the supervision of <sup>78</sup>[an officer of Sales Tax] not below the rank of an <sup>79</sup>[Assistant Collector] as may be deputed by the <sup>80</sup>[Collector] for the purpose <sup>81</sup>[and the input tax credit in respect of goods so destroyed

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75 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.

76 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.

77 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.

78 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.

79 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.

80 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.

81 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.

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shall not be admissible].

## CHAPTER IV

### APPORTIONMENT OF INPUT TAX

**24. Application.**— The provisions of this Chapter shall apply to the registered persons who make taxable and exempt supplies simultaneously.

**25. Determination of input tax.**— (1) Input tax paid on raw materials relating wholly to the taxable supplies shall be admissible under the law.

(2) Input tax paid on raw materials relating wholly to exempt supplies shall not be admissible.

(3) The amount of input tax incurred for making both exempt and taxable supplies shall be apportioned according to the following formula, namely:--

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

(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.

## CHAPTER V

### REFUND

**26. Application.--** 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;
- (b) registered persons who acquire tax paid inputs for use <sup>82</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>83</sup>[:  
<sup>84</sup>[\* \* \*]]
- <sup>85</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>86</sup>[\* \* \*]]
- (e) persons claiming refund of sales tax under section 66 of the Act <sup>87</sup>[; and]
- <sup>88</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 Chapter X of these rules.]

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82 Substituted for the words “in the manufacture of goods which are supplied to registered person” 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.

83 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.

84 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.

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

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

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

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

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<sup>89</sup>[**26A. Expeditious processing and payment of refunds.--** (1) The refund claims as provided in this rule shall be processed and paid in the manner as provided and all other claims shall be processed and paid in the manner as prescribed in this chapter after rule 26A.

(2) Refunds under this rule shall be allowed to the registered manufacturers-cum-exporters of RTO, Lahore from tax period April, 2010. From tax period July, 2010 all registered manufacturer-cum-exporters of other RTOs/L TUs will be allowed refund under this rule.

(3) Refunds under this rule shall be allowed to the Active Taxpayers, at the time of processing by the IT System of FBR, as per Active Taxpayers List displayed at FBR's website.

<sup>90</sup>[(4) From the first November, 2010 onwards, registered persons claiming refund under this rule shall submit refund claim only electronically in requisite data in RCPS format through FBR web portal by using the user-id, password and pin code allotted to them at the time of e-Enrollment.]

(5) The registered person claiming refund under this rule shall maintain and keep all the paper documents relating to the refund claim, such as invoices, credit notes, debit notes, goods declarations, bank credit advice, etc. in his office instead of submitting to the concerned Regional Tax Office or Large Taxpayers' Unit.

<sup>91</sup>[(6) Refund claims under this rule shall be processed by Risk Management System (RMS) of FBR IT System within two working days of electronic submission of refund claim in the RCPS format. The system will automatically clear the amount under no objection. Electronic advice will be issued to the CSTRO and the registered person about the refund amount cleared by the RMS for payment. The objections detected by the system will be communicated to the refund claimant and the concerned

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89 Rule 26A inserted by Notification No. S.R.O. 211(I)/2010, dated 29th March, 2010, reported as PTCL 2010 St. 394(ii).

90 Sub-rule (4) substituted by Notification No. S.R.O. 1042(I)/2010, dated 15th November, 2010.

91 Sub-rule (6) substituted by Notification No. S.R.O. 82(I)/2011, dated 28th January, 2011. Earlier sub-rule (6) was substituted by Notification No. S.R.O. 1042(I)/2010, dated 15th November, 2010.

RTO/LTU for information. The refund claimant will have up to eight weeks, from the date of aforesaid communication by the system, to get these objections cleared. The system validation checks will be re-run on which the objections have been removed (mainly due to receipt of updated information). Each claim will be re-processed 7 times after its first process. After every run (1 initial and 7 re-runs) the claimant will be e-mailed regarding the objections and remaining deferred amount on the claim. After each run, RMS will generate the refund payment order (RPO) of the cleared amount. After being so processed if any amount still remains un-cleared, the same shall then be processed under the other rules of this Chapter.]

(7) Concerned RTO/L TU will arrange issuance of cheque for the amount cleared by RMS within seven working days of the receipt of electronic advice.

<sup>92</sup>[(8) Post refund audit of refund claims process through RMS will be the responsibility of the audit Divisions of respective RTO/LTU <sup>93</sup>[:]]

<sup>94</sup>[Provided that scrutiny of the refund claims processed or sanctioned after the 30<sup>th</sup> June, 2014 shall be carried out on the basis of risk-based selection through computerized Post Refund Scrutiny (PRS):

Provided further that where the Commissioner Inland Revenue has reasons to believe that a registered person, whose refund claim was processed or sanctioned after the 30<sup>th</sup> June, 2014, has been paid refund which was not admissible to him, he may direct through order in writing to conduct computerized Post Refund Scrutiny (PRS) of such claim.]

**27. Establishment of Refund Division and posting of officers.—** (1) There shall be established a CSTRO under the <sup>95</sup>[Federal Board of Revenue] for centralized payment of refund

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<sup>92</sup> Sub-rule (8) substituted by Notification No. S.R.O. 82(I)/2011, dated 28th January, 2011. Before substitution it was amended by Notification No. S.R.O. 1042(I)/2010, dated 15th November, 2010.

<sup>93</sup> Substituted for colon by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>94</sup> Proviso added by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>95</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.

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amount to such claimants and from such date as the Board may specify.

(2) There shall be established a Refund Division in each <sup>96</sup>[Collectorate of Sales Tax] to receive, process and settle the refund claims filed under these rules.

(3) There shall be posted an officer not below the rank of an <sup>97</sup>[Assistant Collector of Sales Tax], as nominated by the <sup>98</sup>[Collector] to be the officer-in-charge of the Refund Division, herein after referred to as the officer-in-charge in this Chapter.

(4) There shall be established a Post Refund Division in each <sup>99</sup>[Collectorate of Sales Tax] headed by an officer not below the rank of an <sup>100</sup>[Assistant Collector of Sales Tax] to audit the refund claims processed and sanctioned by the Refund Division.

**28. Filing of refund claim.--** (1) Monthly sales tax return filed by a claimant shall be treated as a refund claim once all the supportive documents including the requisite data in the format or software (RCPS), has been received:

Provided that no refund claim shall be entertained if the claimant fails to furnish the claim on the prescribed software (RCPS) along-with the supportive documents within <sup>101</sup>[one hundred and twenty] days of the filing of return:

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96 Now Regional Tax Office (RTO).

97 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.

98 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.

99 Now Regional Tax Office (RTO).

100 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.

101 Substituted for the word "sixty" 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.

Provided further that the period of <sup>102</sup>[one hundred and twenty] days as aforesaid, in case of a commercial exporter, shall be reckoned from the date when the BCA is issued to him by the concerned Bank <sup>103</sup>[:]

<sup>104</sup>[Provided also that if a claimant is exporting goods manufactured by him as well as the goods purchased in the same state, in the same tax period, the period of <sup>105</sup>[one hundred and twenty] days shall be reckoned from date of filing of return or the date of issuance of BCA, whichever is later.]

<sup>106</sup>[(1A) Any registered person claiming refund under this Chapter shall have the option to electronically file refund claim through FBR web portal by using the user-id, password and pin code allotted to him at the time of e-Enrollment.]

(2) In cases where such supportive documents are not submitted to the officer-in-charge within the time specified under sub-rule (1), the <sup>107</sup>[Collector of Sales Tax] having jurisdiction may, on a written request from the claimant justifying the reasons for delay in submission of such documents or data on RCPS, extend the time limit for a further <sup>108</sup>[sixty] days.

(3) The Board may, through a General Order or otherwise, prescribe the date, manner and procedure for electronic filing of sales tax refund claims by the registered persons filing their monthly returns electronically.

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102 Substituted for the word “sixty” 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.

103 Substituted for the full stop by Notification No. S.R.O. 307(I)/2008, dated 24th March, 2008, reported as PTCL 2008 St. 1822(ii).

104 Proviso added by Notification No. S.R.O. 307(I)/2008, dated 24th March, 2008, reported as PTCL 2008 St. 1822(ii).

105 Substituted for the word “sixty” by Notification No. S.R.O. 761(I)/2008, dated 19th July, 2008, reported as PTCL 2009 St. 41.

106 Sub-rule (1A) substituted by Notification No. S.R.O. 810(I)/2010, dated 13th August, 2010. Before substitution earlier sub-rule (1A) 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.

107 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.

108 Substituted for the word “thirty” 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.

**29. Scrutiny and processing of refund claim.--** (1) On submission of a refund claim, the Refund Receipt Section shall confirm that the claim is complete in all respects, after which it shall be loaded in the system for assigning the claim a unique identification number.

(2) After assigning the unique identification number, the <sup>109</sup>[CREST] 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 on the basis of automated risk criterion along-with the objections raised by the system.

(3) The processing officer shall forward the claim file along-with the analysis report referred to in sub-rule (2) to the officer-in-charge for further necessary action.

(4) Where the Processing Officer or the officer-in-charge is of the opinion that any further inquiry or audit is required in respect of amount not cleared by the <sup>110</sup>[CREST] or for any other reason to establish genuineness and admissibility of the claim, he may make or cause to be made such inquiry or audit as deemed appropriate, after seeking approval from the concerned <sup>111</sup>[Additional Collector] and inform the refund claimant accordingly.

<sup>112</sup>[(5) \*\*\*]

**30. Sanction and payment of refund claim.--** <sup>113</sup>[(1) On receipt of analysis Report and

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109 Substituted for the letters "RRAS" 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.

110 Substituted for the letters "RRAS" 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.

111 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.

112 Sub-rule (5) 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. Before omission sub-rule (5) was substituted 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.

113 Sub-rule (1) substituted 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 sub-rule (1) was substituted 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.

refund payment order for the amount verified by CREST and found admissible by the processing officer, the officer in-charge shall sanction the amount so determined and issue the Refund Payment Order (RPO) <sup>114</sup>[:]

<sup>115</sup>[Provided that in case of refund claims filed for their zero rated exports, by the registered persons of Most Affected Areas and Moderately Affected Areas, specified in Sales Tax General Order no. 01/2010, dated 20th January, 2010, the Refund Payment Order (RPO) shall be issued by the officer in-charge within three days of filing of refund claim for the amount verified by the CREST and found admissible by the Processing Officer.]

(2) The officer-in-charge shall transmit the Refund Payment Order electronically and <sup>116</sup>[, in respect of claim filed manually,] forward the original copy thereof to the treasury officer of the <sup>117</sup>[Collectorate]. The treasury officer shall make payment of refund through a cross cheque in favour of the refund claimant, indicating his declared account number and Bank name. The crossed cheque shall also be counter signed by an authorized co-signatory.

(3) The <sup>118</sup>[Additional Collector] shall reconcile the refund cheques issued by the treasury officer of the <sup>119</sup>[Collectorate] during a month with the Bank scrolls received from State Bank of Pakistan and record the outcome of such reconciliation in the system.

(4) Where any cheque is returned back by the State Bank of Pakistan due to any reason, the treasury officer shall cancel such cheque, if required, and attach such cancelled cheque with the

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114 Substituted for the full stop by Notification No. S.R.O. 371(I)/2010, dated 2nd June, 2010, reported as PTCL 2010 St. 1174.

115 Proviso added by Notification No. S.R.O. 371(I)/2010, dated 2nd June, 2010, reported as PTCL 2010 St. 1174.

116 Substituted for the word “also” 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.

117 Now Regional Tax Office (RTO).

118 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.

119 Now Regional Tax Office (RTO).

respective counter-foil of the cheque-book.

(5) From such date to be notified by the Board, the officer-in-charge shall electronically transmit the RPO to the treasury officer in the CSTRO under his digital signatures, and retain a copy thereof in the Refund Division for record.

(6) The treasury officer in CSTRO and the co-signatory designated by the Board in this regard shall issue the cheque for the sanctioned amount as mentioned in the RPO.

(7) The CSTRO shall also prepare a statement of payment advice for the concerned Bank on a daily basis, for direct transfer of the refund amount to the declared Bank account of the claimant, under intimation to the CSTRO, the concerned <sup>120</sup>[Collectorate] of Sales Tax as well as the claimant.

**31. Scrutiny and processing of refund claims filed by manufacturers of specified goods.--** (1) Notwithstanding anything in rule 29, refund of sales tax paid inputs used in the manufacture of goods, local supply of which has been zero-rated, shall be processed and sanctioned through the Fast Track Channel within fifteen days from the date of filing of refund claim.

(2) The refund of sales tax paid on utilities and the goods imported directly by the claimant and the input tax incurred on acquiring furnace oil from Oil and Gas Marketing Companies for power generation and consumption thereof in the manufacture of zero-rated goods, shall be sanctioned upon validation by the automated system. Refund of input tax paid in respect of other inputs, if validated by the <sup>121</sup>[CREST], shall also be sanctioned in the same manner.

(3) Subject to validation by the <sup>122</sup>[CREST], refund of tax paid verifiable inputs used in

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120 Now Regional Tax Office (RTO).

121 Substituted for the letters "RRAS" by Notification No. S.R.O. 47 (1)/2007, dated 9th June,2007, w.e.f.1st day of July, 2007, reported as PTCL 2007 St. 1726.

122 Substituted for the letters "RRAS" by Notification No. S.R.O. 47 (1)/2007, dated 9th June,2007, w.e.f.1st day of July, 2007, reported as PTCL 2007 St. 1726.

the export of goods, local supply of which is exempt under the Act or any notification issued thereunder, shall be paid.

**32. Scrutiny and processing of refund claims relating to commercial exporters.--**

Notwithstanding anything in rule 29, refund of sales tax paid inputs used in the exports made by commercial exporters, shall be sanctioned only after <sup>123</sup>[verification of supportive documents and approval through CREST].

**33. Extent of payment of refund claim.--** Refund to the claimants under these rules

shall be paid to the extent of the input tax paid on purchases or imports that are actually consumed in the manufacture of goods which have been exported or supplied at the rate of zero per cent <sup>124</sup>[or at reduced rates under Notification No. S.R.O. 1125(I)/2011, dated the 31st December, 2011].

<sup>125</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>126</sup>[persons making supplies under Notification No. S.R.O. 1125(I)/2011, dated the 31<sup>st</sup> December, 2011,] <sup>127</sup>[gas transmission and distribution companies,] manufacturers of fertilizers, electric power producers and electric power distribution companies may claim refund of excess input tax over output tax in any tax period;
- (b) registered persons in plastic, paper and steel sectors whose inputs are subject to sales tax at 20% or 17.5% ad valorem and their final product is subject to tax at 15% ad valorem may claim refund of excess input tax if the same is not adjusted within a minimum consecutive period of three months;
- (c) registered persons who are not able to adjust input tax in excess of 90% of output tax

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123 Substituted for the words and letters "processing through the RRAS and after verification of input tax payment on the basis of risk profiling and targeting of the claimant" 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.

124 Inserted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

125 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.

126 Inserted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

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

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.

(2) The registered person shall file application for refund claim along with data prepared through RCPS, providing the following information, namely:--

- (i) name and <sup>128</sup>[National Tax Number] of the claimant;
- (ii) period of claim;
- (iii) amount of claim; and
- (iv) a statement along with annual audited accounts as envisaged in clause (i) of sub section (2) of section 8B of the Act, if applicable:

Provided that the application for claim shall be filed within the period specified in rule 28 after the filing of return for the last month in the period of claim.

(3) The refund of excess input tax under this chapter shall be filed, processed and sanctioned 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

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128 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.

under the Companies Ordinance, 1984 (XLVII of 1984), 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 sales tax 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.]

**35. Responsibility of the claimant.**— The automated processing of refund claims shall be conducted on the basis of supportive documents 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>129</sup>[:]

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<sup>129</sup> Substituted for full stop by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>130</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):

Provided further that where the Commissioner Inland Revenue has reasons to believe that a registered person whose refund claim was processed or sanctioned after the 30th June, 2014 has been paid such refund, which was not admissible to him, he may direct through order in writing to conduct computerized Post Refund Scrutiny (PRS) of such claim.]

(2) The officer-in-charge of Post Refund Audit Division shall send his findings to the concerned Refund Division for further necessary action, as required under the law.

**37. Action on inadmissible claims.**— Where the claim or any part thereof is found inadmissible <sup>131</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.**- (l) The refund claimant shall submit the refund claim in computer diskette in the prescribed format or software along with the following documents, 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 <sup>132</sup>[and summary of invoices for local zero-rated goods];
- (c) goods declaration for export (quadruplicate copy) indicating Mate Receipt number with date or airway bill or railway receipt or postal receipt besides the examination report

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<sup>130</sup> Proviso added by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>131</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>132</sup> Substituted for the words “excluding zero-rated invoices” 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.

endorsed on the reverse side thereof by the Customs Officers <sup>133</sup>[, in case of claims by persons other than manufacturer-cum exporters of goods zero-rated in a notification issued under section 4 of the Act]:

Provided that in case of imports or exports processed through PACCS, submission of goods declaration shall not be required and verification regarding import, or as the case may be export, in such cases shall be carried out by cross-matching of the declarations with the data available in the system.

- (d) copy of House and Master bill of lading and airway bill or as the case may be, railway receipt in token of verification of the goods taken out of Pakistan; and
- (e) statement of the tax paid inputs, in respect of which refund is claimed <sup>134</sup>[by the claimants other than the manufacturers of goods zero-rated for local supplies], in the formal set out below:

Description of input goods	Opening Balance	Purchased during the month	Total available for consumption	Consumed for export/zero-rating	Consumed in local supplies	Total consumption	Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

(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>135</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.

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133 The comma, words and figure 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.

134 The Words 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.

135 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.

(4) The refund claimed under section 66 of the Act shall be sanctioned after verifying that no adjustment or refund of input tax has been claimed earlier and that the goods have been duly accounted for in the inventory records and the invoices claimed are validated by the <sup>136</sup>[CREST].

<sup>137</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>138</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.

(3) The existing Sales Tax Treasury Offices functioning in the <sup>139</sup>[Collectorates] shall continue to pay sales tax refund till such time the CSTRO is established and, accordingly, any reference to CSTRO, in this Chapter, shall be construed as a reference to such existing Treasury Offices.

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136 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.

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

138 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.

139 Now Regional Tax Office (RTO).

(4) The admissible refund claims received with supportive documents up to the date of commencement of these rules shall be sanctioned and paid in accordance with the provisions of the Sales Tax Refund Rules, 2002, or the Chapter V of the Sales Tax Rules, 2005, or the Sales Tax Refund on Zero-Rated Supply Rules, 2006, whichever is applicable.

<sup>140</sup>[39A. Processing of refund claims in LTUs.-- (1) The refund claimant registered in a Large Taxpayer Unit, desirous of availing facility under this rule, shall file a refund application to the <sup>141</sup>[Collector of Sales Tax] having jurisdiction along with the following documents, namely:-

- (a) an undertaking affirming the accuracy and genuineness of refund; and
- (b) a revolving bank guarantee valid for at least one hundred and twenty days issued by a scheduled bank, to the satisfaction of <sup>142</sup>[Collector of Sales Tax] (Large Taxpayers Unit), of an amount not less than amount of refund claimed.

(2) The refund claim shall be processed as follows:--

- (a) where the claimant has filed documents under sub-rule (1), the <sup>143</sup>[Collector] shall process and allow fifty percent of the refund of input tax within five working days of receipt thereof;
- (b) within fifteen days after the sanctioning of the claim as at (a) the claimant shall file a complete refund claim along with the supportive documents and soft copy on the prescribed format, which shall be scrutinized in the Large Taxpayer Unit, and objections, if any, related to the refund claim shall be conveyed to the claimant within seven days of the receipt of the claim;
- (c) subject to the provisions of this rule, the refund claim shall be finalized by the LTU

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140 Rule 39A 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.

141 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.

142 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.

143 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.

within fifteen days of the filing of complete refund claim under clause (b) of sub-rule (2); and

- (d) where an amount of refund on account of input credit document or otherwise is unverified, the <sup>144</sup>[Collector] may require extension in bank guarantee covering such amount as deemed fit.

(3) In case any amount already sanctioned and paid is found inadmissible or remains unverified after six months of the bank guarantee, the same shall be recovered within seven days by encashment of the bank guarantee to the extent of inadmissible amount besides other legal action under the relevant provisions of the Act and rules made hereunder.

(4) The <sup>145</sup>[Collector of Sales Tax] shall notify an officer, not below the rank of an <sup>146</sup>[Assistant Collector], as focal person in the LTU to liaise with other <sup>147</sup>[Collectorates] regarding the problems or objections encountered on account of purchases and supplies of the refund claimant for speedy solution thereof.]

## 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.

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144 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.

145 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.

146 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.

147 Now Regional Tax Offices (RTOs).

**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>148</sup>[CHAPTER VII

*Omitted*

- 45. *Omitted*
- 46. *Omitted*
- 47. *Omitted*
- 48. *Omitted*
- 49. *Omitted*
- 50. *Omitted*]

<sup>149</sup>[CHAPTER VIIA

*Omitted*]

**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,

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<sup>148</sup> Chapter VII and rules 45 to 50 omitted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>149</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.

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>150</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>151</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 for presentation to the sales tax department as and when required to do so.

**53. Supplies to privileged persons.**-- (1) A privileged person desirous of taking zero-

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150 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.

151 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.

rated supply from a registered person shall apply to the <sup>152</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>153</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>154</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, mentioning that the said invoice is being issued under this rule, besides the particulars required in section 23 of the Act.

(2) A monthly statement summarizing all the particulars of the supplies made in the month against invoices issued under rub-rule (1) shall be prepared in triplicate by the registered oil company making the zero-rated supplies and shall be signed by the authorized person of the

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152 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.

153 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.

154 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.

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>155</sup>[Collector of Sales Tax] having jurisdiction, by fifteenth day of the month following the month in which zero-rated supplies under sub-rule (I) 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>156</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.

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<sup>155</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>156</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.

(2) The <sup>157</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.

(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>158</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>159</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.

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157 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.

158 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.

159 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>160</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
- (c) relevance of the intended purchase under grant-in-aid.

(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 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:

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<sup>160</sup> Chapter VIII-A inserted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

Provided that the officer of Inland Revenue may deny exemption to any goods or class of goods, as the case may be, for reasons to be recorded in writing, if he has grounds to believe that the intended import or purchase is not under or for grant-in-aid.

(3) On receiving "Authorization for Exempt Supply", the concerned Collector of Customs or registered supplier, as the case may be, shall allow exempt import or make exempt supply respectively and keep a record of the same for presentation to the Inland Revenue department.

(4) In case an entitled organization or agency has made imports or purchases without obtaining "Authorization for Exempt Supply", the Economic Affairs Division shall forward claims for refund of sales tax paid, fulfilling the conditions in sub-rule (1), to the Board, for processing in terms of the relevant provisions of law.]

## **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>161</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:--

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<sup>161</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.

- (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>162</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,
- (c) a person who is an undischarged insolvent; and
- (d) a person who has been found guilty of misconduct as defined in clause (xxxii) of

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<sup>162</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.

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>163</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.

## **CHAPTER X**

### **ALTERNATIVE DISPUTE RESOLUTION**

**63. Application.--** The provisions of this Chapter shall apply to all cases of dispute brought or specified for resolution under section 47 A of the Act.

**64. Application for Alternative Dispute Resolution.—** Any registered person interested for resolution of any dispute under section 47A may submit a written application for alternative dispute resolution to the Board, stating inter alia, the following namely:--

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<sup>163</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.

- (a) the <sup>164</sup>[Collectorate of Sales Tax] and the office of the Sales Tax with whom a dispute has arisen;
- (b) the particulars of the case;
- (c) the grounds on the basis of which a resolution of a dispute is being sought by the applicant duly supported with relevant documents;
- (d) the extent or the amount of sales tax, default surcharge and penalties, which the applicant agrees to pay, if any;
- (e) details of amounts already paid, if any; and
- (f) the particulars of any person who will represent the applicant.

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

(3) The Board shall require the committee to submit its report within <sup>165</sup>[ninety] days of its appointment:

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

**66. Working of the Committee.--** The committee shall hold all its meeting in the office of the <sup>166</sup>[Collectorate of Sales Tax]. The <sup>167</sup>[Collectorate] shall be responsible to provide the requisite staff and material for the smooth functions of the Alternative Dispute Resolution Secretariat in the <sup>168</sup>[Collectorate]. The Chairman of the Committee shall be responsible for deciding the procedure

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<sup>164</sup> Now Regional Tax Office (RTO).

<sup>165</sup> Substituted for the word "sixty" by Notification No. S.R.O. 487(I)/2011, dated 3rd June, 2011, w.e.f. 4th June, 2011. Earlier it was substituted for the word "forty-five" 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>166</sup> Now Regional Tax Office (RTO).

<sup>167</sup> Now Regional Tax Office (RTO).

<sup>168</sup> Now Regional Tax Office (RTO).

to be followed by the committee which may, inter alia, include the following, namely:--

- (a) to specify date and time for conducting proceedings by the committee;
- (b) to supervise the proceedings and ensure maintenance of record of proceedings of the committee;
- (c) to issue notices by courier, registered post or electronic mail to the applicant;
- (d) to requisition and procure relevant records or witnesses from the <sup>169</sup>[Collectorate] or other concerned quarters;
- (e) to ensure attendance of all concerned;
- (f) to co-opt any other technical, professional or legal expert or tax consultant;
- (g) to consolidate recommendations of the committee and submission of the conclusive report to the Board; and
- (h) for any other matter covered under this Chapter.

**67. Recommendations of the Committee.--** (1) The committee may determine the issue and may thereafter seek further information or data or expert opinion or make or cause to be made such inquiries or audit as it may deem fit. The committee shall formulate its recommendations in respect of any matter mentioned in the sub-section (1) of section 47A of the Act.

(2) The Chairman of the committee shall send a copy of the recommendations of the committee to the Board, applicant and the concerned <sup>170</sup>[Collector] simultaneously.

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

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<sup>169</sup> Now Regional Tax Office (RTO).

<sup>170</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.

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

**69. Decision of the Board.--** (1) The Board, after examining the recommendations of the committee, shall finally decide the dispute and make such orders, as it may deem fit for the resolution of the dispute under intimation to the applicant, the Chairman of the committee and the concerned <sup>171</sup>[Collectorate].

(2) On receipt of the Board's order as aforesaid, the concerned <sup>172</sup>[Collectorate] shall implement the order issued by the Board in the manner provided for in sub-section (5) of section 47A of the Act.

(3) A complete record of all proceedings of the cases dealt with under the alternate dispute resolution scheme shall be maintained by the concerned <sup>173</sup>[Collectorate] and the concerned <sup>174</sup>[Collector] shall ensure that proper arrangements are made for the purpose of maintaining such records in appropriate manner.

## CHAPTER XI

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171 Now Regional Tax Office (RTO).

172 Now Regional Tax Office (RTO).

173 Now Regional Tax Office (RTO).

174 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.

**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>175</sup>[Collector] may, if so requested by the person concerned, recover the dues in such installments as he may deem proper:

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<sup>175</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.

Provided further that in case a registered person pays the amount of tax less than the due tax as indicated in his return, the referring authority may directly proceed to recover the short-paid amount by attachment of the Bank accounts of the defaulter or through stoppage of clearances from the business premises, as provided in the following rule, after serving a notice for payment of the short-paid amount in three days.

**72. Stoppage of clearances and sealing of business premises.--** (1) In case the Government dues are not recovered in the manner prescribed in rule 71, the referring authority shall serve upon the defaulter a notice as set out in STR-17, informing him that removal of any goods from his business premises shall be stopped with effect from the date specified in the notice till such time the dues are paid or recovered in full:

Provided that if the Government dues still remain unpaid, the referring authority shall seal the business premises of the defaulter till such time the dues are paid or recovered in full.

(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 objection summarily.

(3) Pending investigation, the Recovery Officer may adjourn recovery proceedings, upon such terms as to security or otherwise as he may deem fit.

(4) The objector shall produce evidence to prove the legitimacy of the objection, failing which the Recovery Officer shall reject the objection.

**82. Removal of attachment on satisfaction of cancellation of a demand note.--**

When the Government dues are paid to the Recovery Officer or the demand note is cancelled, the attachment shall be deemed to be withdrawn and the withdrawal shall, if the defaulter so desires, be proclaimed at his expense, and a copy of the proclamation shall be affixed in the manner provided by this Chapter for a proclamation of sale of immovable property.

**83. Officer entitled to attach and sell.--** The attachment and sale of movable and immovable property may be made by such officer as the Recovery Officer may direct in each case of recovery.

**84. Adjournment or stoppage of sale.—** (1) The Recovery Officer may adjourn any sale proceedings to a specified day and hour, and an officer conducting any sale may adjourn any sale hereunder to a specified day and hour by recording his reasons for such adjournment.

(2) Every sale shall be stopped if, before the lot is knocked down, the amount due is tendered to, the officer conducting the sale or proof is given to his satisfaction that the amount has been paid to, the Recovery Officer, who ordered the sale.

**85. Defaulter not to interfere with attached property.--** Where a notice has been served on a defaulter under rule 74, the defaulter or his representative in interest shall not sell, mortgage, charge, lease or otherwise deal with any property belonging to him except with the permission of the Recovery Officer.

**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.**-- (I) 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 sepoys, armed or otherwise, for any assistance he may require in the performance of his duties.

(2) In addition to sub-rule (1), such officer may apply to the officer-in-charge of the nearest police station for such assistance as may be necessary in the discharge of his duties.

**PART-II**  
**ATTACHMENT AND SALE OF**  
**MOVABLE PROPERTY**

**88. Warrant of attachment.**-- Where any movable property is to be attached, the Recovery Officer shall furnish a warrant, in the form prescribed in the Form STR-19, to the attachment officer, in writing and signed with his name along with official seal, specifying therein the name of the defaulter and the Government dues to be realized.

**89. Service of copy of warrant.**-- (1) The attachment officer shall cause a copy of the warrant to be served on defaulter or his agent in person.

(2) If service of a copy of warrant in terms of sub-rule (1) is not immediately possible, the same shall be considered to be served when affixed on the notice board in the office of the Recovery Officer.

**90. Attachment.**-- If, after service of copy of the warrant, the amount is not paid forthwith,

the officer shall proceed to attach the movable property of the defaulter:

Provided that the standing crops or the agricultural produce lying in the field or stored in or near the dwelling house of the defaulter or stored on the land owned, leased or cultivated by the defaulter, which represent the agricultural produce of the land owned, leased or cultivated by the defaulter, shall not be attached.

**91. Property attached how to be dealt with.--** (1) Whether the property to be attached is movable property in the possession of the defaulter or in the possession of any other person on behalf of the defaulter, the attachment shall be made by actual seizure.

(2) When anything is seized, the attachment officer, as soon as may be, inform in writing the person from whose possession the things are seized, of the grounds of such seizure.

**92. Search how to be made.--** All searches shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (Act V of 1898).

**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>176</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

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<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 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.

be attached is in the custody of any public officer, the attachment shall be made by a notice to such officer requesting that such property and any interest or dividend becoming payable thereon, may be held subject to the further orders of the Recovery Officer by whom the notice is issued.

**100. Attachment of share in movable property.--** 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 be attached consists of an interest of the defaulter, being a partner, in the partnership property, the Recovery Officer may make an order charging the share of such partner in the partnership property and profits, with payment of the amount due under the notice, and may by the same or subsequent order, appoint a receiver of the share of such partner in the profits, whether already declared or accruing, and of any other money which may become due to him in respect of the partnership, and direct maintenance of accounts and enquiries and make an order for the sale of such interest or may make such other order as the circumstances of the case may require.

(2) The other partners shall be at liberty at any time to redeem the interest charged or in the case of a sale being directed, to purchase the same.

**102. Sale.--** (1) The Recovery Officer may direct that any movable property attached under this Chapter or such portion thereof as may seem necessary to satisfy the notice shall be sold.

(2) The sale shall be made in one or more lots, as the Recovery Officer may consider desirable and, if the Government dues to be realized by sale are satisfied by the sale of a portion of the property, the sale shall be only with respect to that portion of the property and the sale of the remaining property shall be stopped.

**103. Proclamation of sale.**— (1) When any sale of movable property is ordered by the Recovery Officer, he shall issue a proclamation of the intended sale specifying therein the time, place and whether the sales is subject to confirmation or not.

(2) The proclamation shall be made in writing in Urdu, English and language of the Province where sale is intended and shall be publicized by—

- (a) affixing a copy thereof at the notice board in the office of the Recovery Officer;
- (b) affixing copy thereof at such places as the Recovery Officer may direct; and
- (c) publishing in one or more newspapers through auctioneer appointed under the Act and rules made thereunder.

**104. Sale after fifteen days.**-- Except where the property is perishable or if the expenses of keeping it in custody is likely to exceed its value, no sale of movable property under this Chapter shall be ordered without the consent, in writing, of the defaulter, until after the expiry of at least fifteen days from the date on which a copy of proclamation of sale was affixed in the office of the Recovery Officer.

**105. Sale by public auction.**-- Sale by public auction shall be governed by the provisions of Chapter V of the Customs Rules, 2001.

**106. Sale by tender or sealed bids.**-- The Recovery Officer may, if he deems fit, order sale by tender or sealed bids.

**107. Preference for the co-owner.**-- Where the movable property to be sold is share belonging to the defaulter and one or more co-owners, and the bid of such co-owner and some other person is the same, the bid of co-owner shall have preference.

**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.

**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>177</sup>[officer of Customs, Federal Excise or Sales Tax], not below the rank of Principal Appraiser or <sup>178</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;
- (b) commit the same to the possession, custody or management of the receiver; and

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<sup>177</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>178</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.

- (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

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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>179</sup>[Federal Board of Revenue], in annexes to these rules or otherwise. In case the <sup>180</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>181</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>182</sup>[by visiting the website <https://e.fbr.gov.pk>].

(2) Upon scrutiny of the information provided by the applicant, the Board may

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179 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.

180 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.

181 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.

182 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.

grant authorization to the applicant or refuse the application after giving the applicant a reasonable opportunity of being heard.

(3) No person shall access the computerized system for transmission to or receipt of information therefrom, unless authorized as aforesaid.

**150C. Unique User Identifier.--** Every person authorized as user of computerized system shall be allotted a 'Unique User Identifier' for his identification in relation to accessing the computerized system for transmission to or receipt of information therefrom.

**150D. Access to computerized system.--** Subject to the conditions, restrictions and limitations, as may be prescribed by the Board, the authorized user shall access the computerized system for transmission to or receipt of information therefrom:

Provided that the Board may impose any additional conditions upon any authorized user or class of authorized users for accessing the computerized system or to maintain confidentiality or security thereof:

Provided further that the Board may require an authorized user or class of authorized users including their accredited agents to use any additional electronic security including digital certification for electronic filing of return or any other declarations.

**150E. Responsibility of the user.--** The authorized user shall be responsible for security and confidentiality of the 'Unique User Identifier' allotted to him and where any information is transmitted to the computerized system using a 'Unique User Identifier', the transmission of that information shall be sufficient evidence that the authorized user to whom such 'Unique User Identifier' has been issued has transmitted that information.

**150F. Cancellation of registration.--** (1) Where the Board is satisfied that any user

authorized to use the computerized system has,--

- (a) failed to comply with any of the conditions prescribed by the Board; or
- (b) acted in contravention of any of the provisions of the Act or this Chapter; or
- (c) failed to take adequate measures for security and confidentiality of the 'Unique User Identifier'; or
- (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 (I), 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>183</sup>[An officer or officers of Sales Tax], authorized by the<sup>184</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.

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183 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.

184 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.

(3) The e-declaration Administrator, after receipt of application for appointment as e-intermediary, and after verification, as aforesaid, shall forward the application along with his specific recommendation to the Board for appointment of the applicant as e-intermediary.

(4) The Board, after receipt of the recommendations from the e-declaration Administrator, may appoint the applicant as an e-intermediary and issue him a unique user identifier, subject to such conditions, restrictions and limitations, as may be prescribed:

Provided that the Board may refuse to entertain an application for appointment as e-intermediary for reasons to be recorded and conveyed in writing.

(5) In case of any change in the particulars or information provided by the e-intermediary in the application for registration, he shall immediately inform the concerned e-declaration Administrator about such change.

**150K. Cancellation of appointment.**— (1) Where the Board is satisfied that the e-intermediary has—

- (a) failed to comply with any of the conditions prescribed by the Board; or
- (b) acted in contravention of any of the provisions of the Act or these rules; or
- (c) failed to take adequate measures for security and confidentiality of the Unique User Identifier; or
- (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>185</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.]

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

**150Q. 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>186</sup>[An Officer of Sales Tax], authorized by the <sup>187</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.

## 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.

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186 Any reference to "Officer of Sales Tax" shall be construed as reference to "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.

187 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.

**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>188</sup>[Collector].

**150T. Transmission of electronic invoice to the <sup>189</sup>[Collector].--** The registered supplier making supplies under this Chapter shall simultaneously transmit a copy of all such electronically issued invoices to the <sup>190</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.

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188 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.

189 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.

190 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.

(2) The invoice shall be transmitted in a secure environment, using industry accepted security technologies in respect of messages as well as communication links and networks over which the invoice is transferred.

(3) During the transfer of invoice data between the supplier and the buyer, the registered person shall ensure,--

- (a) completeness and accuracy of the invoice data;
- (b) timeliness of processing;
- (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>191</sup>[an Officer of Sales Tax] as provided under section 25 of the Act.

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<sup>191</sup> Any reference to "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.

(2) The <sup>192</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.

(3) The <sup>193</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>194</sup>[Collector of Sales Tax] having jurisdiction.

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192 Any reference to “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.

193 Any reference to “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.

194 Any reference to “Collector” shall be construed as reference to an “Commissioner” 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.

**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>195</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>196</sup>[**CHAPTER XIVA**  
*Omitted*]

<sup>197</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

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195 Any reference to “Collector” shall be construed as reference to an “Commissioner” 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.

196 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.

197 Chapters XIV-A and XIV-B added by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

business activities for the purpose of monitoring or tracking of taxable activities by electronic or other means.

**150ZB. Electronic invoice system.**— (1) The registered person specified in rule 150ZA shall provide continuous and full remote as well as on-site access to his computerized system as and when required by the Board for installation, configuration or dove-tailing of his computerized system with the Board's computerized system.

(2) The registered person specified in rule 150ZA shall, at his own expense, implement changes, if any, required in his computerized system to make it compatible with the Board's computerized system, as per specifications and timeline specified by the Board.

(3) The registered person specified in rule 150ZA shall, at his own expense, arrange a communication device, as per specifications and timeline provided by the Board, for two-way transmission of data between his computerized system and the Board's computerized system.

(4) The registered person specified in rule 150ZA shall ensure availability and functionality of his computerized system and communication device at all times.

(5) The registered person specified in rule 150ZA shall issue invoice containing the same particulars as specified under section 23 of the Act and as per the manner or the format provided by the Board, including a unique number issued by the Board's computerized system, in respect of each transaction of taxable goods supplied and services provided by them.

(6) The registered person specified in rule 150ZA shall, after implementation of the Electronic Invoice System by the Board, sign-off a certificate of his acceptance of validity, accuracy and ownership of the data generated by the said system, with the officer of Inland Revenue having jurisdiction.

**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.

## CHAPTER XIV-B

### ELECTRONIC MONITORING AND TRACKING OF SPECIFIED GOODS

**150ZF. Application.**— The provisions of this chapter shall apply to manufacturers or importers of goods specified in the following Table:—

TABLE

S. No.	Specified goods
(1)	(2)
1.	Aerated waters
2.	Cigarettes
3.	Fertilizer
4.	Cement
5.	Sugar

**150ZG. Goods to be affixed with tax stamps, banderoles, stickers, labels, barcodes etc.**— Every package of the goods whether manufactured or imported shall be affixed or printed with a tax stamp, banderole, sticker, label, barcode, etc. in the manner prescribed under this Chapter:

Provided that such specified goods, which are exempt or meant for export, shall not be required to be affixed with tax stamps, banderoles, stickers, labels, barcodes, etc., but shall be clearly, legibly and indelibly marked as “Exempt Goods” or “For Export”, as the case may be.

**150ZH. Security features of the tax stamp, banderole, sticker, label, barcodes etc.**— Every tax stamp, banderole, sticker, label, barcode, etc. required to be affixed under these rules shall bear such security features as are approved by the Board in order to—

- (a) prevent counterfeiting;
- (b) enable accounting of production of the specified goods; and
- (c) enable any person in the supply chain or an officer authorized by the Commissioner Inland Revenue to authenticate such tax stamp, banderole, sticker, label, barcode, etc.

**150ZI. Appointment of licensee.**—The Board may appoint and authorize one or more licensees to—

- (a) prepare and deliver tax stamps, banderoles, stickers, labels, barcodes etc. as per specifications approved by the Board;
- (b) develop a system for counting, recording and reporting of the specified goods; and
- (c) install and operate a system for the affixation or printing of tax stamps, banderoles, stickers, labels, barcodes etc., counting and monitoring of production, clearances and stocks, recording and reporting of data and other allied matters.

**150ZJ. Installation of system.**— (1) The system for the affixation or printing of tax stamps, banderoles, stickers, labels, barcodes, etc., counting and monitoring of production, clearances and stocks, recording and reporting of data and other allied matters shall include all devices and equipments required for—

- (a) affixing, printing, authentication and validation of tax stamps, banderoles, stickers, labels, barcodes etc.;
- (b) proper identification of packages and affixation of corresponding tax stamps, banderole, stickers, labels, barcodes etc;
- (c) counting of goods manufactured or produced;
- (d) recording and reporting of data of the specified goods to the Board; and
- (e) any other function as required by the Board.

(2) The system shall be installed on all production lines and packaging machines at the manufacturing premises as may be necessary.

(3) The system for imported goods shall be installed in a designated area at the port of importation or a customs bonded warehouse, as the case may be, declared by the importer for this purpose:

Provided that the Board may allow tax stamps, banderoles, stickers, labels, barcodes etc. to be affixed on any specified goods to be imported in a production facility in the exporting country, subject to such conditions as the Board may specify.

(4) After installation of the system in each case, the licensee shall provide details of the system to the manufacturer as well as to the Board.

**150ZK. Fee for purchase of tax stamps, banderole, stickers, labels, etc.**—The manufacturer or importer shall pay to the licensee a fee fixed by the Board from time to time which shall cover the costs of installation, operation and maintenance of the system and printing or affixation of tax stamps, banderoles, stickers, labels, barcodes etc.

**150ZL. Functions and responsibilities of the licensee.**— The licensee shall-

- (a) ensure timely delivery of tax stamps, banderoles, stickers, labels, barcodes etc. in the quantities as per requirement, to manufacturers or importers of specified goods;
- (b) install the system in the manner specified in rule 150ZJ under the supervision of the officer of Inland Revenue authorized in this behalf;
- (c) ensure proper operation, repair and maintenance of the system.
- (d) convey production data to the Board, while maintaining its security.

**150ZM. Functions and responsibilities of the manufacturer or importer of specified goods.**– (1) The manufacturer or importer of specified goods shall-

- (a) make all production facilities available for installation of the system and allow access to the licensee for routine operations, inspection and maintenance;
- (b) not supply any goods without routing them through the system and without affixation of tax stamps, banderoles, stickers, labels, barcodes etc. procured from the licensee;
- (c) be responsible to pay the fee approved by the Board for the affixation or printing of the tax stamps, banderoles, stickers, labels, barcodes etc.
- (d) require a licensee to provide the requisite quantities of tax stamps, banderoles, stickers, labels, barcodes etc. at least thirty days in advance, under intimation to the Board;
- (e) be responsible for smooth functioning, protection and security of the system;
- (f) report to the Board and concerned Commissioner Inland Revenue within twenty-four hours of any operational failure, damage, disruption or tampering of the system:

Provided that any damage to the system found to be due to carelessness, negligence or deliberate action of the manufacturer will be repaired at the expense of the manufacturer, without prejudice to any legal action that may be taken for recovery of evaded tax and imposition of penalty;

- (g) maintain proper inventory of the tax stamps, banderoles, stickers, labels, barcodes etc.;
- (h) not print over, hide or deface a tax stamp, banderole, sticker, label, barcodes etc. affixed on a package;

- (i) allow unhindered access to the licensee and officer of Inland Revenue, authorized in this behalf;
- (j) give a notice to the Board, at least thirty days in advance, from the date of start of production of new brands of goods, any change in the graphic art of existing goods together with the corresponding packages and labels or closure, expansion, modification or any other changes in the production line;
- (k) return, under intimation to the authorized officer, any tax stamps, banderoles, stickers, labels, barcodes etc. to the licensee in case the manufacturing is stopped, import is not made or the tax stamps, banderole, stickers, labels, etc. are defective or do not conform to the required specifications;
- (l) make available the damaged tax stamps, banderoles, stickers, labels, barcodes etc. for inspection by the officer authorized by Commissioner Inland Revenue;

**150ZN. Functions of the Commissioner Inland Revenue.--** (1) The Commissioner, having jurisdiction, shall monitor proper and uninterrupted operation of the system through periodic visits by an officer of Inland Revenue authorized in this behalf.

(2) Where a manufacturer or importer cannot account for the tax stamps, banderoles, stickers, labels, barcodes etc. issued to him by the licensee, the officer authorized by Commissioner Inland Revenue shall compute duties and taxes on the goods related to the unaccounted tax stamps, banderoles, stickers, labels, barcodes etc. and recover the same under the law.

**150ZO. Inoperative production lines.--** (1) The manufacturer shall report any inoperative production lines within twenty-four hours of occurrence to the concerned Commissioner Inland Revenue and the officer authorized by Commissioner Inland Revenue shall immediately proceed to secure such lines using a security seal and register the action in the system.

(2) Production lines sealed under sub-rule (1) shall not be de-sealed to resume operation except with the permission of the Commissioner Inland Revenue.

**150ZP. Effective date for commencement of the system.--** The Board shall, by notification in the official Gazette, and through public notice in at least three national daily newspapers of wide circulation, declare the date after which the specified goods shall not be supplied without routing through the system.

**150ZQ. Responsibility of persons involved in the supply chain.--** A distributor, wholesaler, dealer, retailer or any other person involved in the supply chain of specified goods, shall verify the tax stamps, banderoles, stickers, labels, barcodes etc. affixed on the specified goods before taking any supply.]

<sup>198</sup>[**CHAPTER XV**

**REPEAL**

**151. Repeal.--** The Sales Tax Rules, 2005, the Electronic Filing of Sales Tax Return Rules, 2005, and the Sales Tax Refund on Zero-Rated Supply, Rules, 2006, are hereby repealed.]

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198 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.

199 [STR-1  
[See Rule 5(1)]

**STR-1**  
[See rule 5 (1)]

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

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

*Note: Please follow the instructions printed overleaf while completing this form and attach all the required documents for expeditious processing of your application.*

1	Sheet No. <input type="text"/> of <input type="text"/> Current NTN (if already issued) <input type="text"/> - <input type="text"/> Token No. N° <input type="text"/>																																																																		
2	<b>Applying For</b> <input type="checkbox"/> New Registration (for Income Tax, Sales Tax, Federal Excise) <input type="checkbox"/> Change in Particulars <input type="checkbox"/> Sales Tax or FED Registration, who already have NTN <input type="checkbox"/> Duplicate Certificate																																																																		
3	<b>Category</b> <input type="checkbox"/> Individual <input type="checkbox"/> AOP <input type="checkbox"/> Company Individual Type <input type="checkbox"/> Salaried <input type="checkbox"/> Business <input type="checkbox"/> Other (please specify) _____ AOP Type => <input type="checkbox"/> HUF <input type="checkbox"/> Firm <input type="checkbox"/> Artificial Juridical Person <input type="checkbox"/> Body of persons formed under a foreign law Company Type <input type="checkbox"/> Pvt. Ltd. <input type="checkbox"/> Public Ltd. <input type="checkbox"/> Small Company <input type="checkbox"/> Trust <input type="checkbox"/> Unit Trust <input type="checkbox"/> Modarba <input type="checkbox"/> NGO <input type="checkbox"/> Society <input type="checkbox"/> Any other (pl specify) _____																																																																		
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17	<b>E-Mail</b> _____ Fax _____ (e-Mail address for all correspondence)																																																																		
9	<b>Principal Activity</b> _____ Activity Code _____																																																																		
10	<b>Business Nature (IT, ST)</b> <input type="checkbox"/> Manufacturer <input type="checkbox"/> Importer <input type="checkbox"/> Exporter <input type="checkbox"/> Wholesaler (including Dealer) <input type="checkbox"/> Distributor <input type="checkbox"/> Retailer <input type="checkbox"/> Service Provider <input type="checkbox"/> Others																																																																		
11	<b>Register for</b> <input type="checkbox"/> Income Tax <input type="checkbox"/> Sales Tax <input type="checkbox"/> Federal Excise Paid up capital Rs. _____ Working Capital Rs. _____																																																																		
12	<b>Rep. Type</b> <input type="checkbox"/> Rep. u/s 172 <input type="checkbox"/> Authorized Rep. u/s 223 In capacity as <input type="checkbox"/> Self <input type="checkbox"/> _____																																																																		
13	<b>CNIC/ NTN</b> _____ Name _____																																																																		
14	<b>Address</b> _____ Office/Shop/House/Flat/Plot No. _____ Street/ Lane/ Plaza/ Floor/ Village _____ Block/ Mohala/ Sector/ Road/ Post Office/ etc _____ Province _____ District _____ City/Town _____ Area/Town _____																																																																		
15	<b>PTCL No.</b> _____ Area Code _____ Number _____ <input type="checkbox"/> In Representative's name <input type="checkbox"/> In other's name <input type="checkbox"/> Wireless <input type="checkbox"/> Landline																																																																		
16	<b>Mobile</b> _____ Area Code _____ Number _____ <input type="checkbox"/> In Representative's name <input type="checkbox"/> In other's name <input type="checkbox"/> Post paid <input type="checkbox"/> Prepaid																																																																		
17	<b>E-Mail</b> _____ Fax _____ (e-Mail address for all correspondence)																																																																		
18	<b>Total Director / Shareholder / Partner</b> _____ Please provide information of all Directors/Partners and top-10 Shareholders																																																																		
19	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Type P. S.</th> <th style="width: 40%;">NTN/CNIC/ Passport No.</th> <th style="width: 30%;">Name of Director/Shareholder/Partner</th> <th style="width: 10%;">Share Capital</th> <th style="width: 10%;">Share %</th> <th style="width: 10%;">Action (Add/ Remove)</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	Type P. S.	NTN/CNIC/ Passport No.	Name of Director/Shareholder/Partner	Share Capital	Share %	Action (Add/ Remove)																																																												
Type P. S.	NTN/CNIC/ Passport No.	Name of Director/Shareholder/Partner	Share Capital	Share %	Action (Add/ Remove)																																																														
20	All Other Shareholders/ Directors/Partners (in addition to 10)																																																																		

199 Form STR-1 substituted by Notification No. S.R.O. 79(I)/2014, dated 31st January, 2014. Earlier Form STR-1 was substituted by Notification No. S.R.O. 429(I)/2009, dated 2<sup>nd</sup> June, 2009 & Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1<sup>st</sup> July, 2008, reported as PTCL 2008 St. 1882 and amended by Notification No. S.R.O. 761(I)/2008, dated 19th July, 2008, reported as PTCL 2009 St. 41.

[See rule 5 (1)]

**FBR**  
FEDERAL BOARD OF REVENUE

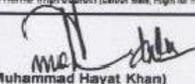
**Federal Board of Revenue  
Taxpayer Registration Form**

TRF-01 (V-2)

*Note: Please follow the instructions printed overleaf while completing this form and attach all the required documents for expeditious processing of your application.*

Other Activities	21	Activity Code	Other Business Activities in addition to the Principal Activity given at Sr-12 above		Action (Add/Close)	
HS Codes	22	Activity Code	HS Code	HS Description		
Business/ Branches	23	<b>Total business/branches</b>		Provide details of all business/branches/outlets/etc.; use additional copies of this form if needed		
	24	Bus/Br. Serial	<input type="checkbox"/>	Action Requested	<input type="checkbox"/> Add <input type="checkbox"/> Change <input type="checkbox"/> Close	Is it a sales taxable business? <input type="checkbox"/> Yes <input type="checkbox"/> No
	25	Bus/Br. Type	Business/ Branch Name			
		HGF/Factory/Showroom/Godown/Sub Off. etc.		Trade Name		
	26	Address				
		Office/Shop/House /Flat/Plot No.		Street/Lane/Plaza/Floor/Village		Block/Mohala Sector/Road/Post Office etc.
		Province	District	City/Town	Area/Town	
27	PTCL No.					
28	Nature of Premises Possession	<input type="checkbox"/> Owned <input type="checkbox"/> Rented <input type="checkbox"/> Others	Owner's CNIC/ NTN/ FTN	Owner's Name		
29	Electricity Ref. No.	Elec. connection type:		<input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Installed in applicant's name <input type="checkbox"/> Installed in others name <input type="checkbox"/> Not installed		
30	Gas Ref. No.	Gas connection type:		<input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Installed in applicant's name <input type="checkbox"/> Installed in others name <input type="checkbox"/> Not installed		
31	Business/ Branch Start Date	Business/ Branch Close Date, (if applicable)				
Bank Accounts	32	<b>Total Bank Accounts</b>		Provide details of all bank accounts; use additional copies of this form if needed		
	33	Account Sr.	<input type="checkbox"/>	Action Requested	<input type="checkbox"/> Add <input type="checkbox"/> Change <input type="checkbox"/> Close	Is it Primary Account? <input type="checkbox"/> Yes <input type="checkbox"/> No
	34	A/C No.	A/C Title		Type	
	35	Bank Name	City	Branch		
36	(NBP, MCB, UBL, City, etc.)		Account Start Date	Account Close Date, if close action is requested		
Employer	37	NTN/ FTN	<input type="checkbox"/> - <input type="checkbox"/>	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 (Left for Male, Right for Female)

[F. No. 3(3)ST-L&P/2014]

  
**(Muhammad Hayat Khan)**  
 Secretary (Automation)



**STR-4**  
[See rule 5(2)]

**STOCKS DECLARATION FORM**

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

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

Description of taxable goods available in stock	Name and <sup>202</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>203</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.

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<sup>202</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>203</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>204</sup>[STR-5



**TAXPAYER REGISTRATION CERTIFICATE**

<sup>205</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>204</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>205</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:

\_\_\_\_\_

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.

2. 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>206</sup>[STR-7

<sup>207</sup>[Annex-A]

<sup>208</sup>[Annex-C]

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<sup>206</sup> Form STR-7 substituted by Notification No. S.R.O. 1004(I)/2012, dated 17th August, 2012, reported as PTCL 2013 St. 199 (ii). Earlier Form STR-7 was substituted by Notification No. S.R.O. 793(I)/2011, dated 24th 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(1)/2008, dated 19th July, 2008, reported as PTCL 2009 St. 41; Notification No. S.R.O. 530(I)/2008, dated 11th June, 2008, w.e.f. 1st July, 2008, reported as PTCL 2008 St. 1882; S.R.O. 1000(1)/2007, dated 29th September, 2007, reported as PTCL 2008 St. 632, w.e.f. 8th September, 2007 and S.R.O. 824(I)/2007, dated 16th August, 2007, reported as PTCL 2008 St. 543, w.e.f. 1st July, 2007 and amended by Notification Nos. S.R.O. 685(I)/2010, dated 26th July, 2010, w.e.f. 1st July, 2010, reported as PTCL 2011 St. 89(i); S.R.O. 610(I)/2010, dated 1st July, 2010, reported as PTCL 2010 St. 1194, w.e.f. 1st October, 2010 & S.R.O. 821(I)/2010, dated 19th August, 2010, reported as PTCL 2011 St. 90(i).

<sup>207</sup> Annex-A substituted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>208</sup> Annex-A substituted by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

Government of Pakistan  
Sales Tax & Federal Excise Return



"STR-7  
(See rule 14(1))

Registry	NTN	Name	Tax Period (MMYY)	Normal	Amended	Submission Date
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
	CNIC in case of individual	COYA/OPI/IND	Business Nature			Tax Office
	<input type="text"/>	<input type="text"/>	<input type="text"/>			<input type="text"/>

Sr.	Description	Gross Value	Taxable Value	Sales Tax
1	Domestic Purchases from Registered Persons (excluding fixed assets)	-	-	-
2	Domestic Purchases from Un-registered Persons	-	-	-
3	Imports excluding fixed assets (includes value addition tax on commercial imports)	-	-	-
4	Capital Goods / Fixed Assets (Domestic Purchases & Imports)	-	-	-
5	Input for the month = (1 + 3 + 4)			
6	Credit carried forward from previous tax period(s)			
7	Non-creditable inputs (relating to exempt, non-taxed supplies of goods or services etc.)			
8	Accumulated Credit = (5 + 6 - 7)			
9	Total Goods or Services supplied locally (including Reduced Rate Sales)	-	-	-
10	Goods or Services supplied locally (at Reduced Rates)	-	-	-
11	Exports	-	-	-
12	Extra Tax under Chapter XIII of ST Special Procedure Rules, 2007	-	-	-
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 Melters under SRO 421 (I) /2014		Annex-I	-
13c	Remaining Sales Tax portion of Sr. 13 (non-adjustable against input) = (13 - 13a - 13b)			-
14	Gas supplied to CN G sector (normal rate + 9% of value)		Annex-C & I	-
14a	Sales Tax portion of Sr. 14 collected at normal rate (adjustable against input)			-
14b	Remaining Sales Tax portion of Sr. 14 (non-adjustable against input) = (14 - 14a)			-
15	Output Tax = (9 + 12 + 13a + 14a)			-
16	Sales Tax deducted by withholding agent(s)		Annex-C & I	-
17	Accumulated Debit = (15 - 16)			-
18	Sales Tax on Tier II Retailers (non Adjustable)		Value	-
19	Re-rollable scrap sold by ship breakers	M Tons	Annex-C & I	-
20	Re-meltable scrap sold by ship breakers	M Tons	-	-
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-G	-
23a	Further Tax charged under section 3(1A) on supplies made to Un-Registered Person (non adjustable)		Value	-
23b	Extra Tax collected under SRO 509(I)/2013 on sale of Electricity & Gas		Annex-C & I	-
24	Whether excluded from Section 8B(1) under SRO 647(I)/2007	No	Select reason in case of "Yes" Oil marketing company & petroleum refinery	-
25	Admissible Credit [if 24 = Yes then 8; if 24 = No, then (least of (8-4) or "90% of 15" or 17) + (if (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	Carry Forward Available for the purpose of refund = (26 - 27)			-
29	Refund Claimed (Provide Stock Statement as Annex-H 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] + [13c + 14b + 18 + 19 + 21 + 22 + 23 + 23a + 23b]			-
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 amended return)			-
37	Balance Tax Payable/ (Refundable) = (35 - 36)			-
38	Select bank account for receipt of refund			-



<b>GOODS DECLARATION - IMPORTS (GDI)</b>											
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>								-	-	-	-
<b>Note:</b>											
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 en											

<b>DOMESTIC SALES INVOICES (DSI)</b>														
NTN: 9999999-9 ***** Name of the Registered Person *****														
S. No.	Particulars of Buyer				Sale Origination Province of	Document				Sale Type	Rate	Quantity	Uo M	Val of Sal

*Sales Tax Rules, 2006*

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	NTN	CNIC	Name	Type	Supplier	Typ*	Number	Date	HS Code	Description of Goods					Excise Sales Tax	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
1																
2																
3																
4																
5																
<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>					-		-

**CARRY FORWARD SUMMARY**

**Annex-F**

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>				-

Sales Tax Rules, 2006

<b>STOCK STATEMENT</b>															<b>Annex-H</b>
NTN: 9999999.***** Name of the Registered Person *****													Tax Period: MMM-YYYY		

Sr.	HS Code	Product Code (*)	Item Description	Unit of Measure	Item Type	Raw Material/Consumable Category	Sales Tax Rate/Exempt	Value of Goods					Quantity of Goods							
								Opening Balance	Purchased / Imported during the month	Consumed / Sold during the month (Domestic Taxable Supplies)	Consumed / Sold during the month (Domestic Zero Rated/ Exempt Supplies)	Consumed / Exported during the month (Exports)	Closing Balance	Opening Balance	Purchased / Imported during the month	Consumed / Sold during the month (Domestic Taxable Supplies)	Consumed / Sold during the month (Domestic Zero Rated/ Exempt Supplies)	Consumed / Exported during the month (Exports)	Closing Balance	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	14=(9+10-11-12-13)	(15)	(16)	(17)	(18)	(19)	20=(15+16-17-18-19)	
1														-						-
2														-						-
3														-						-
4														-						-
5														-						-
6														-						-
7														-						-
8														-						-
<b>Total</b>								-	-	-	-	-	-	-	-	-	-	-	-	-

(\*) Product Code :  
 - Product Code : Product code is applicable to those items which are not clearly defined by (8 Digits) HS Code  
 - The product codes will be defined under each HS-Code primarily by FBR in accordance with Customs Commodity Codes  
 - In case, a product code is not available in the master list, the taxpayer will be able to add his product in an HS-Code

**Note:**  
 The stock statement is mandatory for refund claimants, other registered persons are encouraged to provide these details.  
 The refund claimants may submit stock statement within 120 days from due date of return filing, the claim will be processed after submission of stock statement.

Sales Tax Rules, 2006

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 Excluding Sales Tax	Sales Tax/ FED in ST Mode	ST Withheld	Qty	Value Excluding Sales Tax	Sales Tax/ FED in ST Mode	ST Withheld	Qty	Value Excluding 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	

**Details of Production and Supplies**

NTN  STRN  Tax Period  MM-YYYY

**Name of Registered Person**

S. No.	Description	Unit of Measure	Installed Monthly Capacity	Quantity in Opening Balance	Quantity Produced	Quantity Supplied, including exempt supplies and exports	Value of Qty. Supplied (Rs.)	Quantity in Closing Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
								]

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

<b><u>BREAKUP OF SERVICES PROVIDED</u></b>				<b>Annex-P</b>
<b>TO BE COMPLETED BY THE SERVICE PROVIDER</b>				
NTN: 9999999-9		Tax Period:		
Sr.	Province/ Area from which service is provided	Value of Services excluding Sales	Sales Tax Charged	%age
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."				

<sup>210</sup>[STR-8 Omitted]

<sup>211</sup>[STR-9 Omitted]

210 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.

211 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.

**STR-10**  
[See rule 17]

**Annual Sales Tax Return**

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

Original	Revised	<b>STR-10</b>
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(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: \_\_\_\_\_

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 beginning 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 during 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 to the verification, which is not applicable, should be scored out

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

For Assistance - Call Help line Center at Tele: 0800-00-227, 051-111-227-227, Fax 051-9205593 and E-mail at helpline@cbr.gov.pk

<b>Federal Board Of Revenue</b> Government of Pakistan <b>SALES TAX PAYMENT CHALLAN</b>		<b><u>INPUT FORM</u></b>
<sup>213</sup> [National Tax Number].	NTN :	
Year Name _____	Tax Period _____	Month _____
Address _____		
<b>HEAD OF ACCOUNT</b>	<b>Amount in Pak. Rupees</b>	
B-02341	Sales Tax	
B-02366	Sales Tax on Services	
B-02367	Federal Excise Duty Levy	
in VAT Mode		
	Total Amount	
Amount in words _____		
<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>212</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>213</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							
FEDERAL EXCISE PAYMENT CHALLAN							
INPUT FORM							
Sales Tax Reg. No.	<input style="width: 150px;" type="text"/>	NTN	<input style="width: 80px;" type="text"/>				
Name	_____		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Month</td> <td style="width: 50%; text-align: center;">Year</td> </tr> <tr> <td style="height: 20px;"> </td> <td style="height: 20px;"> </td> </tr> </table>	Month	Year		
Month	Year						
Address	_____						
HEAD OF ACCOUNT		Amount in Pak Rs.					
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 _____							
DECLARATION							
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)

214 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 & 57]

**AUTHORIZATION FOR ZERO- RATED SUPPLY**

S.NO. \_\_\_\_\_

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>215</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>216</sup>[Assistant/Deputy Collector]  
(Signature, name and official seal)

215 Substituted for the words "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.

216 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>217</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>217</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.

**STR-14**  
[(See rule 73)]

**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>218</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.

---

<sup>218</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.

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>219</sup>[Assistant/Deputy Collector of Sales Tax]

Seal \_\_\_\_\_

To,

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

.....

**SCHEDULE**

S. No.	Description	Amount
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)

---

<sup>219</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-15**  
 [(See rule 75)]

**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.  
\_\_\_\_\_

**STR-16**  
[See rule 71(2)]

**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>220</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.

Referring Authority  
(Name)

<sup>221</sup>[Assistant/Deputy Collector of Sales Tax]  
Seal \_\_\_\_\_

To,

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

(defaulter).

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

(clearing agent or

representative). (iii) All other concerned.

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220 Substituted for the words "Sales Tax 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.

221 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-17

[See rule 72(1)]

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>222</sup> [Assistant/Deputy Collector of Sales Tax]

Seal \_\_\_\_\_

To,

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

(defaulter).

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

(clearing agent or

representative). (iii) All other concerned.

-----

222 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).
- \_\_\_\_\_

**STR-19**  
[See rule 88]

**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.  
\_\_\_\_\_

<sup>223</sup>  
[STR-20  
[See rule 150J (1)]

**Application for appointment as e-Intermediary**

<sup>224</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"/>

223 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.

224 Now Regional Tax Office (RTO).



<sup>225</sup>[STR-21]  
[See rules 57A & 57B]

**AUTHORIZATION FOR EXEMPT SUPPLY**

S.NO. \_\_\_\_\_ 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)

225 STR-21 added by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

<sup>226</sup>[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		

226 STR-22 added by Notification No. S.R.O. 494(I)/2015, dated 30th June, 2015.

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)

**Copy to:**

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

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

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