GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE
***

C.No. 3(7)ST-L&P/2011 Islamabad, the 30th June, 2012.

SALES TAX GENERAL ORDER NO. 35/2012

Subject: **AMENDMENT IN SALES TAX GENERAL ORDER NO. 03/2004 DATED 12TH JUNE, 2004**

The Federal Board of Revenue is pleased to direct that in Sales Tax General Order No. 03/2004 dated 12-06-2004, para 30, 31, 32, 33, 34, 35, 36, 37 and 38 shall be substituted as under, namely:-

"(N) BLACKLISTING AND SUSPENSION OF REGISTRATION

31. In order to ensure that the Large Taxpayers Units (LTU) and Regional Tax Offices (RTO) follow a uniform policy for suspension and blacklisting of sales tax registered persons under section 21(2) of the Sales Tax Act, 1990 read with Rule 12 of the Sales Tax Rules, 2006, and for subsequent proceedings in such cases, the Federal board of Revenue is pleased to make the following procedure:

SUSPENSION

32. Where a Commissioner, having jurisdiction, is satisfied that a registered person has issued fake invoices, evaded tax or committed tax fraud, registration of such person may be suspended by the Commissioner through the system, without prior notice, pending further inquiry. The basis for such satisfaction may *inter alia* include the following:

(a) Non-availability of the registered person at the given address;

(b) Refusal to allow access to business premises or refusal to furnish records to an authorized Inland Revenue Officer;

(c) Abnormal tax profile, such as taking excessive input tax adjustments, continuous carry-forwards, or sudden increase in turnover;

(d) Making substantial purchases from or making supplies to other blacklisted/ suspended persons;

(e) Non-filing of sales tax returns.

(f) On recommendation of a commissioner of any other jurisdiction.

(g) Any other reason to be specified by the Commissioner.

33. The suspension of registration shall take place through a written order of the Commissioner concerned, giving reasons for suspension. This order shall be endorsed to the registered person concerned, all other LTUs/RTOs, the FBR/PRAL computer system, the STARR computer system and the Customs Wing computer system for information and necessary action as per law.

34. A registered person who does not file sales tax return for six consecutive months shall be suspended by the system without any notice.

35. In cases, where the buyers and suppliers of any such person, whose registration is being suspended, belongs to another LTU/RTO, and these buyers / suppliers are also required to be suspended, the Commissioner shall intimate the Chief Commissioner of the concerned LTU/RTO in whose jurisdiction such buyers/suppliers fall, in writing explaining the complete facts of the case and the reasons on the basis of which these buyers/suppliers are to be suspended, to initiate proceedings for suspension/blacklisting of the buyers/suppliers.

36. No input tax adjustment/refund shall be admissible to the registered person during the currency of suspension. Similarly, no input tax adjustment/refund shall be allowed to any other registered persons on the strength of invoices issued by such suspended person (whether issued prior to or after such suspension), during the currency of suspension.

37. The Commissioner shall, within seven days of issuance of order of suspension, issue a show cause notice (through registered post or courier service) to the registered person to afford an opportunity of hearing within 15 days of the issuance of such notice clearly indicating that he will be blacklisted in case:

(a) there is no response to the notice.

(b) has not provided the required record

(c) has not allowed access to his business record/premises.

(d) any other reason specified by the commissioner.

38. In case show cause notice is not issued within 07 days of the order of suspension, the order of suspension shall become void *ab initio*.

38A. In case of non-availability of the suspended person at the given address, the notice may be affixed on the main notice board of the LTU/RTO.

38B. On receipt of the reply to the notice and after giving an opportunity of hearing to the registered person, if the Commissioner is satisfied, he may order for revoking of suspension of the registered peson.

BLACKLISTING

38C. In case, after giving an opportunity of hearing, the offence is confirmed, the Commissioner shall issue an appealable self-speaking order for blacklisting of the registered person, and shall proceed to take legal and penal action under the relevant provisions of the Act.

38D. The order of blacklisting shall contain the reasons for blacklisting, the time period for which any refund or input tax claimed by such 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.

38E. The order of blacklisting shall be issued within 90 days of the issuance of the notice of hearing. In case, the order of blacklisting is not issued within this time period the suspension of registered person shall become void *ab initio*.

38F. Copies of the order shall be endorsed to the registered person concerned, all other LTUs/RTOs, the FBR/PRAL computer system, the STARR computer system and the Customs Wing computer system. Each LTU/RTO shall circulate all such lists to their refund sections, audit sections and other concerned staff to ensure that the order is implemented in letter and spirit by all concerned.

-Sd-

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)

Copy to:

1. The Chief Commissioner, All Large Taxpayers' Units.
2. The Chief Commissioner, All Regional Tax Offices.

(Fahad Ali Chaudhary)
Second Secretary (ST-L&P)