

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

C. No. 3(3)ST-L&P/2014 - 26035

Islamabad, the 18th February, 2014

Subject: **INTRODUCTION OF NEW RISK-BASED SALES TAX REGISTRATION PROCEDURE.**

In order to simplify and expedite the sales tax registration procedure, a new automated, risk-based registration system called "RegSys" has been developed by FBR. A number of improvements have been made in this revised procedure to expedite registration while minimizing the risk of dubious registrations. These changes have been notified by amendment made in the Sales Tax Rules, 2006 through SRO 79(I)/2014 dated 31.01.2014, available on FBR's website.

2. The main features of the new procedure are summarized below:

- (a) The application form for sales tax registration has been merged with that for income tax registration (TRF-01). Thus, a person can apply for both NTN and sales tax registration at the same time.
- (b) A person required to be registered under Rule 4 of the Sales Tax Rules, 2006 is now required to fill in the online application form (TRF-01) available on the FBR website. Instructions for filling in the form are available on it, and a detailed User Guide is also available on the website.
- (c) The documents required to be furnished in support of the application have now been specified in the Rules. These include CNICs/passports of owners, partners or directors (as the case may be), registration/incorporation certificate or partnership deed, bank account certificate, lease/rent agreement (in case of rented property) and ownership documents of the premises, latest utility

bills and list of machinery installed (in case of manufacturers). Scanned copies of the supporting documents are to be electronically attached with the application.

- (d) In order to reduce visits of field staff to business premises, applicants are now asked to attach/upload digital GPS-tagged photographs of their business premises, machinery installed (if any), and electricity and gas meter as the case may be, using the electronic application "Verisite" provided for the purpose. This Android-based application is available on the website "Google Play", and can be downloaded on any Android-enabled mobile telephone.
- (e) Instructions for downloading and installing it have been made available on FBR's website. Submission of GPS-tagged photographs will enable FBR to easily confirm the location and existence of the business, without deputing officials for physical verification.
- (f) Applicants who are unable to file applications online have the option to approach the Local Registration Office (LRO) of their concerned RTO for assistance.
- (g) The submitted application shall be processed electronically by RegSys. In case the application is found incomplete or incorrect, objection memo shall be issued electronically to the applicant, allowing him a period of 10 days to remove the objections before the application is rejected.
- (h) If the application is complete, and all particulars are verified, it shall be assigned a risk score by RegSys. In case of low risk score, the registration certificate will be directly issued by RegSys and sent to the applicant by courier service. Remaining applications shall be sent to the concerned Local Registration Office (LRO) for further inquiry which may include physical verification.
- (i) The role of Central Registration Office (CRO) has been minimized in the new system. Now, the residual functions shall be performed by Secretary (IR Automation). However, Local Registration Offices

(LRO) will continue to conduct physical verification and other inquiries as required under the new system.

- (j) By introducing this system, it is expected that substantial number of applications would be disposed of automatically through RegSys. This would facilitate genuine applicants and prevent undue delays and complaints about sales tax registration.

3. All RTOs and trade bodies are requested to inform and assist the applicants for filing applications for registration under the new procedure. Any difficulty or problem may be brought to the notice of the Board. Technical difficulties or issues may be referred to farhat.yamin@pral.com.pk


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Circulation:

1. SA to the Chairman FBR, Islamabad.
2. All Members, FBR, Islamabad.
3. All DGs, FBR, Islamabad/Lahore/Karachi.
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