

**Government of Pakistan  
Revenue Division  
Federal Board of Revenue  
Inland Revenue - Operations**

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F.No.05/POS/IR/2021/61121-R

Islamabad, March 17, 2022

**Subject: Clarification on the issue of discount on the Standardized Tax Invoice as per SRO 1006 (I)/2021**

FBR had issued clarification vide C.No.05/POS/IR/2021/164662-R dated 13-10-2021 on the standardized format of the Sales Tax invoice notified vide SRO 1006(I)/2021 dated 09-08-2021.

2. Various representation from the taxpayers' and Bar Councils' have again been received by the Board seeking further clarification of the "trade discount".
3. "Value of supply" as per section 2 (46) of the Sales Tax Act, 1990 in respect of taxable supply means the consideration in money which the supplier receives from the recipient for that supply but excluding the amount of tax.
4. Cash discount is allowed in the form of reduction of prices in seasonal sales / sales and the consideration in money is received after cash discount has been allowed. The undersigned is directed to clarify that the value of supply for sales tax purposes is the actual value received in monetary terms excluding the amount of sales tax and not the gross value, hence, the sales tax will be calculated and charged on the actual or discounted price accordingly.



**Salman Ahmad Khan**  
Secretary (POS-North)