



Single Sales Tax Return

An Overview



Introduction

Historically, Sales Tax on Services has been a provincial subject. However, its collection was managed by the federal government on behalf of the provinces. The 7th NFC Award, dated 18th March 2010, marked a significant shift by allowing provinces to collect Sales Tax on Services themselves, stating that *“The Provinces have been allowed to collect sales tax on services if they so desire.”* Presently, Provincial Revenue Administrations handle the collection of Sales Tax on Services through their own institutional arrangements, following relevant laws and procedures within their jurisdictions. Over time, the multiplicity of jurisdictions and accompanying legal frameworks have significantly increased the compliance burden on taxpayers. To address this, the Single Sales Tax Return (SSTR) initiative has been launched. This initiative aims to simplify the sales tax filing process by integrating return formats from each revenue administration into a single window on a unified web platform. This approach is designed to reduce administrative and compliance burdens for both revenue administrations and taxpayers.

Legal Framework

National Tax Council

The National Tax Council (NTC) was constituted vide Finance Division’s notification No F.1(10)-NFC/2018(i) on 20th March 2020 for better coordination and cooperation between federal and provincial governments particularly to resolve any disputes over tax rates, origin of services and jurisdictional overlap. One of the primary functions of the NTC is to ensure harmonization of rules for the administration of Sales Tax across Provinces and Islamabad Capital Territory. Consequently, a series of meetings were conducted with full participation from stakeholders to harmonize definitions of Goods and Services. During NTC meetings FBR and Provinces developed consensus on taxation mandate on toll manufacturing, construction services and framework of Provision of Services Rules with respect to Advertisement Services/Advertising Agents, Insurance services, Franchise Services and Transportation Services.

Single Portal

A Memorandum of Understanding (MoU) between FBR and Provinces was signed on 17th April, 2021 whereby “the Single Return has been agreed on the format of the data as contained in the current Sales Tax return of FBR and all provincial revenue administrations resulting in the development of software for Single Portal and Single Sales Tax Return”.

IRS Strategic Reforms Plan

The Inland Revenue Service (IRS) Strategic Reforms Plan 2021-25 included measures to tackle the challenge of low tax compliance through implementing a compliance risk management capability; improving registration, filing, payment and reporting compliance; reducing the cost of compliance, strengthening the audit capability, streamlining processes, and procedures. Needless to add that greater use of automation for better service delivery and data-centric approach is a key reform area.

Development of Single Portal

Given the legal and administrative complexities a collaborative and phased approach has been adopted for development of Single Sales Tax Return.

Guiding Principles

Minimum possible changes to legal and administrative aspects

No changes in existing legal frameworks at FBR and Provincial levels has been ensured for the development and implementation of Single Sales Tax Return.

- The development of SSTR was spearheaded by “Committee for Design and Development of the Single Portal” notified by FBR on 15th March, 2023, headed by Chief (Provincial Taxes). The Committee had the mandate to study the “As-Is” process for filing of Sales Tax returns for federal and provincial jurisdictions and design and implement SSTR during Phase-II

- Committee for Implementation of Single Portal across jurisdictions was constituted on 26th September, 2024 for the development and implementation of SSTR for all sectors.

Learning by experience

The teams from FBR and Provinces have been engaged in the development, testing and roll out of SSTR.

Key Features of SSTR

Consolidation of Multiple Returns

The SSTR combines various tax returns, including FBR Sales Tax Return and sales tax on services returns of all jurisdictions into a single form.

Simplified Filing Process

The SSTR offers user-friendly interface, making it easier for taxpayers to submit their returns.

Enhanced Data Accuracy

The SSTR incorporates advanced data validation features to minimize errors and ensure accurate tax reporting by the filer.

Improved Taxpayer Experience

By reducing the complexity of tax filing, the SSTR aims to enhance the ease of doing business.

Single Sales Tax Return – Timelines

2023 – 24

Test launch of the Single Portal across jurisdictions held in November, 2023 for the telecom sector enabled stakeholders to experience end-to-end working of the Single Portal and verify calculations against actual data. SSTR for Telecom Sector has been successfully piloted in February, 2024 and is planned to be extended to other sectors across jurisdictions. The SSTR team from FBR and Provinces are working on the development of Single Portal and the roll out of SSTR to all sectors across jurisdictions, following are some of the key planned activities.

Key Activities Planned for 2025

- Demonstration sessions with Microfinance Banks, Broadband Internet Service Providers and Exploration & Production (Oil & Gas) followed by the User Acceptance Testing by Provincial Revenue Administrations. User Acceptance Testing (UAT) sessions for the Commercial Banks and Insurance Companies will be held in collaboration with the PRAs.
 - Demonstration Sessions for the following service providers have been planned in 2025:
 - Hotels, restaurants, Fast Food Chains, Clubs, Caterers, Digital or IT Based Services, Ride Hailing Services, Manpower Recruitment Agents, Franchise Services.
 - SSTR will be extended to all other sectors in due course of time.
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- UAT for service sectors across jurisdictions
 - Harmonization of Laws & Procedures
 - Launch of SSTR for all sectors across jurisdictions during FY 2025
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Single Sales Tax Return – Team

I. Supervisory Team

S.No.	Name	Designation
1	Mr. Ardsher Saleem Tariq (IRS/BS-21)	Member (Reforms & Modernization), FBR
2	Mr. Aamer Amin Bhatti (IRS/BS-20)	Chief (IR-Policy Wing), FBR

II. Implementation Team

S.No.	Name	Designation	Role
1	Mr. Zain-ul-Abidin Sahi (IRS/BS-20)	Chief Commissioner (IR), LTO, Islamabad	Implementation Head
2	Ms. Mahwish Khan (IRS/BS-18)	Second Secretary, (BPR), FBR	Member
3	Mr. Fariduddin Khan (SS/BS-18)	Second Secretary (IR-Policy), FBR	Member
4	Mr. Faisal Sulaiman	Senior Business Analyst, PRAL	Member
5	Mr. Shahid Sharif	Manager (Development), PRAL	Member

III. Additional Technical Support

S.No.	Name	Designation
1	Ms. Mariyam Zehra	SSTR Implementation Team Member, PRAL
2	Mr. Sami Ullah Kayani	SSTR Implementation Team Member, PRAL

IV. Coordination & Support

S.No.	Name	Designation
1	Mr. Muhammad Khalid Jamil (IRS/BS-20)	Director Program (Pakistan Raises Revenue Program), FBR
2	Ms. Sadia Akmal (IRS/BS-19)	Additional Director (Coordination & Internal Communication PRRP), FBR

SINGLE PORTAL COMMITTEE ACROSS JURISDICTIONS

Federal Board of Revenue	Chief, IR Policy Wing, FBR HQ and Chief Commissioner (IR), LTO, Islamabad
Balochistan Revenue Authority	Member Operations, Balochistan Revenue Authority
Khyber Pakhtunkhwa Revenue Authority	Director General, Khyber Pakhtunkhwa Revenue Authority
Punjab Revenue Authority	Member Policy, Punjab Revenue Authority
Sindh Revenue Board	Senior Member (Operations-I), Sindh Revenue Board

Stakeholder Engagement

Involving stakeholders throughout the design and implementation of development initiatives has always been a key activity of FBR. Multiple stakeholders are engaged in the SSTR process. Please share your feedback or comments through email:

- Director Program, Pakistan Raises Revenue Program, FBR: director.prr@fbr.gov.pk
- Environmental and Social Management Specialist, Program Office, FBR: esms@fbr.gov.pk

Frequently Asked Questions

Frequently Asked Questions	Response
How is SSTR different from the legacy returns filed with the different authorities/jurisdictions?	SSTR contains a single repository of all input and output invoices. Taxpayers providing services in more than one jurisdiction can enter data through a Single Portal containing separate portions for the declaration for each authority and yearly 12 returns will be filed instead of multiple returns in different jurisdictions.
Will delay in filing SSTR return for one jurisdiction cause delay for all returns filed through the Single Portal?	Yes.
How to seek extension in filing of return if last date of return filing is different for each jurisdiction?	The Single Portal Committee (notified for all jurisdictions) will decide the extension of return.
Will return data be visible to all revenue administrations in SSTR environment?	Data sharing/data visibility will be possible once all Provincial Revenue Administrations sign MOUs.
Will there be payment options available in the Single Portal/ SSTR?	No. However, taxpayers will be able to generate PSIDs within SSTR environment.
Will the SSTR contain all the rates of Services and Withholding applicable in different jurisdictions?	Yes, the SSTR will incorporate all the existing Services and Withholding rates applicable in different jurisdictions.
In case of difference or overlap regarding procedures/policies in all jurisdictions what will happen?	The harmonization of policies will be ensured by the Single Portal Committee and frame work will be developed.

Federal Board of Revenue

The Federal Board of Revenue (FBR) is the central agency of the Government of Pakistan that is responsible for the administration of taxes in the country. The FBR's primary objectives are to implement government policies related to taxation, collect revenue on behalf of the government, ensure tax compliance, and provide necessary guidance to taxpayers to fulfil their tax obligations.

FBR plays a vital role in developing tax policies in Pakistan. It conducts research, analyzes tax laws, and recommends reforms to the Government. Additionally, FBR investigates tax crimes, money laundering, and regulates tax collection from individuals and businesses, combats tax evasion, as well as administer tax laws on behalf of the Government of Pakistan.

Contact Us

Federal Board of Revenue

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