Government of Pakistan
Revenue Division
Federal Board of Revenue

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C. No. 2/1-STB/2025-(1) Islamabad, the 2nd August, 2025

Circular No. 02 of 2025-26
(Sales Tax and Federal Excise)

Subject: **Finance Act, 2025 – Explanation regarding Important Amendments made in Sales Tax Act, 1990 and Federal Excise Act, 2005.**

Important amendments made in the Sales Tax Act, 1990 (hereinafter referred to as "STA") and Federal Excise Act, 2005 (hereinafter referred to as FEA") through the Finance Act, 2025 are explained in the following paragraphs.

(Sales Tax)

1. Insertion of Definition of 'abettor'

Prior to Finance Act, 2025 provisions of the STA did not include or define the role of an 'abettor' in a tax fraud, who facilitates or connives with the tax fraudsters to evade the sales tax. The term 'abettor' and his/her role has now been defined to expand the scope of tax fraud, and punishment for the abetment of tax fraud has also been introduced.

2. Insertion of Definition of 'Cargo Tracking System' and 'e-bilty'

Through Finance Act, 2025, the concept of 'Cargo Tracking System' has been introduced into the STA to track goods throughout supply chain.

Similarly, the concept of 'e-bilty' has been introduced, which is to be generated through the 'Cargo Tracking System,' and it shall accompany the goods during their movement in a supply chain. A penalty for failure to generate e-bilty or tamper an e-bilty has also been inserted to ensure compliance of the cargo tracking system.

3. Legislative Measures to Capture E-Commerce/Supply of Digitally Ordered Taxable Goods:

(i) Insertion of Definition of 'Courier'

Definition of 'courier' has been inserted in section 2 to include persons engaged in the delivery of goods and collection of cash in the course of e-commerce on behalf of a seller of digitally ordered taxable goods within Pakistan, including logistics and ride-hailing services. Couriers have been made withholding agents to capture the taxable activity in the e-commerce sector.

(ii) **Insertion of Definition of 'e-commerce'**

For the purpose of bringing digitally ordered taxable goods into sales tax net, definition of the term 'e-commerce' has been introduced in section 2.

(iii) **Substitution of Definition of 'Online Market Place'**

For the purpose of harmonization of tax laws, the existing definition of 'online market place' has been substituted in line with the Income Tax Ordinance, 2001 to cover all kinds of taxable activities in e-commerce for chargeability under the STA.

(iv) **Insertion of Definition of 'payment intermediary'**

Definition of 'payment intermediary' has been inserted which provides that a banking company, any financial institution including a licensed foreign exchange company or payment gateway that facilitate the transfer of funds or payment instructions between two or more parties shall be treated as payment intermediary and the said entities shall be responsible for collection and payment of tax in respect of digitally ordered taxable goods.

(v) **Liability to pay sales tax in e-commerce and role of withholding agents**

An enabling provision for collection and payment of sales tax on digitally ordered taxable goods in the course of e-commerce has been introduced in sub-section (3) of section 3.

Regarding the responsibility of collecting tax under this section, it is clarified that in the case of vendors being e-stores and similar mobile applications where payment is made online, the acquiring bank will be the payment intermediary for the purpose of this provision and shall be responsible to withhold tax. On the other hand, in the case of vendors being e-stores and similar mobile applications where payment is made on Cash on Delivery (CoD) basis, the courier or the aggregator providing service to the e-store or mobile application of delivering goods and collecting cash at the doorstep of the buyer shall be responsible to comply with all the statutory obligations in this regard.

Further, in case a vendor sells goods through Online Market Place (OMP) and payment is made online, the bank or financial institution of OMP in the second and final arm of transaction settling the payment between vendor and buyer shall be the payment intermediary for the purpose of the withholding of tax. It may be noted that the issuing and acquiring banks in the first arm of transaction could not be the payment intermediaries as they are involved in settling transaction between the buyer and OMP, which is acting as an agent for the vendor/seller and not a seller in real sense. On the other hand, in case a vendor sells goods through OMP or otherwise and payment is made on Cash on Delivery (CoD) basis, the courier, which could be an OMP in case vendor is using its services; or the aggregator who indirectly provides such services to e-store; or the courier directly providing those services to the e-store or mobile application of delivering goods and collecting cash at the doorstep of the buyer shall be responsible to comply with all the statutory obligations in this regard.

(vi) **Chargeability of e-commerce vendors**

A new sub-section (7A) has been inserted in section 3, which provides that the tax collected and paid by intermediary and courier in respect of digitally ordered taxable goods in course of e-commerce business shall be deemed as final discharge of tax liability on behalf of cottage industry and retailers other than tier-1 retailers and no input tax against such supplies shall be allowed. For the rest of the persons, sales tax shall be chargeable under standard regime and the tax withheld in e-commerce shall be adjustable against the output tax payable in sales tax return.

(vii) **Registration of e-commerce vendors supplying goods from or within Pakistan**

New sub-sections (1A) and (1B) have been inserted in section 14 for the purpose of registration of e-commerce vendor including a non-resident person selling digitally ordered goods from or within Pakistan through online market places. This brings clarity for the e-commerce vendors regarding their obligations under sales tax regime.

(viii) **Strengthening the reporting system of e-commerce**

Two additional provisos have been inserted in section 26 requiring online market places, payment intermediaries and couriers to file monthly sales tax statement by indicating the supplier-wise amount paid and tax due and such other information of the supplies of digitally ordered taxable goods from within Pakistan as may be prescribed.

4. Fixation of maximum chilling charges and minimum value of imported Third Schedule goods

A proviso has been inserted in clause (27) of section 2, allowing reduction in retail price on account of chilling charges or other similar charges in case of aerated water, beverages, mineral water, or fruit juices upto an upper limit of five percent of the price inclusive of all taxes and duties.

Another proviso has also been inserted in the same clause whereby minimum retail price of imported goods in Third Schedule has been fixed and it shall not be less than one hundred thirty percent of the value determined under section 25 of the Customs Act, 1969 (IV of 1969), including the amount of customs duties and federal excise duty levied thereon.

5. Rationalizing the scope of 'tax fraud'

The definition of 'tax fraud' has been substituted and scope of this definition is rationalized to cover abetment and all kinds of tax frauds including those involving technology. The earlier explanation to the definition regarding the onus of proving no intention of tax fraud on the registered person has been omitted.

6. **Omission of Proviso to sub-section (7) of section 3**

Proviso to the sub-section (7) of section 3 relating to online market places has been omitted. The same provision has been transposed to sub-section (3) of section 3.

7. **Omission of Proviso to sub-section (9A) of section 3**

Proviso to sub-section (9A) of section 3 relating to integration of Tier-1 retailers has been omitted and the same has been transposed to sub-section (6) of section 23 of the STA.

8. **Restriction of input tax based on Compliance Risk Management**

An amendment has been introduced in sub-section (4) of section 8B whereby Board has been allowed to fix certain limit of input tax adjustment based on Compliance Risk Management (CRM). This change will provide an objective basis of setting up the limit for the purpose of section 8B, thereby reducing the discretion. A registered person can file an application before the Commissioner against aforesaid fixation of input tax and the application shall be decided by the Commissioner within sixty days. However, it is clarified that input restrictions and conditions shall not be altered without meaningful consultation with the business and trade representatives related to the sector for which such action is intended.

9. **Best judgement assessment of wholesalers based on Income Tax Withholding data**

A new sub-section (5) in section 11D has been inserted, empowering an officer of Inland Revenue to assess sales tax liability on estimated value addition on reasonable grounds. This provision applies to wholesalers who are liable for registration due to tax withheld under section 236G of the Income Tax Ordinance, 2001, but fail to furnish sales tax return upon notice. The tax withheld under the section 236G will be used as one of the indicators to determine purchases and asses the sales tax liability.

10. **Separation of criminal and civil liability**

Sub-section (1) of section 11E has been substituted where by non-payment of tax through collusion or deliberate act are excluded from its scope, because the provisions of law already exist in this Act under section 37A for initiation of criminal proceedings in such non-payments. Similarly, the provisions of section 11E shall not be applicable to the extent where proceedings have been initiated under section 37A. This differential between proceedings under section 11E and section 37A is important as the former deals with non-compliance where as latter deals with the fraudulent activities.

11. **Compulsory registration of persons liable to be registered**

Powers for compulsory registration of a person who is liable for registration exists in the Sales Tax Rules, 2006. The said provisions of rules have now been explicitly incorporated into the statute by inserting sub-section (2A) of section 14 to enable the officers of Inland Revenue for compulsory registration of a person who is liable to register but fails to apply for registration.

12. Introduction of new enforcement measures

In order to encourage sales tax registration, strengthen enforcement against hard to tax persons and promote documentation of the economy, certain enforcement measures have been introduced through the insertion of new sections 14AC, 14AD, and 14AE. These measures include bar on the operation of bank accounts, bar on the transfer of immovable property, sealing of business premises, seizure of immovable property and appointment of a receiver. However, these enforcement measures shall be carried out in conformity with natural principles of justice and in a sequential manner to avoid undue hardships.

The provisions of Section 14AE already provide that before taking extreme measures the field formations have to fulfil the following conditions;

(i) A public notice of hearing

(ii) Hearing to be conducted jointly by concerned representative of the chamber of commerce & trade and concerned officer of inland revenue. Ample opportunity of being heard shall be provided to the person, intended to be registered, in the open hearing.

(iii) Such decisions shall be made public by placement on FBR's website and newspapers.

13. Rationalizing the process of suspension of registration

A new sub-section (2A) has been inserted in section 21 to empower the Commissioner to issue a show cause notice to the registered person for revoking of suspension of registration or blacklisting of the registered person within 30 days of the receipt of reply to the show cause notice.

The procedure for issuance of show cause after suspension of registration to a registered person is provided under Sales Tax Rules, 2006. The same is now explicitly provided into main statute through insertion of new sub-section (2A).

Furthermore, sub-section (5) of section 21 has been omitted. Resultantly, the Chief Commissioner's power to call for and modify order of suspension and blacklisting has been withdrawn. Now, order of suspension and blacklisting has been made appealable before Commissioner (Appeals).

14. Linkage of sales tax invoice with the e-bilty

A new proviso in clause (g) of sub-section (1) of section 23 has been inserted to ensure the linkage of tax invoice with e-bilty generated under section 40C of the STA and section 83C of the Customs Act, 1969 to monitor the transportation of taxable goods during their movement in supply chain. The long-term plan of its implementation will complete in stages in consultation with business chambers and trade bodies.

15. Integration of Electronic Invoices

Two new sub-sections, sub-section (5) and (6) are inserted in section 23 to ensure integration of sales tax invoices with the electronic invoicing system prescribed by the Board for real time reporting of sales. Previously, same sub-sections existed in section 40C from where they have been omitted and transposed into section 23 for proper placement within invoicing provisions.

16. Conditional revision of sales tax return

Proviso to sub-section (3) of section 26, which allowed a registered person to file revised sales tax return without prior approval of concerned CIR within 60 days of filing of return where amount of tax was more than the amount paid or revised refund claim was less than the refund claimed in original return, has been omitted as misuse of this facilitative provision of law has been observed in a number of cases. Now, a new sub-section (3A) has been inserted where revision of sales tax return may be restricted based on the risk parameters identified through Compliance Risk Management.

17. Appointment of experts and auditors

Through Finance Act, 2025, a new section 32B has been introduced whereby Board or the Commissioner has been empowered to appoint experts for assistance in audit, investigation, litigation or valuation. Furthermore, Board has been vested with the power to appoint auditors through direct engagement or through third party to assist and improve the quality of work in the said matters.

18. Amendments in section 33

Prior to Finance Act, 2025 the marginal headings of Chapter VII and section 33 of the Sales Tax Act, 1990 were limited to the extent of offences and penalties but did not include the word "punishment". Therefore, the word "punishment" has been added after the word "penalties" to more accurately reflect purpose of section 33.

For the purpose of imposition of penalty on failure to submit monthly statement by online market places, payment intermediary or courier, new S. Nos 1A and 1B have been inserted in section 33 and amount of penalty has been specified therein.

S. No. 11 of section 33 relating to submission of forged documents before an Officer of Inland Revenue has been omitted, as these come under the ambit of tax fraud for which specific penalty has been specified at serial no. 13.

S. No. 13 pertaining to penalties involving tax fraud has been substituted in line with the amendments brought in the definition and other provisions of law relating to tax frauds.

New S. No. 13A has been introduced in line with the newly inserted definition of abettor, for the purpose of imposition of penalty and punishment under section 33 of the Act.

S. No. 22 of section 33 which provided imposition of penalty on unlawful access to the computerized system, unauthorized use of information obtained from the computerized system falsifying the information obtained from the computerized system, has been omitted as these come under the ambit of tax fraud for which penalty has been specified at serial no. 13.

S. No. 25A and reference of penalty therein have been amended in line with omission of proviso in sub-section (9A) of section 3 and transposition of the same to section 23.

A new S. No. 25B has been inserted to provide for imposition of penalty for non-generating e-bilty or tampering with, misusing, or forging such document in contravention of subsection (6) of section 40C.

19. Powers of Civil Court

A new sub-section (4) in section 37 has been inserted to empower the officer of Inland Revenue to exercise the powers of civil court under the Code of Civil Procedure, 1908.

20. Power to inquire and investigate sales tax frauds and procedure for arrest

Through Finance Act, 2025, powers and procedure of inquiry and investigation in cases of sales tax fraud and other offences warranting prosecution under sales tax act have been streamlined. Under the new framework, the Officer of Inland Revenue can initiate inquiry only after obtaining approval of Commissioner on the basis of material evidence pointing to commission of tax fraud or other offence warranting prosecution. After completion of inquiry and after providing an opportunity of being heard to the accused, Officer shall present inquiry report to the Commissioner who shall then decide to either close the inquiry or allow further investigation. In the case of approval of investigation, officer shall be required to complete investigation within three months and submit report before Special Judge for prosecution.

The subsections (8) and (9) of section 37A regarding arrest shall only be applied when investigation under subsection (6) of this section has been initiated.

Warrant of arrest under subsection (8) of section 37A may be issued only after approval by a committee comprising of three members of the FBR as may be notified by the Chairman and that too only in the cases where fraud involves amount exceeding Rs. 50 million and nature of the fraud falls within the ambit of any of the first six subclauses of the clause (37) of section 2, which are reproduced as under:

(a) using or preparing false, forged, and fictitious documents, including returns, statements, annexures, and invoices;
(b) false claim of input tax credit based on fictitious transactions;
(c) issuance of any tax invoice without supply of goods;
(d) tampering with or destroying of any material evidence or documents required to be maintained under this Act or the rules made thereunder;
(e) generating fake input through manipulation of return filing system of the Board and making fake entries in the sales tax returns or in the annexures;

(f) making fictitious compliance of section 73, including routing of payments back to the registered person, or for the benefit of the registered person, through a bank account held by a supplier or a purported supplier; and when the fraud amount exceeds Rs. 50 Million.

Additional pre-conditions which can compel the officer to seek approval for arrest are:

(i) The accused may tamper with documents

(ii) The accused may abscond

(iii) The accused does not help investigations despite three served notices

Further, the power to compound an offence warranting prosecution has been provided where Commissioner can compound the offence if the person pays the amount of tax evaded along with default surcharge and penalty.

The warrant of arrest from judge under subsection (9) of section 37A may be obtained primarily in the sales tax frauds which are heinous or material including fake and flying invoices. Under this subsection, the following pre-conditions shall also apply as is the case of arrest under subsection (8) of section 37A.

(i) The accused may tamper with documents

(ii) The accused may abscond

(iii) The accused does not help investigations despite three served notices

In addition to that, the board will separately notify the detailed procedure, preconditions and restrictions through an STGO for the smooth operation of subsections (8) and (9) of Section 37A.

As stated above, through the substitution of section 37A, sufficient safeguards have been introduced and multiple approvals are required at inquiry stage as well as investigations stage to prevent the misuse of the provisions of prosecution.

The provisions of this section also state that the intent of the prosecution proceedings is not to recover the revenue but to create deterrence against the sales tax frauds.

Section 37B has been substituted by further elaborating the procedure to be followed on arrest of a person and producing the accused person before the court of law for further proceedings in accordance with the provisions of this Act as well as the code of criminal procedure.

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21. <u>Information from ISPs, Telcos and PTA</u>

New sub-section (5) in section 38B has been inserted which empowers the Commissioner to obtain subscriber's information pertaining to the internet protocol in connection with any inquiry or investigation in tax fraud cases from any internet service provider, telecommunication companies and Pakistan Telecommunication Authority.

22. Streamlining of section 40C

Sub-section (4) has been substituted for mutatis mutandis application of section 83C of the Customs Act, 1969 for cargo tracking system and generation of e-bilty. Furthermore, sub-section (5) pertaining to integration of electronic invoice system of the registered person by the licensed integrator has been omitted and transposed to section 23 for proper placement.

23. Improving appellate process

For the purpose of streamlining the process of filing appeals, pecuniary jurisdiction in filing of appeals provided under section 43A has been omitted.

Prior to Finance Act, 2025, Commissioner (Appeals) entertained those appeals against the orders passed under this Act wherein the value of assessment of tax or the refund did not exceed Rs. 10 million. Now, section 43A has been omitted and sub-section (1) of section 45B has been substituted. Resultantly, all orders passed under sections 10, 11A, 11D, 11E, 11F, 21, 33, 34 and 66 are made appealable before CIR (Appeals) irrespective of pecuniary limits. Furthermore, an option to directly file an appeal before the Appellate Tribunal Inland Revenue without availing the right of appeal under this section by the registered person has also been provided.

SOEs can only file appeal once they have exhausted the option of ADRC.

Sub-section (1) of section 46 has been substituted which provides procedure for filing of appeals before the Appellate Tribunal by the aggrieved person other than SOEs. Furthermore, a registered person is also entitled to prefer an appeal before the Appellate Tribunal against any order passed by an officer of Inland Revenue by avoiding the filing of appeal before the Commissioner (Appeals) in case the option under second proviso to sub-section (1) of section 45B is exercised.

24. Limiting the reference to High Court to the questions of law

Prior to Finance Act, 2025, reference can be filed against impugned order of CIR(A) or ATIR stating any question of law or a mixed question of law and fact arising out of such order. In continuation of amendments in section 45B and section 46, sub-section (1) of section 47 has also been substituted for streamlining of the legal requirements of filing of appeal before the High Court against the order passed by the Appellate Tribunal. Now reference can only be filed where a question of law arises out of the impugned order. Besides, time limit for filing of reference has been extended to sixty days. The amendment prevents undue burden on Hon. High Courts of references containing questions of facts.

25. Enabling provision to provide access of data to auditors

Prior to Finance Act, 2025, section 56B imposed bar on a public servant from disclosing any confidential information relating to the STA. Now, amendment in sub-section (1) of section 56B for imposition of said bar on experts or auditors appointed under sub-section (2) of section 32 has also been made. The purpose of this provision is to ensure privacy of registered persons' data.

26. <u>Reference of audit firm to Audit Oversight Board</u>

New section 58C has been introduced wherein the Chief Commissioner Inland Revenue is empowered to refer the audit firm to the Audit Oversight Board who has issued audit certificate to the registered person where the financial statements do not reflect the true and fair view of the affairs of the registered person with respect to the tax liabilities. It shall help in improving the audit oversight in Pakistan and make audited financial records more reliable for the sales tax purpose.

27. <u>Limiting input adjustment – A flexible approach</u>

Sub-section (4) of section 73 has been substituted which will empower the Board with the approval of federal government to fix the limit of input tax adjustment in relation with taxable supplies to unregistered persons in a financial year or a tax period.

28. <u>Addition of New Items in Third Schedule for Charging Sales Tax on Retail Price</u>

In order to ensure tax payment on retail price goods sold in retail packing e.g. imported pet food, imported coffee, imported chocolates and imported cereal bars sold in retail packing have been added in the Third Schedule.

The purpose of the inclusion of these items in the Third Schedule is to capture the down-stream value addition in the supply chain beyond import stage.

29. <u>Gradual withdrawal of Exemption on Import and Supplies for erstwhile FATA/PATA</u>

Exemption of sales tax on import and supply by the industrial units located in the erstwhile FATA/PATA was granted till 30.06.2023 which was further extended till 30.06.2024 and then extended till 30.06.2025. Industrial units located in settled areas have raised concerns about the misuse of this exemption as the most of the imported materials destined for FATA and PATA has ultimately landed in the settled areas making the industrial units in settled areas uncompetitive.

In order to remove the distortion, gradual imposition of sales tax on import and supplies by the industrial units located in erstwhile FATA/PATA has been enacted by adding S. No. 89 in the Eighth Schedule, thereby charging sales tax in phased manner at the following rates:

Tax period	Rate of ST
July, 2025 to June, 2026	10%
July, 2026 to June, 2027	12%
July, 2027 to June, 2028	14%
July, 2028 to June, 2029	16%
July, 2029 and onwards	18%

30. Withdrawal of exemption on Import of Solar Panels and allied parts

Solar panels, whether or not assembled in modules or made up into panels are exempt from sales tax under S. No. 164 of Table-1 of Sixth Schedule. Exemption on import and supply of photovoltaic cells disproportionately benefited commercial importers, while the local industry has been rendered uncompetitive due to the absorption of input tax costs on purchases, as exemption on raw material and components for local assembling of solar panel was not available.

In order to create level playing field and generate revenue, exemption available to solar panels/PV modules has been withdrawn and they shall be charged to tax at reduced rate of 10%.

31. Simplifying exemption on import of drugs namely Cystagon, Cysta drops and Trientine capsules

In order to streamline the aforesaid exemption, the condition i.e. 'for personal use only' has been be omitted to facilitate the limited number of patients and the commercial market of these drugs is limited. Earlier the patients use to run from pillar to post to get necessary approvals from a number of departments to show that the import is for personal use. This change in the law will reduce hardships of these limited patients and their families.

32. Withdrawal of exemption on local supply of imported scrap

Earlier, local supply of iron and steel scrap was exempt from sales tax, excluding those supplied by manufacturercum-exporter of recycled copper, authorized under Export Facilitation Scheme, 2021. This exclusion put non-EFS importer of iron scrap under disadvantage who used to pay tax at import stage but they could not claim their input tax as subsequent local supplies were exempt from tax. Now supplies of iron and steel scrap by non-EFS importers directly to steel melters have also been made taxable, subject conditions and restrictions specified by Board through STGO.

(Federal Excise Duty)

1. Liability to pay duty

Sub-section (5) of section 3 provides for the categories of persons who are liable to pay FED in supply chain. Through Finance act, 2025, a new clause (e) has been inserted in sub-section (5) of section (3) and it provides for situations not covered under clause (a), (b), (c) and (d). In such a situation, any person involved in the supply chain—including middlemen—can be held liable to pay Federal Excise Duty, if specified by the law.

2. Power to seize and confiscate counterfeit cigarettes, beverages or goods

Amendments have been introduced in section 26 and section 27 of the FEA to streamline the seizure and confiscation of counterfeit goods in line with digital interventions introduced from time to time and to create deterrence. Now dutiable goods manufactured or produced without affixing tax stamps or affixing counterfeit tax stamps, banderols, stickers, labels or barcodes have been made liable to seizure along with the conveyance used for movement of such goods. Furthermore, such seized goods are also made liable to outright confiscation.

3. **Assistance in seizure and confiscation of dutiable goods**

Through Finance Act, 2025, Board has been empowered to authorize officers of Revenue Department or Excise and Taxation Department not below the rank of BPS-16 to perform functions or exercise powers under section 26 (power to seize dutiable goods) and sub-section (1) of section 27 (power to confiscate dutiable goods) of the Act. Purpose of this amendment is to fill the enforcement gaps due to shortage of manpower and enlist the assistance of provincial authorities for enforcement purposes particularly in the far areas.

4. **Improving the appellate process**

For the purpose of streamlining the process of filing appeals, pecuniary jurisdiction in filing of appeals provided under section 33A has been omitted.

Prior to Finance Act, 2025, Commissioner (Appeals) entertained those appeals against the orders passed under this Act wherein the value of assessment of tax or the refund did not exceed Rs. 5 million. Now, section 33A and limit of pecuniary jurisdiction in section 33 has been omitted. Furthermore, an option to directly file an appeal before the Appellate Tribunal Inland Revenue without availing the right of appeal under this section by the registered person has also been provided.

Sub-section (1) of section 34 has been substituted which provides procedure for filing of appeals before the Appellate Tribunal by the aggrieved person other than SOE. Furthermore, a registered person is also entitled to prefer an appeal before the Appellate Tribunal against any order passed by an officer of Inland Revenue by avoiding the filing of appeal before the Commissioner (Appeals) in case the option sub-section (5) of section 33 is exercised.

5. **Limiting the reference to High Court to the questions of law**

Prior to Finance Act, 2025, reference can be filed against impugned order stating any question of law or a mixed question of law and fact arising out of such order. In continuation of amendments in section 33, and 34, sub-section (1) of section 34A has also been substituted for streamlining of the legal requirements of filing of appeal before the High Court against the order passed by the Appellate Tribunal. Now reference can only be filed where a question of law arises out of the impugned order. Besides, time limit for filing of reference has been extended to sixty days.

6. **Levy of FED on Day Old Chick (DOC)**

FED at Rs. 10 per DOC has been levied with the purpose of counting the production in the poultry supply chain. Levying FED on DOC will help to track the actual volume of poultry production and discourage underreporting in the sector, which has remained largely undocumented.

7. **Withdrawal of FED on allotment or transfer of immovable property**

Federal excise duty on allotment or transfer of residential and commercial plots, imposed through the Finance Act, 2024, has been withdrawn.

The Board reaffirms its commitment to provide every support for facilitating compliance to the newly introduced provisions in the STA and FEA. The Board will also ensure that the provisions related to enforcement are carried out in judicious manner with redressal committees in place comprising of representatives of business community and the Board.

Hameed

(Abdul Hameed)
Secretary (ST Budget)

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