

Government of Pakistan
Federal Board of Revenue
Revenue Division

Islamabad, the 16th December, 2020.

**NOTIFICATION
(SLES TAX)**

S.R.O. 1338(I)/2020.— In exercise of the powers conferred by section 50 of the Sales Tax Act, 1990, read with sub-section (2A) of section 25 thereof, the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Sales Tax Rules, 2006, namely:—

In the aforesaid Rules, after Chapter VIA, the following new Chapter shall be inserted, namely:—

**"Chapter VIB
Procedure for E-Audit**

44AA. Application.— The provisions of this chapter shall apply for the conduct of e-audit proceedings under sub-section (2A) of section 25 of the Sales Tax Act, 1990.

44AB. Definitions.— (1) In this Chapter, unless there is anything repugnant in subject or context,—

- (a) “Adjudicating Officer” means an officer of Inland Revenue to whom a case is assigned for assessment on the basis of audit report referred to in rule-44AC(e);
- (b) “Audit Officer” means an officer of Inland Revenue to whom a case is assigned for conducting e-audit under these rules;
- (c) “Competent Authority” means the Board in case of selection of audit under section 72B and Commissioner Inland Revenue having jurisdiction in case of selection under section 25 of the Act;

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- (d) "e-audit" means the audit proceedings of registered person conducted through electronic means including video links, or any other facility as may be specified by the Board from time to time; and
- (e) "IRIS" means a web based computer programme for operation and management of Inland Revenue taxes and laws administered by the Board.

(2) Words or expressions used but not defined here shall have the same meanings as are assigned to them in the Act.

44AC. Procedure for e-audit.- Where a case has been selected under section 25 or section 72B of the Act, as the case may be, and the competent authority issues directions to conduct e-audit, the following procedure shall be adopted, namely:—

- (a) the concerned Commissioner Inland Revenue shall serve a notice under sub-section (1) of section 25 of the Act to the registered person specifying the reasons for selection of his case for audit;
- (b) the Commissioner Inland Revenue having jurisdiction shall assign the case to an Audit Officer to conduct e-audit;
- (c) a registered person shall produce the record as required to be maintained under section 22 of the Act through IRIS or an electronic data carrier as notified by the Board;
- (d) a registered person shall not be required to appear either personally or through authorized representative in connection with any proceedings under e-audit before the Audit Officer:

Provided that a registered person may request for an opportunity of personal hearing through IRIS and such hearings shall be conducted exclusively through video links from personal computer system or any of the nearest Tax Facilitation Centre situated at the premises of field formations.

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- (e) the Audit Officer after considering all the information, documents or evidence, if the Audit Officer finds no discrepancy and have no conclusive proof against registered person, he may close the audit in IRIS under intimation to the Commissioner Inland Revenue having jurisdiction;
- (f) after completion of audit, examination of record and obtaining registered person's explanation on all the issues raised, if the Audit Officer does not agree with the declared version, he shall prepare an audit report, containing audit observations and finding. The Audit Officer shall forward the report to the Commissioner Inland Revenue having jurisdiction and also send a copy of it to the registered person through IRIS;
- (g) the Commissioner Inland Revenue having jurisdiction shall assign the case to an Adjudicating Officer to make an order for assessment of tax under section 11, including imposition of penalty and default surcharge in accordance with section 33 and 34 of the Act;
- (h) on the basis of the audit report referred to in sub-rule (e), the Adjudicating Officer shall issue a show cause notice through IRIS to the registered person; and
- (i) the Adjudicating Officer may, if considered necessary, after obtaining the registered person's explanation on all the issues raised in the audit report, pass an order under section 11 of the Act."

[F.No.1/33-STB-II/2020]


(Fakhryia Anjum)
Secretary (ST&FE-Budget)