

Government of Pakistan
Revenue Division
Federal Board of Revenue

NOTIFICATION
(SALES TAX)

Islamabad, the 11th December, 2023.

S.R.O. 1788(I)/2023. - In exercise of the powers conferred by section 50 of the Sales Tax Act, 1990, 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 said Rules, in Chapter XIV-BB,

(i) for the heading **“INTEGRATION OF TIER-I RETAILERS AND LICENSING THEREOF”** the heading **“INTEGRATION FOR ELECTRONIC INVOICING AND LICENSING THEREOF”** shall be substituted;

(ii) for the expression “Tier-I Retailers” or “Tier-I Retailer” appearing any where in the chapter, the words “registered person” shall be substituted;

(iii) in rule 150ZQZH,-

(a) for sub-rule (1), the following shall be substituted, namely:-

“(1) No person shall carry out integration of the registered persons, including tier-I retailers, through software unless he has obtained a license under these rules.; and

(b) for sub-rule (3), the following shall be substituted, namely:-

“(3) Every payment counter whether fixed or portable and generates invoices for receipt of payment either in cash or through debit or credit card shall be integrated with the Board through the system accredited and licensed by the Board.; and

(c) sub-rule 4 shall be omitted.”.

(iv) in rule 150ZQZI, for sub-rules (1) and (2), the following shall be substituted;

“(1) Board shall nominate a licensing committee which shall function in accordance with the provisions of these rules or any other instructions, procedures, issued by the Board.

(2) Member Digital Initiatives shall be the convener of the licensing committee.”.

(v) in rule 150ZQZJ for sub-rules (1) and (2), the following shall be substituted, namely:-

(1) An application for grant of license for integration of any registered person, shall be made in duplicate to the Board.

(2) No application under sub rule (1) shall be considered, unless it is accompanied by —

- (i) a comprehensive profile of the company;
- (ii) brief about managerial and technical personnel indicating name, position, qualification and experience;
- (iii) total number of current employees;
- (iv) documents showing relevant capacity of the development and integration with enterprise resource planning systems and Payment Processing Systems;
- (v) registration certificate issued by Pakistan software houses Association or Institute of Chartered Accountants of Pakistan;
- (vi) audited statement of accounts for the last three financial years;
- (vii) list of major clientele;
- (viii) incorporation certificate under the Companies Act;
- (ix) National Tax Number (NTN) Certificate;
- (x) the paid up capital for the latest financial year is at least Rs.10 million or above;
- (xi) registration with Sales Tax Department if required;
- (xii) Computerized National Identity Cards (CNICs) of directors of the incorporated company;
- (xiii) undertaking that the company has never been blacklisted by any Government or Provincial department or organization and has not been involved in confirmed cases of fiscal fraud;

- (xiv) list of projects executed in the last three years; and
- (xv) any other documents required through instructions orders issued by the Board.”.

(vi) in rule 150ZQZK,

(a) for sub-rule (3), the following shall be substituted, namely

“(3) The licensing committee shall recommend or reject an application within fifteen days of date of submission of the application, specifying reasons for recommending or rejection of any application under these rules.; and

(b) for sub-rule (5), the following shall be substituted, namely:-

“(5) The licensing committee shall grant the license to the recommended companies with the approval of Member Digital Initiatives and shall publish list of licensees.”.

(vii) in rule 150ZQZM, for sub-rule (2), the following shall be substituted, namely:-

“(2) The licensing committee shall evaluate the application and make recommendations to Member Digital Initiatives for the renewal of the license.”.

(viii) for rule 150ZQZO, the following shall be substituted, namely:-

“150ZQZO. Responsibilities of the Member Digital Initiatives.—
The Member Digital Initiatives shall be responsible for overall supervision of the system and the steps taken to address problems encountered during operation of the systems.”; and

(ix) in rule 150ZQZP, for sub-rules (1) and (2) the following shall be substituted, namely:-

“(1) Member Digital Initiatives as a result of supervision of the system or on receipt of a report from any of the Commissioners Inland Revenue, or on a valid complaint, has reasons to believe that the licensee has;

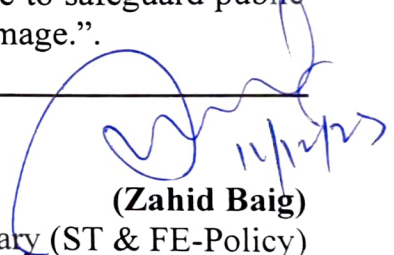
- (a) failed to provide specified services to the satisfaction of the Board;
- (b) contravened any of the conditions of the license;
- (c) contravened any provision of these rules or the Act; or

(d) violated any applicable law while being a licensee under these rules, shall initiate process for cancellation of the license, issued.

(2) On receipt of complaint or report under sub-rule (1), the licensing committee shall cause to serve a notice upon the licensee within fifteen days of receipt of the reference, to show cause within fifteen days of the date of the notice, as to why the license issued under these rules, may not be cancelled or terminated:

Provided that if on the basis of material evidence, there exists prima facie sufficient grounds against the licensee, the licensing committee may suspend the license to safeguard public finances and to prevent any other serious damage.”.

[C.No. 1(11)DD(DI)/23]


(Zahid Baig)
Second Secretary (ST & FE-Policy)