

**Government of Pakistan
(Revenue Division)
Federal Board of Revenue**

**NOTIFICATION
(Income Tax)**

Islamabad, the 22th December, 2023.

S.R.O. 1845(I)/2023. – The following draft of certain further amendments in the Income Tax Rules, 2002, which the Federal Board of Revenue proposes to make in exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), is hereby published for information of all persons likely to be affected thereby, as required by sub-section (3) of the said section, and notice is hereby given that objections or suggestions thereon, if any, may for consideration of the Federal Board of Revenue be sent within seven days of publication of the draft in the official Gazette.

Any objection or suggestion which may be received in respect of the said draft, before the expiry of the aforesaid period, shall be considered by the Federal Board of Revenue.

DRAFT AMENDMENTS

In the aforesaid rules, in Chapter – VIIA,-

(1) in rule 33B,-

(a) in sub-rule (1),-

- (i) after the word “install”, the words “and integrate” shall be inserted; and
- (ii) after the expression “software,”, the words “through an accredited vendor” shall be inserted;

(b) in sub-rule (2),-

- (i) after the expression “notify to the Board,”, the expression “within three months of issuance of these rules” shall be inserted;

- (ii) in clause (e), the word “and” appearing at the end shall be omitted; and
- (iii) in clause (f), for the full stop at the end, the semi colon and the word “and” shall be substituted and thereafter the following new clause (g) shall be added, namely: –
 - “(g) license number of accredited POS Software provider.”;

(2) in rule 33C, –

(a) in sub-rule (1),-

- (i) after the expression “vendor,”, the expression “or an integrated enterprise,” shall be inserted;
- (ii) after the words “supply”, the expression “or install” shall be inserted; and
- (iii) after the words “accreditation of the”, the expression “Electronic Fiscal Device (EFD),” shall be inserted;

(b) for sub-rule (2), the following shall be substituted, namely: –

“(2) On receiving the application under sub-rule (1), the Board shall, through its nominated committee, determine accreditation of the brand, model and specification of the EFD, which means a system composed of one Sale Data Controller (SDC) and at least one Point of Sale (POS) connected together. During the accreditation process, the supplier must provide licensing committee with access to information and equipment and any other assistance reasonably required for carrying out the process.”;

(c) in sub-rule (3), for the word “Board”, the words “licensing committee” shall be substituted;

(d) for sub-rules (4) and (5), the following shall be substituted, namely: -

“(4) The licensing committee shall, without delay after accrediting a vendor under this sub rule, communicate to the

vendor and publish the details of the brand, model and specification of the EFD on its website alongwith the issued license number and date of accreditation.

(5) The licensing committee may revoke the accreditation of vendor if the brand, model and specification of the EFD ceases to comply with the determined parameters. The notice of revocation shall be sent to the vendor specifying the reasons for revocation and also to the integrated supplier operating such EFD. The licensing committee shall also immediately remove the particulars of the EFD from its website.”; and

(e) after sub-rule (5), amended as aforesaid, the following new sub-rules shall be added, namely: –

“(6) 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.

(7) Member Digital Initiatives shall appoint an officer not below the rank of an Additional Commissioner (BPS-19) to be the convener of the licensing committee.

(8) The licensing committee shall evaluate the applications and make recommendations to Member Digital Initiatives for the renewal of the license.

(9) The convener of the licensing committee as appointed by 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.

(10) The convener of the licensing committee 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 Ordinance; or
- (d) violated any applicable law while being a licensee under these rules, shall initiate process for cancellation of the license.

(11) On receipt of complaint or report under sub-rule (10), 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 revoked:

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.”;

- (3) for rule 33E, the following shall be substituted, namely: –

“33E. Application for grant of license. — (1) An application for grant of license for integration of any integrated enterprise shall be made in duplicate to the Member Digital Initiatives, FBR.

(2) No application under sub rule (1) shall be considered, unless it provides the following information and fulfills the criterion mentioned hereunder: —

- (a) a comprehensive profile of the company;
- (b) brief about managerial and technical personnel indicating name, position, qualification and experience;
- (c) total number of current employees;

- (d) documents showing relevant capacity of the development and integration with Enterprise Resource Planning systems and Payment Processing Systems;
- (e) registration certificate issued by Pakistan Software Houses Association or Institute of Chartered Accountants of Pakistan;
- (f) audited statement of accounts for the last three financial years;
- (g) list of major clientele;
- (h) incorporation certificate under the Companies Act;
- (i) National Tax Number (NTN) Certificate;
- (j) the paid up capital for the latest financial year is at least Rs.10 million or above;
- (k) registration with Sales Tax Department if required;
- (l) Computerized National Identity Cards (CNICs) of directors of the incorporated company;
- (m) 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;
- (n) list of projects executed in the last three years; and
- (o) any other documents required through instructions or orders issued by the Board.”.

[F.No. 02-IT/POS/IR/2021]


22/12/23
(Angel David)

Second Secretary (Rules & SROs)