

Government of Pakistan
Revenue Division
Federal Board of Revenue

Notification
(Sales tax)

Islamabad, the 7th March, 2024

S.R.O. 350 (I)/2024.- In exercise of powers conferred by section 50 of the Sales Tax Act, 1990, the Federal Board of Revenue is pleased to make the following further amendments in the Sales Tax Rules, 2006, namely: —

In the aforesaid rules, —

(1) in rule 5, —

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

- (i) the word “and” appearing in clause (d) shall be omitted;
- (ii) in clause (e), for the full stop at the end, the expression “; and” shall be substituted and thereafter the following new clause shall be added, namely: —

“(f) in the case of an individual, association of persons and a company having only one shareholder or member, other than manufacturer, a balance sheet indicating the amount of business capital with corresponding assets in the bank, amounts attributable to partners with percentage, as the case may be:

Provided that where an individual, an association of persons and a company having only one shareholder or member, other than manufacturer, already registered, do not fulfil the requirement of clause (f) within thirty days from the date the said requirement comes into force, the electronic filing of return shall only be allowed with prior authorization of the Commissioner through IRIS.”;

(b) in sub-rule (3), for the full stop at the end, a colon shall be substituted, and thereafter a proviso shall be added, namely: —

“Provided that in the case of an individual, an association of persons, and a company having only one shareholder or member, as the case may be, the IRIS shall register such persons only after the LRO is satisfied that the requirements under sub-rule (2) of this rule has been uploaded in IRIS, and the LRO has approved the application through an order in IRIS.”;

- (c) in sub-rule (4), for the full stop at the end, a colon shall be substituted, and thereafter a proviso shall be added, namely: —

“Provided that every individual, any member of an association of persons, and a director of a company having only one shareholder or member, as the case may be, shall visit e-Sahulat Centre of NADRA during the month of July every year, for bio-metric re-verification, and in case of failure to do so, the electronic filing of return shall only be made with prior authorization of the Commissioner through IRIS.”;

- (d) in sub-rule (5), for the expression “post-verification”, the expression “pre-verification or post-verification or both, as the case may be” shall be substituted.;

- (2) in rule 18, —

- (a) in sub-rule (1), after the first proviso, for the full stop at the end, a colon shall be substituted and thereafter the following new provisos shall be inserted, namely: —

“Provided further that where the sales being declared in the sales tax return by an individual, an association of persons, or a company having only one shareholder or member, other than being a manufacture, as the case may be, are five times more than the declared business capital, the electronic filing of return shall only be made with prior authorization by the Commissioner through IRIS.”;

- (b) in sub-rule (3), in the proviso at the end for full stop a colon shall be substituted and thereafter the following new proviso shall be added, namely: —

“Provided further that the return filed by the buyer for a tax period shall be taken as provisional return in IRIS, until the respective seller files his return for the same tax period up to the last day of the month in which the due date of filing of return falls, and in case, —

- (a) where the seller fails to file his return by the last day of the month in which the due date of filing of return falls, IRIS shall compute the sales tax liability of the buyer, after deleting the invoices issued by the non-filer seller and the corresponding input tax in the provisional return of the buyer, and such provisional return shall be taken as valid by IRIS, after payment of the sales tax liability, so computed; and
- (b) where the seller files his return accompanied with payment of sales tax liability, by the last day of the month in which the due date of filing of return falls, the provisional return of the buyer shall be taken as valid by IRIS with the claim of invoices from the seller and corresponding input tax and after payment of the sales tax liability.”;
- (c) sub-rule (4) shall be omitted and after the omitted sub-rule (4), the following new sub-rule (4A) shall be inserted, namely: —

“(4A) in respect of claim of credit of sales tax withheld, where a registered person declares an amount of sales tax withheld by a withholding agent, but does not declare the corresponding sales to such withholding agent in his return, as the case may be, the amount of sales tax withheld and reduction in output tax shall not be allowed to such person.”;

- (d) in sub-rule (5), —
 - (i) clause (i) shall be omitted; and
 - (ii) in clause (iv), —
 - (A) the expression “(i),” shall be omitted; and

(B) the expression “inadmissible input tax credit in terms of clause (I) of sub-section (1) of section 8 read with proviso to clause (i) of sub-section (2) of section 7 of the Sales Tax Act, 1990 and sub-section (2A) of section 6 of the Federal Excise Act, 2005 and” shall be omitted;

(e) in sub-rule (7), —

(i) the expression “balance of earlier disallowed input tax credit in terms of clause (I) of sub-section (1) of section 8 read with proviso to clause (i) of sub-section (2) of section 7 of the Sales Tax Act, 1990 and sub-section (2A) of section 6 of the Federal Excise Act, 2005 and” shall be omitted;

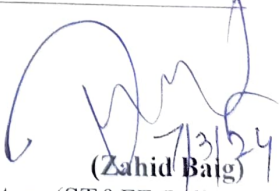
(ii) the word “supplier or” shall be omitted; and

(iii) the words “to declare his supplies made to the registered person and file monthly sales tax and federal excise return or” shall be omitted; and

(3) in rule (20), in sub-rule (3), for the full stop at the end, a colon shall be substituted, and thereafter the following new proviso shall be added, namely: —

“Provided that the credit note under this sub-rule shall only be issued with the prior approval of the Commissioner.”

[C.No. 1(45)ST-L&P/2022-Pt]


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