

Government of Pakistan
Revenue Division
Federal Board of Revenue

NOTIFICATION

Islamabad, the 22nd October, 2026

S.R.O. 1889 (I)/2026. In exercise of the powers conferred by section 50, read with section 40F, 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, in Chapter XVII-B, after section 158K, the following shall be inserted, namely:—

**CHAPTER XVII-C
ELECTRONIC AUCTION (E-AUCTION)
DISPOSAL OF SEIZED AND CONFISCATED GOODS**

158L. Definitions. (1) In this Chapter, unless there is anything repugnant in the subject or context,—

- (a) “auctionable goods” means goods which have become available for disposal by public auction under the Act and the rules made thereunder;
- (b) “authorized officer” means an officer of Inland Revenue authorized by the Commissioner Inland Revenue for conduct and completion of an electronic auction;
- (c) “bid” means the price offered through the e-auction portal for goods put to auction separately, in lots, or in a combination of lots, as specified in the auction notice;
- (d) “bidder” means a person himself or an entity itself or by its duly authorized person registered in the e-auction module of Inland Revenue and submitting a bid electronically in respect of goods put to auction;
- (e) “custodian” means an Inland Revenue Officer authorized by the Commissioner Inland Revenue in this behalf or, as the case may be, Chief Commissioner Inland Revenue Large Taxpayer Office, Corporate Tax Office or Regional Tax Office or Tax Facilitation Center or any person or entity having lawful custody of the goods as notified or, as the case may be, designated by Commissioner Inland Revenue having jurisdiction for safe and secure custody of seized and confiscated goods liable for auction;

- (f) “custody receipt” means an electronically or manually generated record acknowledging the physical receipt, quantity, description, condition and particulars of goods taken into custody for the purposes of these rules.
- (g) “e-auction module” means the electronic auction platform administered by the Board for registration, listing, bidding, approval, payment, delivery and maintenance of electronic records relating to auction proceedings;
- (h) “owner” means the person entitled to the balance of sale proceeds under clause (c) of sub-section (4) of section 40F of the Act
- (i) “reserve price” means the approved minimum price fixed for a lot;
- (j) “successful bidder” means the bidder whose bid is accepted in accordance with these rules and the terms and conditions of the auction; and
- (k) “unique auction number” means the unique electronic number assigned to an auction or a lot within the same auction.

158M. E-registration of bidders.—(1) A person holding a valid CNIC or NICOP may get himself registered electronically as bidder through the e-auction module by submitting an online application and on one-time payment of fee of not less than twenty-five thousand rupees.

(2) Upon successful registration, the e-auction module shall assign a unique identification number and communicate registration through the registered email or mobile number.

(3) The authorized officer, at the time of registration process, may verify registration particulars and may reject an application on valid grounds recorded in writing including on ground of non-compliance or violation of any relevant provisions of Public Procurement Authority Rules, 2004.

158N. Role of custodian of goods.— The custodian shall have access to e-auction module who shall perform the following functions, namely:

- (a) identify and record goods lawfully available for disposal through public auction, including—
 - (i) confiscated goods; and
 - (ii) seized goods finalized for disposal under an adjudication order;
- (b) update the inventory of auctionable goods in the e-auction module and upload their particulars, photographs and relevant documents for initiation of auction proceedings;
- (c) ensure safe custody of the goods until delivery to the successful bidder;
- (d) facilitate inspection of the goods by prospective bidders;
- (e) deliver the auctioned goods to successful bidder upon confirmation of payment of duties and taxes, issuance of the electronic release order and fulfillment of applicable legal requirements; and

- (f) maintain complete electronic and physical records relating to the goods, auction proceedings, successful bidders, custody and delivery.

158O. Procedure for Referring Goods to e-Auction. - (1) Goods liable to disposal through auction shall be uploaded into the e-auction module by the custodian along with relevant particulars.

(2) The e-auction module shall assign the goods to the authorized officer and generate electronic auction proceedings.

(3) The authorized officer may issue notice, electronically or manually, to the owner, claimant, or agent, if required, prior to auction.

158P. Procedure for fixation of reserve price.—(1) The e-auction module shall assign a unique auction number to each auction separately, in lots, or in a combination of lots.

(2) The authorized officer shall, before commencement of auction proceedings, verify—

- (a) the order under which the goods became available for disposal;
- (b) any stay order granted by any judicial forum;
- (c) any available release or redemption option under the Act;
- (d) whether the goods are prohibited, restricted, hazardous, perishable or subject to any special disposal requirement; and
- (e) any approval, permission or compliance requirement under any applicable law.

(3) Goods, subject to clause (b) of sub-rule (2), shall not be offered for auction until such stay granted by a judicial forum ceases to operate or withdrawn, whichever is earlier.

(4) The authorized officer shall, before each auction, fix the reserve price of each lot on the recommendation of a valuation committee comprising an Additional Commissioner, a Deputy Commissioner and an Assistant Commissioner notified by the Chief Commissioner Inland Revenue having jurisdiction of the case. The valuation committee may co-opt a technical or valuation expert from the market, if required.

(5) The reserve price shall be determined by the valuation committee, having regard to depreciation for age, condition and remaining shelf life, on the basis of following criteria, namely:-

- (a) the average unit price of the same or like goods in invoices declared in sales tax returns for the last three preceding tax periods;
- (b) for goods with a printed retail price, that price less a dealer or wholesaler margin;

- (c) for imported goods, the customs-assessed value plus duties and taxes of like goods from recent goods declarations;
 - (d) where none exists, the average of two written quotations from dealers or seller of like goods form the market.
- (6) If a lot is not sold in three consecutive auctions, the committee may reduce the reserve price by up to ten percent of the reference reserve price at a time.
- (7) The authorized officer shall specify any NOC, permission, restriction or other compliance requirement applicable to the successful bidder.
- (8) In the case of vehicles, valuation and assessment shall be carried out in accordance with instructions issued by the Board from time to time.

158Q. Auction Proceedings.— The authorized officer shall publish the auction notice through the e-auction module and the notice shall specify, as applicable, the unique auction number, description and quantity of goods, location, reserve price, photographs, inspection arrangements, auction period, minimum bid increment, bid security, applicable taxes and duties, restrictions or NOCs, terms of sale, payment, auction starting and closing date and time, mode of auction including “as is where is basis” or “lot basis” and delivery conditions and consequences of default.

158R. Bidding Process and acceptance of bid. — (1) The goods shall remain available for online bidding for seventy-two hours from the time of receipt of first bid and the e-auction module shall automatically display the highest bid upon receipt of every higher bid.

(2) The e-auction module shall record each valid bid with date, time and bidder identification and display the highest valid bid subject to applicable security and privacy controls.

(3) After the expiry of bidding time as specified in sub-rule (1), the highest bids or offers received against the reserved price shall be processed for acceptance or rejection by the authorized officer who shall accept the highest bid offer within seventy-two hours of close of bid process. The highest bid offer price shall not be less than the reserve price fixed for the auction separately, in lots, or in a combination of lots:

Provided that a bid price offer below the reserve price shall not be accepted unless the authorized officer put the case for acceptance of such bid price to the Commissioner Inland Revenue with reason to be recorded in writing and the Commissioner Inland Revenue may, after having satisfied himself to the adequacy of bid price having regard to physical condition of the goods including its shelf life, approve the case for acceptance of such lower bid price which shall not be less than eighty percent of the reserve price. A bid price lower than eight percent may be accepted by the Chief Commissioner Inland Revenue for reason to be recorded in writing.

(4) Upon acceptance, the e-auction module shall generate the sale confirmation and prescribed payment instrument and acknowledge the successful bidder through registered email or registered mobile phone.

158S. Payment by successful bidder.—(1) The successful bidder shall pay hundred percent of the accepted bid amount together with applicable taxes, duties, fees and charges within seven days of electronic communication of acceptance within seventy-two hours of the acceptance of the bid as specified in sub-rule (4) of rule 158R. The provisions of section 236A of the Income Tax Ordinance, 2001 (XLIX of 2001) shall apply on the success bidder.

(2) The e-auction module shall generate payment challan and the payment shall be made through the specified electronic channel by generating PSID or other mode as specified by the Board.

(3) No goods shall be released until the full amount payable has been received and verified.

(4) Upon confirmation of full payment, the authorized officer shall issue an electronic release order to the custodian for delivery of the goods.

(5) Where the successful bidder fails to make payment within the prescribed period, the authorized officer may—

- (a) cancel the sale;
- (b) forfeit the bid security, where applicable;
- (c) offer the lot to the next highest valid bidder; or
- (d) order re-auction.

(6) A defaulting bidder may be suspended from participation in future auctions for a period not exceeding six months, after providing an opportunity of being heard or suspension for a period specified under Public Procurement Authority Rules, 2004.

158T. Delivery of auctioned goods by Custodian.—(1) The custodian shall deliver the goods after verification of the release order, payment, original CNIC or NICOP and all applicable legal requirements, and shall issue a delivery challan accordingly.

(2) The e-auction module shall generate a delivery challan or certificate containing the unique auction number, lot particulars, successful bidder, sale consideration, applicable taxes, duties and charges and date of sale.

158U. Sale proceeds.—(1) Sale proceeds shall be dealt with in accordance with section 40F of the Act.

(2) The proceeds shall first be applied towards lawful sale expenses and thereafter towards applicable taxes, duties, penalties, surcharge and Federal and Provincial Government dues, where applicable.

(3) Any balance payable to the owner shall be dealt with in accordance with section 40F of the Act.

- (4) If the received bid amount is more or less, the e-auction module shall automatically adjust the value of the goods as per the bid amount and accordingly the incidence of duty and taxes on such value.

158V. Powers of Commissioner Inland Revenue.—(1) Notwithstanding anything contained in these rules, the Commissioner Inland Revenue may:

- (a) cancel auction proceedings by assigning reasons in writing;
- (b) suspend, withhold, or recall auction proceedings in public interest;
- (c) recover goods even after delivery where fraud, misrepresentation, or revenue loss is established;
- (d) disallow participation of any bidder on reasonable grounds;
- (e) suspend or deregister bidder credentials from the e-auction module; and
- (f) place any auction proceedings on hold pursuant to any court order or its lawful direction.

(2) The Commissioner Inland Revenue may issue general or special orders regulating electronic auction proceedings.

158W. Miscellaneous.—(1) The following goods shall not ordinarily be put to auction except in accordance with directions issued by the Board, namely:-

- (a) arms and ammunition;
- (b) narcotics or prohibited substances;
- (c) obscene or prohibited material;
- (d) counterfeit goods; and
- (e) goods prohibited under any law for the time being in force.

(4) Electronic records maintained under the System shall be deemed valid record for purposes of the Act and these rules.

[C. No. 3(90)/ ST & FE Policy/2026]


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