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

Islamabad, the 18th November, 2026.

**NOTIFICATION**
**(INCOME TAX)**

2136

**S.R.O. (I)/2026.-** 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), read with sections 127, 128, 129, 129A, 209B, 218, 227D and 227E thereof, is hereby publish for information of all persons likely to be affected thereby, and as required by sub-section (3) of section 237, notice is hereby given that objections and suggestions thereon, if any, may for consideration of the Board be sent within three days of publication of amendments in the official Gazette. Any objections or suggestions which may be received from any person before the expiry of the aforesaid period, shall be taken into consideration by the Federal Board of Revenue, namely: —

In the aforesaid Rules,—

(1) in rule 235, in sub-rule (2),—

(a) in clause (c), the word "and", occurring at the end, shall be omitted;

(b) in clause (d), for the full stop at the end, a semicolon and the word "and" shall be substituted and thereafter the following new clause shall be added, namely:—

"(e) Appeals Wing."; and

(2) after Chapter XIX, the following new Chapter XIXA shall be inserted, namely:—

**"CHAPTER XIXA**
**FACELESS APPEALS**

**245A. Application and commencement.—** (1) The provisions of this Chapter shall apply to all appeals under section 127 which are processed through the Center under section 129A, namely:—

(a) appeals against orders passed by an authority of the Center; and

(b) appeals against orders passed by any other authority in respect of such persons, classes of persons, orders or classes of orders as the Board may, by notification in the official Gazette, specify.

(2) This Chapter shall come into force on such date as the Board may, by notification in the official Gazette, specify, and different dates may be specified for different classes of appeals.

(3) An appeal pending before a Commissioner (Appeals) on the date on which this

Chapter becomes applicable to it shall continue to be heard and decided by that Commissioner (Appeals), unless the Board, by order, directs its transfer to the Center, in which case the record shall be transferred electronically and the proceedings shall continue from the stage at which they stood on the date of transfer.

(4) Nothing in this Chapter shall affect the option of an aggrieved person under the proviso to sub-section (1) of section 127 to file an appeal directly before the Appellate Tribunal.

**245B. Definitions.**— (1) In this Chapter, unless there is anything repugnant in the subject or context,—

(a) "Appellate Unit" means a unit of the Appeals Wing of the Center in the charge of a Commissioner (Appeals) appointed in the Center under sub-section (2) of section 227D;

(b) "e-portal" or "system" means the Iris web portal or any designated automated system maintained by the Board for electronic filing, communication, and processing of faceless appeals;

(c) "respondent" means the Commissioner specified in rule 245F and includes the officer designated by him under that rule; and

(2) The words and expressions used but not defined in this Chapter shall have the same meanings as are assigned to them in Chapter XX.

**245C. Appeals Wing.**— (1) The Appeals Wing of the Center shall comprise as many Appellate Units as the Board may deem fit, and each Appellate Unit shall be in the charge of a Commissioner (Appeals).

(2) The Appeals Wing shall work under the administrative control of the Member (Legal) Inland Revenue of the Board. The Director General, the Chief Commissioner or any other authority of the Center shall not exercise any control over, or give any direction to, a Commissioner (Appeals) in respect of the hearing or decision of an appeal.

(3) An appeal shall be heard and decided by the Commissioner (Appeals) in charge of the Appellate Unit to which it is allocated.

(4) No officer who has performed the audit, assessment or quality control function in a case, or who has passed the order appealed against, shall hear or decide the appeal against that order.

(5) An order passed under this Chapter shall not be subject to quality control review under rule 242.

(6) Where a Commissioner (Appeals) has any personal or financial interest in, or connection with, the appellant or the case allocated to him, he shall record a declaration to that effect in the system and shall not hear the appeal, and the appeal shall be re-allocated under rule 245E.

**245D. Electronic filing and allocation of appeals.**— (1) An appeal under section 127 shall be filed electronically through the Board's e-portal in the prescribed form and manner under rule 76.

(2) Upon successful electronic filing, the system or the Centre shall automatically assign a unique appeal number and allocate the appeal to an Appellate Unit or Commissioner (Appeals) on a random, dynamic, and automated allocation basis through the allocation algorithm, and every allocation shall be logged in the system.

(3) The identity of the Appellate Unit and of the Commissioner (Appeals) handling the appeal shall remain anonymous and hidden from the appellant, his authorized representative and the respondent at any stage, including in the order passed in appeal, as provided under sub-section (5) of section 209B.

(4) The appeal shall be transmitted electronically to the respondent through the system upon its allocation, and such transmission shall be treated as compliance with rule 76C.

**245E. Re-allocation and transfer of appeals.**— (1) The Board or the Centre may, through the allocation algorithm, transfer or re-allocate any pending appeal from one Appellate Unit to another to ensure optimal workload distribution, efficiency, and impartiality, or where sub-rule (6) of rule 245C applies:

Provided that after the hearing of an appeal has commenced, it shall not be transferred or re-allocated except for reasons to be recorded in writing, and where it is so transferred or re-allocated, the appellant shall, on request, be heard afresh.

(2) Every transfer or re-allocation shall be logged in the system with reasons, and shall not affect the computation of the periods specified in the provisos to sub-section (4) of section 129.

**245F. Respondent and representation.**— (1) In an appeal against an order passed by an authority of the Center, the Commissioner of the Wing in which the order was passed shall be the respondent, and he may designate an officer of that Wing, other than the officer who passed the order, to represent him in the appeal.

(2) In any other appeal, the Commissioner having jurisdiction over the appellant under section 209 shall be the respondent.

(3) Where parawise comments are required under sub-rule (2) of rule 76H, the respondent shall upload them through the system within seven days of the requisition or within such other period as the Commissioner (Appeals) may allow.

**245G. Procedure in faceless hearing and submissions.**— (1) All notices, requisitions, written submissions, arguments, rejoinders, and evidence shall be issued, served, and filed exclusively in electronic form through the e-portal.

(2) The appellant, the respondent and their authorized representatives shall not appear in person before the Commissioner (Appeals), and the hearing shall be held only through e-hearing under rule 245I.

(3) The Commissioner (Appeals) shall examine the grounds of appeal, impugned order, written submissions, and electronic record available on the system.

(4) A document required under rule 76D or rule 76F to be produced in original shall be uploaded as a scanned copy verified in the manner specified by the Board, and the Commissioner (Appeals) may, for reasons to be recorded in writing, require the original to be

produced before a unit of the Field Operations Wing, which shall verify it and upload its report.

(5) An application for condonation of delay under sub-section (6) of section 127, for urging a new ground under sub-section (3) of section 128 or for admission of documentary material or evidence under sub-section (5) of section 128 shall be filed through the e-portal and decided electronically.

(6) Where the Commissioner (Appeals) calls for particulars or causes further enquiry to be made under sub-section (4) of section 128, the requisition shall be sent to the respondent through the system, and the respondent shall upload the report within the time specified; and where physical verification is required, it shall be carried out through the Field Operations Wing.

**245H. Stay applications.**— (1) An application for stay of recovery under sub-section (1A) or (1AA) of section 128 shall be filed through the e-portal, and the system shall fix it for e-hearing within the time specified in sub-rule (1) of rule 76G and notify the respondent at the same time.

(2) The Commissioner (Appeals) shall hear the respondent through e-hearing before deciding the application, and shall decide it electronically within the period specified in sub-rule (2) of rule 76G.

(3) An order on a stay application shall be communicated through the system to the appellant, the respondent and the Field Operations Wing on the day it is passed.

**245I. E-hearing through video conferencing.**— (1) In every appeal, notice of the date and time of hearing shall be issued to the appellant and the respondent through the system under sub-section (1) of section 128, and an e-hearing shall be conducted strictly through video-conferencing facilities provided by the Board or through secure digital communication links:

Provided that the appellant may, through the e-portal, opt to have the appeal decided on the basis of written submissions, in which case the respondent shall be given an opportunity to file written comments and the appellant shall have a right of reply.

(2) During an e-hearing, the face of the Commissioner (Appeals) shall not be shown and his voice shall be modulated so that his identity is not disclosed.

(3) E-hearings shall be conducted in accordance with section 227E of the Ordinance and the technical standard operating procedures specified by the Board.

(4) Proceedings of all e-hearings shall be recorded and archived digitally in the e-portal and shall form part of the electronic record of the appeal.

(5) An appellant who does not have access to the internet may request, through the e-portal or at a unit of the Field Operations Wing, to attend the e-hearing from the e-hearing room of the nearest unit of the Field Operations Wing, and that unit shall facilitate the appellant on the date and time fixed.

**245J. Digital authentication and issuance of orders.**— (1) Every order, decision, direction, or notice issued under this Chapter shall be generated on the Board's computerized system, bear a Digital Identification Number (DIN) and be authenticated electronically through the system without the name, designation or signature of the Commissioner (Appeals), and rule

76N shall apply accordingly.

(2) Upon finalization of the decision, the order passed under section 129, specifying the amount of tax upheld, shall be uploaded on the e-portal and communicated electronically to the appellant, the respondent Commissioner, and the Field Operations Wing simultaneously, and the respondent shall give effect to the order in accordance with section 124.

(3) An order issued and served under sub-rule (2) shall be treated as properly served if sent to the designated account of the appellant, which shall be service electronically in the prescribed manner under clause (d) of sub-section (1) or, as the case may be, clause (d) of sub-section (2) of section 218, read with rule 74.

(4) An order passed under this Chapter shall be identified by its appeal number and DIN, which shall be stated in an appeal to the Appellate Tribunal under section 131 in place of the name of the Commissioner (Appeals).

(5) A mistake apparent from the record in an order passed under this Chapter shall be rectified under section 221 by the Appellate Unit through the system.

**245K. Application of Chapter XII.**— (1) Subject to this Chapter, the provisions of Chapter XII shall apply to appeals to which this Chapter applies, except the requirement to produce originals under rules 76D and 76F and the reference to the place of hearing in rule 76H, and in case of any inconsistency, the provisions of this Chapter shall prevail.

(2) Any function assigned under Chapter XII to an official authorized by the Commissioner (Appeals) shall be performed through the system.

**245L. Failure of the system.**— Where an appeal, application or reply could not be filed within time because the e-portal was not available owing to a technical failure confirmed by the Board, such failure shall be treated as sufficient cause for the purposes of sub-section (6) of section 127.

**245M. Power to issue instructions.**— The Board may issue instructions, standard operating procedures and formats for the implementation of this Chapter, not inconsistent with the Ordinance and these rules.".

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[F.No. 1(19)R&S/2026]

**(Naveed Hassan)**
Secretary (Rules and SROs)