Government of Pakistan
Revenue Division
Federal Board of Revenue
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Islamabad, the 5th November, 2026

NOTIFICATION

S.R.O. 2063 (I)/2026. In exercise of the powers conferred by section 50 of the Sales Tax Act, 1990 (VII of 1990), read with sections 9 and 23 thereof, the Federal Board of Revenue is pleased to direct that the following further amendment shall be made in the Sales Tax Rules, 2006, namely :—

In the aforesaid Rules, for rule 160, the following shall be substituted, namely:—

"**160. Accounting for advance payments against supplies.**— (1) Where a registered person or class of persons, to whom section 23 of the Act applies, receives an advance payment, whether in full or in part or by way of one or more instalments, against a supply, he shall at the time of receipt of each such payment, issue an advance receipt invoice containing the particulars specified in section 23 of the Act, to the extent applicable, and shall account for and declare the output tax payable thereon in the return for the tax period in which such advance payment is received. Such advance receipt invoice shall be treated as a tax invoice for the purposes of sections 7 and 8 of the Act.

(2) Where more than one advance payments are received against the same supply, a separate advance receipt invoice shall be issued in respect of each such payment and every subsequent advance receipt invoice shall be linked, in the prescribed electronic manner, with the preceding advance receipt invoice or invoices, as the case may be, so as to maintain complete traceability of all advance payments relating to that supply.

(3) When the supply is subsequently made against an advance payment or payments referred to in sub-rules (1) and (2), a final sale tax invoice shall be issued with reference to the relevant advance receipt invoice or invoices issued under sub-rule (1) or (2). The value and sales tax already accounted for against such advance receipt invoice or invoices shall not be accounted for again and sales tax, if any, on the remaining value of the supply, shall be calculated only on the value not previously accounted for against such advance payment or payments.

(4) The rate of sales tax applicable to each advance payment shall be the rate applicable at the time such advance payment is received whereas the rate applicable to the remaining value of the supply shall be the rate applicable at the time of supply in accordance with the Act.

(5) Where after issuance of an advance receipt invoice, the amount of advance payment or the value of the underlying supply is increased, reduced, refunded or otherwise

requires adjustment or where the supply is cancelled wholly or partly, the corresponding adjustment shall be made in accordance with section 9 of the Act and the procedure as prescribed under rules 19 to 22.

(6) Every advance receipt invoice, debit note or credit note issued in relation thereto, and the final sale invoice issued under sub-rule (3) shall be electronically linked and maintained in the manner prescribed under these rules or as specified by the Board under section 23 of the Act so as to ensure identification, cross-reference and complete traceability of the transaction.".

[C. No. 3(50)/ ST & FE Policy/2026]

(Izhar Zuberi)
Second Secretary (ST&FE Policy)