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

Islamabad, the 2nd September, 2026.

NOTIFICATION
(Income Tax)

S.R.O. 1496(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 read with sub-section (20) of section 134A of the Income Tax Ordinance, 2001 (XLIX of 2001), is hereby published for information of all persons likely to be affected thereby and, as required by sub-section (3) of the said section 237, notice is hereby given that objections or suggestions thereon, if any, may for consideration of the Board, be sent within seven days of publication of this Notification in the official Gazette. Objections or suggestions received, if any, before the expiry of the said period shall be taken into consideration by the Federal Board of Revenue, namely: –

Draft amendments

In the aforesaid Rules, for rule 231C, the following shall be substituted, namely: –

"231C. Alternative dispute resolution. — (1) This rule shall apply to all cases of disputes brought or specified for resolution under section 134A.

(2) In this rule, unless there is anything repugnant in the subject or context, -

(a) "aggrieved person" means an aggrieved person or a class of persons in case identical issues are involved who has brought a dispute for resolution under section 134A; and

(b) "Committee" means a Committee constituted under sub-section (3) of section 134A.

(3) Any aggrieved person interested for resolution of any dispute under section 134A shall submit a written application for alternative dispute resolution to the Board in the form as set out in Part I of the Schedule to this rule, accompanied by following documents in addition to those mentioned in sub-section (2) of the section 134A of the Income Tax Ordinance, 2001—

(a) nominate a person as nominee, as per section 134A(3)(c) of the Income Tax Ordinance, 2001 along with copy of CNIC, phone number, permanent address and email address of nominee; and

(b) provide an undertaking, as required under proviso to section 134A(3)(c) of the Ordinance; and

(c) furnish three names of retired judges proposed by the nominee of the taxpayer as per section 134A(3)(a) of the Income Tax Ordinance, 2001 along with phone numbers, bank account details, permanent addresses and email addresses; nearest to your location for appointment as Chairperson of the Committee.

(4) Members of the Committee appointed under sub-section (3) of section 134A of the Income Tax Ordinance, 2001 shall be paid a lump-sum, one-time remuneration as follows:

(a) Rupees three hundred thousand for the Chairperson and Rupees one hundred and fifty thousand for each member of the Committee, excluding the Chief Commissioner Inland Revenue, where the amount of disputed tax liability is up to Rupees fifty million;

(b) Rupees five hundred thousand for the Chairperson and Rupees two hundred and fifty thousand for each member of the Committee, excluding the Chief Commissioner Inland Revenue, where the amount of disputed tax liability exceeds Rupees fifty million; and

(c) the Chairperson or a member of the Committee may be allowed TA/DA equivalent to the entitlements admissible to BPS-22 and BPS-21 officers of the Federal Government, respectively.

(5) Provided where multiple applications are received within the same financial year from the same taxpayer involving identical issues, and the chairperson of the committee appointed is identical, such applications may be clubbed and processed together, if constituted within ninety

days. In such cases, the members shall be deemed to constitute a single Committee for all purposes, including the determination of remuneration under sub-rule (4), regardless of whether separate Committee formation orders have been or are subsequently issued.

(a) in the event that a Committee becomes defunct or is dissolved due to any administrative, legal, or procedural issue not attributable to any act, omission, fault, or delay on the part of either the Board or the taxpayer, no remuneration or fee under sub-rule (4) shall be payable to the Chairperson or any member, and any amount already advanced or deposited shall be refunded to the respective parties within fifteen days of such dissolution; and

(b) any member or Chairperson appointed, under sub-section (3) of section 134A of the Ordinance, who becomes unavailable or is unable to perform his functions, due to conflict of interest or for any reason whatsoever to serve on the Committee, shall formally intimate the Board in writing within seven days from the date of the notification of the Committee's constitution; provided that once the remuneration specified under sub-rule (4) has been released or paid to such member or Chairperson, they shall not be entitled to recuse or withdraw themselves from the Committee proceedings until a final decision is reached or the Committee is otherwise dissolved.

THE SCHEDULE

Part I

[see sub-rule (3)]

Application for Alternative Dispute Resolution under section 134A of the Income Tax Ordinance, 2001

To,

The Chairman,

Federal Board of Revenue,

Islamabad

Dear Sir,

The undersigned being ________________ (name and address of the applicant) duly authorized hereby apply for hardship and dispute resolution under section 134A of the Income Tax Ordinance, 2001 (XLIX of 2001).

2. Necessary details of the dispute or hardship are set out below and in the Annexure to this application.

____

3. An initial proposition for resolution of the dispute is as follows:

____

4. An undertaking is attached as required under sub-section (2) of section 134A.

5. A request is made to constitute a Committee as provided under sub-rule (3) of rule 231C of Income Tax Rules, 2002.

6. The following documents as are necessary for the resolution of the dispute or hardship are enclosed.

   (a) ____

   (b) ____

   (c) ____

Yours faithfully,

Signature ______________________________

Name (in block letters) ____________________

NTN _________________________________

Address ______________________________

Date _________________________________

Annexure

[see paragraph 2 of the Schedule]

(1) Name of the applicant (in block letters) ___________________________

(2) National tax number ____

(3) CNIC (for individuals) _______________________________________

(4) Address of the applicant ______________________________________

(5) Telephone Number _____________ e-mail address ________________

Fax Number ____________

(6) Tax year to which the dispute or hardship relates ____________________

(7) The Commissioner with whom a dispute has arisen ___________________

(8) The following is the statement of the relevant facts and law with respect to dispute or hardship having bearing on the questions on which the resolution is required (Please annex extra sheet, if required):-

(9) Statement containing the applicant's interpretation of law or facts, as the case may be, in respect of questions on which resolution is required (Please annex extra sheet, if required) is as follows:-

(10) The extent or the amount of tax which the applicant agrees to pay, if any.

Rs.________________

(11) The undersigned, solemnly declares that-

(a) full and true particulars of the dispute or hardship for the purposes of resolution have been disclosed and no material aspect affecting the determination of the application filed under the Income Tax Ordinance, 2001 (XLIX of 2001), in this behalf has been withheld;

(b) the above issues are pending adjudication before (name of the appellate forum, ATIR or Court)/not pending before any forum, ATIR, High Court or Supreme Court of Pakistan.

Yours faithfully,

Signature ______________________________

Name (in block letters) ________________________

Designation ____________________________

Date ______________________________

Part II

[see sub-section (9) of section 134A]

Before The [mention the respective appellate authority]

ITA No. / ITRA No / CA No. [mention whichever is applicable]

Name of the Appellant / Respondent [mention whichever is applicable]

Address

Versus

Name of the Appellant / Respondent [mention whichever is applicable]

Address

Subject: **APPLICATION FOR WITHDRAWAL OF APPEAL UNDER SUB-SECTION (9) OF SECTION 134A OF THE INCOME TAX ORDINANCE, 2001**

Respectfully submitted,

1. That the appellant's appeal or reference application or civil appeal [mention whichever is applicable] in ITA No. / ITRA No / CA No [mention whichever is applicable] is pending.

2. That the appellant has filed an application to the Federal Board of Revenue for constitution of Alternative Dispute Resolution Committee under section 134A of the Income Tax Ordinance, 2001 read with rule 231C of the Income Tax Rules, 2002 and on appellant's application, the Federal Board of Revenue has constituted a Committee for resolution of the appellant's dispute.

3. That under the provision of sub-section (9) of section 134A of the said Ordinance, the appellant withdraws the aforesaid appeal or reference application or civil appeal as ITA No. / ITRA No. / CA No. [mention whichever is applicable].

4. Therefore it is prayed that the aforesaid appeal or reference application or civil appeal may be disposed of as withdrawn without prejudice to reinstatement of appellant's aforesaid appeal or reference application or civil appeal if the committee constituted under section 134A fails to make a decision within the stipulated time.

Applicant

Signature
Name
Complete Address.".

[F.No.1(75)R&S/2020]

(Muhammad Amin Qureshi)
Secretary (Rules &SROs)