

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

Islamabad, the 29th September, 2026

NOTIFICATION

S.R.O. 1662 (I)/2026.— In exercise of the powers conferred by section 50 of the Sales Tax Act, 1990 (VII of 1990), read with sections 33 and 40C thereof, the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Sales Tax Rules, 2006, namely:—

In the aforesaid Rules,

(1) in Chapter XIV-AD,—

(a) for the existing heading, the following shall be substituted, namely:—

**“CHAPTER XIV-AD
PROCEDURE FOR SEALING AND DE-SEALING OF BUSINESS PREMISES”;**

**“SUB-CHAPTER 1
TIER-1 RETAILERS”;**

(b) after rule 150ZER, the following sub-chapter shall be inserted, namely:—

**“SUB-CHAPTER 2
SEALING AND DE-SEALING OF BUSINESS PREMISES OF NON-INTEGRATED
PERSONS OTHER THAN TIER-1 RETAILERS”;**

150ZES. Application. This sub-chapter prescribes the manner of sealing and de-sealing of the business premises of a person, who is required to integrate his business for monitoring, tracking, reporting or recording of sales, production, clearance, stock, or any other related activity or similar business transactions with the Board or its computerized system, but fails to integrate his business for monitoring, tracking, reporting or recording of sales, production, clearance, stock, or any other related activity or similar business transactions through a production monitoring system, video surveillance, digital eye or any other prescribed monitoring mechanism with the Board or its computerized system, under this Act.

150ZET. Procedure for sealing of business premises. - (1) Where a person is liable to sealing of business premises, the business premises of such person, or such part thereof as is specified under clause (c) this sub-chapter applies, may be sealed in the following manner—

(a) the Commissioner Inland Revenue, in whose jurisdiction the business premises is located, may initiate proceedings for sealing of the business premises on the basis of report that such person has failed to integrate his business for monitoring, tracking, reporting or recording of sales,

production, clearance, stock, or any other related activity or similar business transactions through a production monitoring system, video surveillance, digital eye or any other prescribed monitoring mechanism with the Board or its computerized system, under this Act in the manner as prescribed.

- (b) the Officer Inland Revenue, not below the rank of Assistant Commissioner, having jurisdiction over such person, shall submit a report in writing to the concerned Commissioner Inland Revenue, setting out the circumstances rendering such person liable to sealing;
- (c) the concerned Commissioner Inland Revenue, after conducting such inquiry as he considers necessary, including verification of any claim that the non-compliance was attributable to the failure of the Board's computerized system, the authorized vendor, or interruption of power or telecommunication services, shall forward the report to the concerned Chief Commissioner Inland Revenue, recording reasons for recommending or not recommending the sealing and specifying, where sealing is recommended, the team of officers and officials proposed to carry out the sealing;
- (d) the concerned Chief Commissioner Inland Revenue shall, by an order in writing, allow or disallow the sealing of the business premises, recording reasons therefor and, where sealing is allowed, shall also notify the team of officers and officials for carrying out the sealing:

Provided that the order shall specify whether the whole of the business premises or any specified part, production line or filling line thereof is to be sealed and, where the whole of the business premises is ordered to be sealed, the reasons therefor shall be recorded in writing:

Provided further that a copy of the sealing order shall be served upon the person before execution thereof;

- (e) where the business premises fall within the territorial jurisdiction of another field formation, the concerned Chief Commissioner Inland Revenue shall request the Board to notify the team of officers and officials for carrying out the sealing;
- (f) the sealing order shall be communicated by the concerned Chief Commissioner Inland Revenue to the Member (IR-Operations) for information; and
- (g) The commissioner (IR) may, where necessary for the safe and effective execution of the sealing order, request assistance of the police or any other competent authority.

150ZEU. De-sealing.— (1) The Commissioner Inland Revenue having jurisdiction shall impose a penalty by passing an order prescribed under under section 33 of the Act.

(2) The business premises of a non-integrated registered person shall remain sealed till the payment of penalty and integration of the production monitoring system video surveillance, digital eye or any other prescribed monitoring mechanism with

the Board or its computerized system installed at his business premises as required under the Act;

(3) The integration process shall be carried out in the presence of an FBR team constituted for this purpose by the respective Commissioner Inland Revenue having jurisdiction. In order to ensure error-free integration of the team so constituted shall include a technical person:

Provided where territorial jurisdiction of the non-integrated registered person falls in some other field formation, the concerned Chief Commissioner shall request the Board for notification of the team; and

(4) The concerned Commissioner Inland Revenue shall furnish to the Chief Commissioner Inland Revenue a certificate, within three days, in writing that the production monitoring system, video surveillance, digital eye or any other prescribed monitoring mechanism with the Board or its computerized system has been installed in the manners and mode prescribed under this Act and the rules made thereunder at the business premises of the non-integrated registered person and is free from any technical and functional errors.

(2) in Chapter XIV-BA,—

(a) in Sub-Chapter 1,—

(i) for rule 150ZQR, the following shall be substituted, namely:—

“(1) The provisions of this Chapter shall apply to electronic monitoring, tracking and identification, through a Production Monitoring System, video surveillance, video analytics, digital eye or any other prescribed monitoring mechanism, of the production, sale, clearance, stock or any other related activity of—

- (a) any registered person or class of registered persons;
- (b) any manufacturer or class of manufacturers;
- (c) any goods specified in the Third Schedule to the Sales Tax Act, 1990;
or
- (d) any other taxable goods or class of taxable goods, as the Board may by notification in the official Gazette, specify:

Provided that the Board may, by notification in the official Gazette, or by special order, specify the date from which the Production Monitoring System for electronic monitoring, tracking and identification shall be installed and made operational in respect of any person or class of persons, any manufacturer or class of manufacturers, any goods specified under clause (c) & (d), or any sector or class thereof, and may specify different dates for different persons, manufacturers, goods, sectors or classes.”;

(ii) in rule 150ZQS, after clause (j), the following new clauses shall be added, namely:—

“(k) “production monitoring system” shall have the same meaning as assigned to it in clause (22)(1A) of section 2 of the Act;

(l) “conveyance” means any vehicle, or other means of transport used for the movement, carriage or transportation of taxable goods, and includes its accessories and any container or receptacle fixed thereto;

(m) “Seizing Officer” means an officer of Inland Revenue not below the rank of Assistant Commissioner, authorized by the Board or the Commissioner in this behalf to seize goods or a conveyance under these rules;

(n) “Adjudicating Authority” means an officer of Inland Revenue, not below the rank of Assistant Commissioner, having jurisdiction in respect of proceedings under rule 150ZQZGA;”;

(iii) in rule 150ZQT,

(1) for sub-rule (1), the following sub-rule shall be substituted, namely:—

“(1) The production, sale, clearance, stock or any other related activity of specified taxable goods, or of any registered person or class of registered persons or manufacturer or class of manufacturer specified under rule 150ZQR, shall be monitored through a Production Monitoring System, video surveillance, video analytics, digital eye or any other prescribed monitoring mechanism, by installation of production monitoring equipment at production lines, as approved or specified by the Board, for the purposes of:

- (a) real-time capture and monitoring of production, sale, clearance, stock or any other related activity;
- (b) real-time collection of data through object detection, identification and counting;
- (c) transmission of data to the Central Control Unit established by the Board or such other system as may be specified by the Board, and storage and archiving of such data;
- (d) detection and recording of unexpected stoppages, interruptions, tampering or other anomalies;
- (e) quantitative analysis and reconciliation of production; and
- (f) data analytics for taking such legal actions as may be required.”;

(b) in Sub-Chapter 2, in rule 150ZQU, for sub-rule (1), the following shall be substituted, namely:—

“(1) A manufacturer of specified taxable goods, or a registered person or class of registered persons specified under rule 150ZQR, shall procure and install the Production Monitoring System, production monitoring equipment or any other prescribed monitoring mechanism only from an authorized vendor approved by the Board.”;

- (c) in Sub-Chapter 3, in rule 150ZQZA, after sub-rule (3A), the following new sub-rule shall be inserted, namely:—

“(3B) The authorized vendor shall ensure that the Production Monitoring System and production monitoring equipment installed by it conform to the specifications, standards and requirements approved or authorized by the Board.”;

- (d) in Sub-Chapter 5, in rule 150ZQZE, in sub-rule (1),—

- (i) for clause (a), the following shall be substituted, namely:—

“(a) make available such production facilities for installation or production monitoring system and allow access to the vendor and the Board for installation, routine operation, inspection, maintenance, repair and upgradation of the Production Monitoring System.”;

- (ii) for clause (b), the following shall be substituted, namely:—

“(b) not produce, process, pack, clear, remove, sell, supply or otherwise deal with specified taxable goods except through the Production Monitoring System or any other prescribed monitoring mechanism, in such manner as may be specified by the Board.”;

- (iii) after clause (b), the following new clause shall be inserted, namely:—

“(ba) ensure that such tax stamps, banderoles, stickers, labels, barcodes or other prescribed identification marks or devices are affixed, applied or incorporated on specified taxable goods, in the form and manner specified by the Board, before their removal or supply.”;

- (e) after Sub-Chapter 6, the following new Sub-Chapter shall be inserted, namely:—

“SUB-CHAPTER 7 SEIZURE AND CONFISCATION OF GOODS

150ZQZGA. Seizure and confiscation of non-compliant goods.— (1) Where specified taxable goods are manufactured, produced, removed, transported, supplied or otherwise dealt with without being monitored through the Production Monitoring System, production monitoring equipment or any other prescribed monitoring mechanism, or without the prescribed tax stamps, banderoles, stickers, labels, barcodes or other prescribed identification marks or devices, such goods shall be liable to seizure and confiscation in accordance with section 40C of the Act and these rules.

(2) The conveyance used for the movement, carriage or transportation of the goods referred to in sub-rule (1) shall also be liable to seizure and, upon adjudication, to confiscation in accordance with the provisions of the Act and these rule.

(3) Without prejudice of sub-rule (1) and (2) above, the goods classified under Third schedule chargeable to tax on retail price shall also be liable to be confiscated if such goods, imported or manufactured, are supplied without printing the retail price in the manner as stipulated under the Act.

(4) Where the Seizing Officer has reason to believe that any goods or conveyance are liable to seizure under section 40C of the Act and these rules or serial No 26 of the table under section 33 as the case maybe, he shall record the reasons in writing and shall seize such goods or conveyance in the following manner—

- (a) At the time of seizure, the seizing officer shall immediately prepare an inventory of the seized goods specifying description, quantity, brand, make, packing, batch number and any distinguishing marks or identification particulars of the goods.
- (b) The inventory shall be signed by the seizing officer conducting the seizure and by the person from whose custody or possession the goods are seized or, where such person is absent or refuses to sign, by at least one witness.
- (c) The seizing officer effecting seizure shall issue a seizure memo containing details of the goods seized, grounds of seizure, date and place of seizure and particulars of the person from whose possession the goods are seized and a copy thereof shall be provided to such person forthwith.
- (d) All goods seized on the ground that they are liable to confiscation under the Act shall, within 48 hours, be delivered into the custody of such officer of Inland Revenue as may be authorized by the Commissioner Inland Revenue for this purpose.
- (e) Where no such authorized officer is available, the seized goods shall be deposited at the nearest Regional Tax Office, Corporate Tax Office, Large Taxpayers Office or Tax Facilitation Centre under intimation to the concerned Chief Commissioner Inland Revenue.
- (f) Where no such office is situated within a reasonable distance, the goods may be deposited at such other place as may be notified or designated by the Commissioner Inland Revenue for safe custody of seized or confiscated goods.

(5) The seized goods and conveyance shall be kept in safe custody, and the expenses relating to the storage and preservation thereof shall be borne by the owner.

(6) Within seven days of seizure, the Adjudicating Authority shall issue a show-cause notice to the owner or person from whose possession or control the goods or conveyance were seized, allowing not less than fourteen days for submission of a reply and specifying the alleged contravention, particulars of the seized goods and conveyance, the grounds on which confiscation is proposed, and the date and place of hearing.

Provide that the adjudication authority, after such confiscation, may allow redemption of goods as specified in sub-rule (3) on payment of fine which shall not be less than twenty percent of the total retail price of such goods.

(7) Where the person upon whom the show-cause notice is required to be served cannot be located or refuses to accept service, the notice shall be served in the manner provided in the Act.

(8) The Adjudicating Authority shall conclude the adjudication proceedings within thirty days from the date of seizure:

Provided that where the adjudication proceedings cannot be concluded within the aforesaid period for reasons beyond the control of the Adjudicating Authority, the Commissioner may, for reasons to be recorded in writing, extend such period by a further period not exceeding fifteen days.

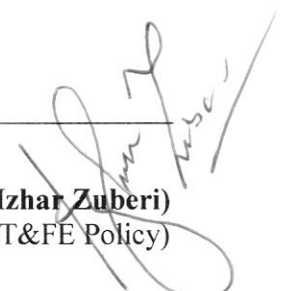
(9) After providing an opportunity of hearing, the Adjudicating Authority shall by a speaking order—

- (a) confiscate the goods and the conveyance where the requirements for such confiscation are established; or
- (b) release the goods and conveyance where the alleged contravention is not established or where confiscation is otherwise not authorized under the Act.

(10) In addition to confiscation, any penalty or default surcharge, where applicable, may be imposed in accordance with the Act.

(11) An appeal against an order passed under this Sub-Chapter shall lie in accordance with the provisions of the Act.”

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


(Izhar Zuberi)
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