

Government of Pakistan
Revenue Division
Federal Board of Revenue

Islamabad, the 29th September, 2026.

NOTIFICATION

S.R.O. 1663 (I)/2026.— In exercise of the powers conferred by section 50 of the Sales Tax Act, 1990, and section 40 of the Federal Excise Act, 2005, the Federal Board of Revenue is pleased to make the following further amendments in the Sales Tax Rules, 2006, namely:—

In the aforesaid Rules, after Chapter-VIAB, the following new Chapter-VIAC shall be inserted, namely:—

“CHAPTER-VIAC
FACELESS AUDIT AND ASSESSMENT

44I. Application and commencement.— (1) This Chapter shall apply to every proceeding referred to in sub-section (1) of section 11H of the Act in respect of a person, class of persons, case or class of cases specified by the Board under sub-section (2) thereof and to the extent provided in rule 44V to proceedings under the Federal Excise Act, 2005.

(2) The provision of 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 cases or different proceedings.

44J. Definitions.— (1) For the purposes of this Chapter,—

- (a) “Centre” means the National faceless centre established under section 32C of the Act;
- (b) “Director General” means the Director General of the Centre;
- (c) “allocation algorithm” means an algorithm designed by the Board under sub-section (1) of section 30AA or sub-section (3) of section 32C of the Act, for assigning a case, function or jurisdiction to an authority or unit of the Centre;
- (d) “case” means the proceeding or set of proceedings in respect of a registered person for a tax period assigned to the Centre under section 30AA of the Act;
- (e) “designated account” means the registered person’s account on IRIS;
- (f) “electronic record” means the record maintained on IRIS or on any other computerised system of the Board in respect of a case, and includes every notice, order, submission, document, evidence, recording, log and communication in electronic form; and

- (g) “E-hearing” means a hearing provided, or a statement recorded, through electronic means under the provisos to sub-section (3) of section 11H of the Act and this Chapter.

44K. Composition and Functions of National Faceless Centre.—(1) The Centre shall comprise a Director General and as many Chief Commissioners, Commissioners, Additional Commissioners, Deputy Commissioners, Assistant Commissioners and any of the Authorities mentioned in section 30 of the Act, along with such support staff, as the Board may deem fit.

- (2) The Centre shall comprise the following wings, namely:—

- (a) Audit Wing;
- (b) Assessment Wing;
- (c) Quality Control Wing; and
- (d) Field Operations Wing.

- (3) Each wing shall comprise such number of units as the Board may deem fit.

- (4) An officer mentioned in sub-rule (1) shall be in-charge of a unit as may be designated by the Board, hereinafter referred to as the “Unit Officer”.

44L. Proceedings to be conducted in faceless manner.—(1) In the cases to which this Chapter applies, the following proceedings shall be conducted through the Centre in the manner provided in this Chapter, namely:—

- (a) audit under section 25 of the Act or under section 72B thereof;
- (b) proceedings and orders under section 11E of the Act;
- (c) any proceeding incidental or ancillary to a proceeding referred to in clauses (a) to (c), including the issue of notices and requisitions under section 25 of the Act, for obtaining of information and evidence, and the imposition of penalty and default surcharge arising from the proceeding.

- (2) Where the jurisdiction assigned to the Centre in respect of a case is concurrent, the functions and powers not assigned to the Centre shall continue to be exercised by the Commissioner having jurisdiction over the case under section 30 of the Act, and the Board shall specify the functions and powers assigned to each.

44M. Assignment of cases to the Centre.— (1) A case shall be assigned to the Centre where a person, class of persons, case or class of cases has been assigned to the Centre by the Board under sub-section (2) of section 11H of the Act.

- (2) The allocation algorithm shall, at the time of assignment or thereafter, be used by the Board to allocate the audit function, the assessment function and the quality control function in a case to separate officers or units, and no officer or unit

shall perform more than one of those functions in respect of the same case for the same tax period.

(3) The identity of the officer or unit to which a function has been allocated shall remain recorded in the electronic system of FBR but shall not be disclosed except as provided under the Act and this Chapter.

44N. Issue and service of notices and communications. — Every notice, order, requisition, audit report, intimation or other communication issued by the Centre shall—

- (a) be generated on the Board's computerised system and bear a Digital Identification Number (DIN); and
- (b) be served as per procedure provided under section 56 of the Act.

44O. Communications by the registered person .—(1) Every reply, submission, document, evidence, application or other communication by the taxpayer or his authorised representative in a case assigned to the Centre shall be made through the designated account.

(2) Wherever so required, documents shall be electronically furnished in the format specified by the Board in IRIS.

44P. Functions and procedure for faceless audit.—(1) Faceless Audit unit shall perform the following functions and procedure, namely:-

- (a) audit under section 25 of the Act, including audit of a person selected under section 72B thereof;
- (b) proceedings and orders under section 11E of the Act; and
- (c) any proceeding incidental or ancillary to a proceeding referred to in clauses (a) to (c), including the issue of notices and requisitions under section 25 of the Act, for obtaining of information and evidence, and the imposition of penalty and default surcharge arising from the proceeding.

(2) Where a case selected for audit has been allocated to an Audit Unit, the Unit Officer shall proceed to conduct the audit in accordance with the provisions of section 25 of the Act.

(3) The Unit Officer of the Audit Wing may, in the course of audit,—

- (a) issue further notices or requisitions for information or explanation under section 25 of the Act;
- (b) obtain information from any other person required for the conduct of audit;
- (c) request the chief commissioner to seek physical verification in accordance with the sub-section(4) of section 30AA of the Act and this Chapter;

- (d) request technical assistance, including valuation, forensic or sectoral expertise, from a unit or panel constituted for that purpose; and
- (e) require a statement to be recorded through E-hearing.

(4) After considering the explanation and the record of any E-hearing, the Unit Officer shall issue the audit report in accordance with section 25 of the Act, containing the audit observations and findings and the reasons for rejecting any explanation furnished by the registered person.

(5) Where proceedings under section 11E of the Act are required, the Unit Officer shall issue the notice and obtain the response of the registered person in accordance with the provisions of the said section 11E and record the findings for onward transmission to the Assessment Unit.

(6) Upon issuance of the audit report, the audit function in the case shall stand completed and the record shall be made available to the officer or unit performing the assessment function through automated allocation.

44Q. Physical verification.— (1) Where a Unit Officer of Audit or Assessment Wing considers that physical verification of the nature or size of the business, assets, investments, expenditure or any other matter is necessary, the officer shall record the reasons and the specific matters requiring verification and refer the request to the Chief Commissioner.

(2) The Chief Commissioner shall, if satisfied, direct the Commissioner of the Field Operations Wing to conduct the verification.

(3) The Board may also allocate physical verification to an officer other than an officer posted in the Centre, if deemed fit.

(4) The Unit Officer of the Field Operations Wing or any other officer assigned the task of verification shall have all the powers under sections 25 of the Act to carry out such verification.

(5) The verifying officer shall upload the verification report to the electronic record within the time specified in the direction.

44R. Quality control review.— The officer or unit performing the quality control function shall review audit reports, adjudication notices and assessment orders and shall examine them in accordance with the law and facts of the case and may provide its observations to the Unit Officer for the purpose of quality assurance.

44S. Penalty and default surcharge.— Where in the course of a proceeding under this Chapter a penalty under section 33 of the Act or default surcharge under section 34 thereof becomes leviable, the notice and order in respect thereof shall be issued through the Centre by the Unit Officer of Audit or Assessment Wing, as the case may be, and the provisions of rule 44N relating to notice, reply and E-hearing shall apply.

44T. Transfer of a case from the Centre.— (1) The jurisdiction so assigned under the Act may be exclusive or concurrent. In case of concurrent jurisdiction, the powers and functions not assigned to the Centre shall remain with the jurisdictional officer having jurisdiction over the case under section 30AA of the Act.

(2) The concurrent jurisdiction assigned to an officer under sub-rule (1) shall be exclusive in terms of tasks, tax period or tax periods assigned to the Centre. However, such jurisdiction, or part of it, shall automatically cease to exist as soon as the specific audit or assessment or order under section 11E of the Act or proceedings for penalty or default surcharge assigned to the officer is finalized. Such jurisdiction shall be automatically re-assigned to the jurisdictional officer, unless directed otherwise.

(3) The Chief commissioner may, at any stage, recommend to the Board that a case may be transferred to the jurisdictional officer having jurisdiction over the case under section 30 of the Act where—

- (a) the proceeding cannot be effectively conducted in a faceless manner by reason of the nature or volume of the physical record, the need for repeated physical verification, or the requirements of any proceeding under the Act which necessitates physical presence;
- (b) the case is connected with a proceeding pending before the jurisdictional officer having jurisdiction over the case under section 30 of the Act in such manner that separate conduct would be prejudicial to the revenue or to the registered person; or
- (c) for any other reason the Chief Commissioner may deem fit.

(4) The Board may transfer a case allocated to the Centre to any other authority on its own motion, or on the basis of the recommendation of the Chief Commissioner under sub-rule (3).

44U. Power to issue instructions.— The Board may issue instructions, standard operating procedures and formats for the effective implementation of this Chapter, including incorporation of procedures and restrictions in IRIS, not inconsistent with the Act and these rules.

44V. Application to Federal excise.—(1) In pursuance of section 7A of the Federal Excise Act, 2005, this Chapter shall apply, mutatis mutandis, to audit and assessment proceedings under the said Act conducted in faceless manner by the Centre in respect of such persons, classes of persons, cases or classes of cases as the Board may specify.