GOVERNMENT OF PAKISTAN
REVENUE DIVISION
CENTRAL BOARD OF REV ENUE
***

JUNE 13, 2002.

NOTIFICATION
(INCOME TAX)

S.R.O 322(I)/2002**-** In exercise of powers conferred by sub-section (I) of Section 165 of the Income Tax Ordinance, 1979, the Central Board of Revenue is pleased to make the following amendments in the Income Tax Rules, 1982, the same having been previously published as required by sub-section (4) of the said section, namely:-

In the Income Tax Rules, 1982, in Part-III, after Chapter A, the following new Chapter shall be inserted, namely, -

"Chapter AA

Books of account, documents and records to be maintained w.e.f., 1st July, 2002.

33A. Principles of record-keeping:

(1) Every taxpayer deriving income chargeable under the head "Income from business" shall maintain proper books of account, documents and records with respect to -

(a) all sums of money received and expended by the taxpayer and the matters in respect of which the receipt and expenditure takes place;

(b) all sales and purchases of goods and all services provided and obtained by the taxpayer;

(c) all assets of the taxpayer;

(d) all liabilities of the taxpayer; and

(e) in case of a taxpayer engaged in assembly, production, processing, manufacturing, mining or like activities, all items of cost relating to the utilization of materials, labour and other inputs.

(2) If a taxpayer uses fiscal electronic cash register or computerized accounting software, it may issue cash-memo/invoice/receipt generated by the electronic cash register or computer.

(3) Duplicate copies and electronic or computer records of the cash-memo / invoice / receipt / patient-slip to be issued under this chapter, shall be retained by the taxpayer and form part of the records to be maintained under this chapter.

(4) The books of account, documents and records to be maintained under this chapter shall be maintained for five years after the end of the tax year to which they relate.

33B. In particular, and without prejudice to the generality of the provisions of Rule 33A, every taxpayer, other than companies, deriving income chargeable under the head "Income from business" shall issue and maintain the following minimum books of account, documents and records: -

(1) Taxpayers with business income upto Rs. 200,000 and new taxpayers deriving income from business (excluding taxpayers to whom sub-rules (2), (3) or (4) apply):

(a) Serially numbered and dated cash-memo / invoice / receipt for each transaction of sale or receipt containing the following: -

(i) taxpayer's name or the name of his business, address, national tax number and sales tax registration number, if any; and

(ii) the description, quantity, value of goods sold or services rendered; and

Provided that where each transaction does not exceed Rs. 100, one or more cash-memos per day for all such transactions may be maintained;

(b) Daily record of receipts, sales, payments, purchases and expenses; a single entry in respect of daily receipts, sales, purchases and different heads of expenses will suffice; and

(c) Vouchers of purchases and expenses.

(2) Taxpayers with business income exceeding Rs. 200,000 *(excluding taxpayers to whom sub-rules (1), (3) or (4) apply)* and wholesalers, distributors, dealers and commission agents:

(a) Serially numbered and dated cash-memo / invoice / receipt for each transaction of sale or receipt containing the following: -

(i) taxpayer's name or the name of his business, address, national tax number and sales tax registration number, if any;

(ii) the description, quantity, value of goods sold or services rendered; and

(iii) in case of a wholesaler, distributor, dealer and commission agent, where a single transaction exceeds Rs. 10,000, the name and address of the customer;

Provided that where each transaction does not exceed Rs. 100, one or more cash-memos per day for all such transactions may be maintained;

(b) Cash book and/or bank book or daily record of receipts, sales, payments, purchases and expenses; a single entry in respect of daily receipts, sales, purchases and different heads of expenses will suffice;

(c) General ledger or annual summary of receipts, sales, payments, purchases and expenses under distinctive heads;

(d) Vouchers of purchases and expenses and where a single transaction exceeds Rs. 10,000 with the name and address of the payee; and

(e) Where the taxpayer deals in purchase and sale of goods, quarterly inventory of stock-in-trade showing description, quantity and value.

(3) Professionals (like medical practitioners, legal practitioners, accountants, auditors, architects, engineers etc.): –

(a) Serially numbered and dated patient-slip / invoice / receipt for each transaction of sale or receipt containing the following: -

(i) taxpayer's name or the name of his business or profession, address, national tax number and sales tax registration number, if any;

(ii) the description, quantity, value of medicines supplied or details of treatment / case / services rendered (confidential details are not required) and amount charged; and

(iii) the name and address of the patient / client;

Provided that the condition of recording address of the patient on the patient slip under this clause shall not apply to general medical practitioners;

(b) Daily appointment and engagement diary in respect of clients and patients:

Provided that this clause shall not apply to general medical practitioners;

(c) Daily record of receipts, sales, payments, purchases and expenses; a single entry in respect of daily receipts, sales, purchases and different heads of expenses will suffice; and

(d) Vouchers of purchases and expenses.

(4) Manufacturers *(with turnover exceeding Rs. 2.5 million)*:

(a) Serially numbered and dated cash-memo / invoice / receipt for each transaction of sale or receipt containing the following: -

(i) taxpayer's name or the name of his business, address, national tax number and sales tax registration number, if any;

(ii) the description, quantity, value of goods sold; and

(iii) where a single transaction exceeds Rs. 10,000 with the name and address of the customer;

(b) Cash book and/or bank book;

(c) Sales day book and sales ledger *(where applicable)*;

(d) Purchases day book and purchase ledger *(where applicable)*;

(e) General ledger;

(f) Vouchers of purchases and expenses and where a single transaction exceeds Rs. 10,000 with the name and address of the payee; and

(g) Stock register of stock-in-trade *(major raw materials and finished goods)* supported by gate in-ward and outward records and quarterly inventory of all items of stock-in-trade including work-in-process showing description, quantity and value.

33C. Every taxpayers deriving income chargeable under the head income from salary, property, capital gains or other sources shall issue and maintain the following minimum documents and records: -

(1) Taxpayers deriving income from Salary:

Salary certificate indicating the amount of salary and tax deducted there from.

(2) Taxpayers deriving income from property:

(a) Tenancy agreement, if executed;

(b) Tenancy termination agreement, if executed;

(c) Receipt for amount of rent received; and

(d) Evidence of deductions claimed in respect of premium paid to insure the building, local rate, tax, charge or cess, ground rent, profit/interest or share in rent on money borrowed, expenditure on collecting the rent, legal services and unpaid rent.

(3) Taxpayers deriving income from capital gains:

(a) Evidence of cost of acquiring the capital asset;

(b) Evidence of deduction for any other costs claimed; and

(c) Evidence in respect of consideration received on disposal of the capital asset.

(4) Taxpayers deriving income from other sources:

(i) **Dividends**:

Dividend warrants.

(ii) **Royalty**:

Royalty agreement.

(iii) Profit on debt:

(i) Evidence and detail of profit yielding debt;

(ii) Evidence of profit on debt and tax deducted thereon, like certificate in the prescribed form or bank account statement; and

(iii) Evidence of Zakat deducted, if any.

(iv) Ground rent, rent from the sub-lease of land or building, income from the lease of any building together with plant or machinery and consideration for vacating the possession of a building or part thereof:

(i) Lease agreement; and

(ii) Lease termination agreement.

(v) Annuity or Pension:

Evidence of amount received.

(vi) Prize money on bond, winning from a raffle, lottery or cross word puzzle:

Evidence of income and tax deducted thereon, like certificate in the prescribed form.

(vii) Provision, use or exploitation of property:

Agreement.

(viii) Loan, advance, deposit or gift:

Evidence of mode of receipt of a loan, advance, deposit or gift i.e., by a crossed cheque or through a banking channel.

(ix) General:

Evidence of deduction for any other expenditure claimed.

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