

SRO 350(1) 2024

Important changes in Sales Tax Rules 2006

Rule	Sub-rule	Clause	REGISTRATION AND FILING OF SALES TAX RETURN <u>Omitted</u> / <u>Substitute</u> / <u>Addition</u>
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5			Application for registration
	(2)		The applicant having NTN or income tax registration shall, using his login credentials, upload following information and documents.–
		<del>(d)</del>	<del>GPS-tagged photographs of the business premises; and</del>
		(f)	in the case of an individual, association of persons and a company having only one shareholder or member, other than manufacturer, a balance sheet indicating the amount of business capital with corresponding assets in the bank, amounts attributable to partners with percentage, as the case may be:  Provided that where an individual, an association of persons and a company having only one shareholder or member, other than manufacturer, already registered, do not fulfil the requirement of clause ( ) within thirty days from the date the said requirement comes into force, the electronic filing of return shall only be allowed with prior authorization of the Commissioner through IRIS.
	(3)		On furnishing above documents, the system shall register the applicant for sales tax.  Provided that in the case of an individual, an association of persons, and a company having only one shareholder or member, as the case may be, the IRIS shall register such persons only after the LRO <sup>1</sup> is satisfied that the requirements under sub-rule (2) of this rule has been uploaded in IRIS, and the LRO has approved the application through an order in IRIS.
	(4)		After registration, the applicant or his authorized person shall visit e-Sahulat Centre of NADRA within a month for bio-metric verification. In case of failure to visit or failure of verification, the registered person's name shall be taken off the sales tax Active Taxpayer List.  Provided that every individual, any member of an association of persons, and a director of a company having only one shareholder or member, as the case may be, shall visit e-Sahulat Centre of NADRA during the month of July every year, for bio-metric re-verification, and in case of failure to do so, the electronic filing of return shall only be made with prior authorization of the Commissioner through IRIS.";
	(5)		In case of manufacturer, the Board may require <u>post-verification</u> " <u>pre-verification or post-verification or both, as the case may be</u> through field offices or a third party authorized by the Board.

<sup>1</sup> LRO = Local Register Office

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18			Electronic filing of Sales Tax return.—
	(1)		<p>Every registered person required to file return or other statement as prescribed under section 26 or section 27 of the Act or any notification issued thereunder shall file such are turn or, as the case may be, statement, electronically in the manner as specified by the Board through a general order.</p> <p>Provided that, in case a registered person fails to fill-in relevant data or information in any applicable column of the sales tax return or any annexure thereto in his case, such return shall be treated as invalid.</p> <p>Explanation.- The electronic return designed in pursuance to the Change Request Form(s) (CRFs), and finally made available on web portal of the Board shall be deemed as prescribed return.</p> <p>Provided further that where the sales being declared in the sales tax return by an individual, an association of persons, or a company having only one shareholder or member, other than being a manufacture, as the case may be, are five times more than the declared business capital, the electronic filing of return shall only be made with prior authorization by the Commissioner through IRIS.</p>

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	(3)		<p>A registered person shall enter data of supplies in Annexure-C and data of Debit or Credit Notes in Annexure-I and submit the said data by the 10th day of the month following the end of the tax period. As soon as, the registered person (supplier) submits partial or complete data of Annexure-C and Annexure-I, the said data shall be immediately available to the respective registered person (buyer) in his "Purchase Data" and "Debit or Credit Note Data". The registered person (buyer) shall load the data in his Annexure-A from "Purchase Data" and in his Annexure-I from "Debit or Credit Note Data" to prepare his return.</p> <p>Provided that the data relating to purchases made from un-registered person or from such registered persons as allowed by the Board in this respect, shall be manually entered by the registered person in Annexure- A.</p> <p>Provided further that the return filed by the buyer for a tax period shall be taken as provisional return in IRIS, until the respective seller files his return for the same tax period up to the last day of the month in which the due date of filing of return falls., and in case,</p> <p>(a) where the seller fails to file his return by the last day of the month in which the due date of filing of return falls, IRIS shall compute the sales tax liability of the buyer, after deleting the invoices issued by the non-filer seller and the corresponding input tax in the provisional return of the buyer, and such provisional return shall be taken as valid by IRIS, after payment of the sales tax liability, so computed; and</p> <p>(b) where the seller files his return accompanied with payment of sales tax liability, by the last day of the month in which the due date of filing of return falls, the provisional return of the buyer shall be taken as valid by IRIS with the claim of invoices from the seller and corresponding input tax and after payment of the sales tax liability.</p>
	(4)		<p><u>In case registered person's all suppliers have declared their supplies made to him and have filed their monthly sales tax and federal excise returns for the same tax period, he shall be informed by the automated system of the Board that his all suppliers have filed their monthly sales tax and federal excise returns.</u></p>
	(4A)		<p>in respect of claim of credit of sales tax withheld, where a registered person declares an amount of sales tax withheld by a withholding agent, but does not declare the corresponding sales to such withholding agent in his return, as the case may be, the amount of sales tax withheld and reduction in output tax shall not be allowed to such person.</p>

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	(5)		In case,--
		(i)	<u>supplier of the registered person has not filed his monthly sales tax and federal excise return till the filing of his own return, he shall be communicated regarding his supplier who has not so far declared supplies made to him in sales tax and federal excise return. He shall, however, be allowed provisional adjustment of input tax against said invoices but if the supplier fails to file his return by the 10th day of the next, month, registered person's said inadmissible input tax credit shall be adjusted or recovered in terms of clause (l) of sub-section (1) of section 8 read with proviso to clause (i) of sub-section (2) of section 7 of the Sales Tax Act, 1990 and sub-section (2A) of section 6 of the Federal Excise Act, 2005. He shall, therefore, be advised by the automated system of the Board to contact the supplier and persuade him to declare said supplies made to him and file return so that registered person could get input tax credit relating to said supplies. In case registered person's supplier declares said supplies and files monthly sales tax and federal excise return for the same tax period, he shall be informed that the objection raised by the automated system of the Board on the invoices of the said supplier stands settled;</u>
		(iv)	action required at para (i), (ii) and (iii) is not done, the <u>inadmissible input tax credit in terms of clause (l) of sub-section (1) of section 8 read with proviso to clause (i) of sub-section (2) of section 7 of the Sales Tax Act, 1990 and sub-section (2A) of section 6 of the Federal Excise Act, 2005</u> and reduction in output tax in respect of withholding of sales tax or Credit Note shall be adjusted or recovered through column 7(a) in the next return of the registered person.
	(7)		The <u>balance of earlier disallowed input tax credit in terms of clause (l) of sub-section (1) of section 8 read with proviso to clause (i) of sub-section (2) of section 7 of the Sales Tax Act, 1990 and sub-section (2A) of section 6 of the Federal Excise Act, 2005</u> and disallowed reduction of output tax in respect of withholding of sales tax or Credit Notes shall appear in column 7(c) of the monthly sales, tax and federal excise return of the registered person with the advice to contact and persuade the respective <u>supplier or buyer to declare his supplies made to the registered person and file monthly sales tax and federal excise return or to accept relevant Credit Note or to declare sales tax withheld amount as the case may be.</u>

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20			Cancellation or return of supply
	(3)		<p>In the case of cancellation of supplies made to, or return of goods by, an unregistered person, the supplier shall issue a credit note providing the same particulars as are specified in sub-rule (1) and keep a copy for record.</p> <p><u>Provided that the credit note under this sub-rule shall only be issued with the prior approval of the Commissioner:</u></p>