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PART II

Statutory Notifications (S. R. O.)

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
(Federal Board of Revenue)

NOTIFICATIONS

Islamabad, the 16th February, 2022

S. R. O. 251(I)/2022.—In exercise of the powers conferred by clause (a) of sub-section (2A) of section 3 of the Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001), read with clause (b) of sub-section (2) of section 3 of the Sales Tax Act, 1990, the Federal Government is pleased to rescind the following notifications, namely:-

(i) Notification No. S.R.O. 495(I)/2016, dated the 4th July, 2016;

(ii) Notification No. S.R.O. 589(I)/2017, dated the 1st July, 2017;

(iii) Notification No. S.R.O. 590(I)/2017, dated the 1st July, 2017;

(iv) Notification No. S.R.O. 781(I)/2018, dated the 21st June, 2018;

(v) Notification No. S.R.O. 326(I)/2020, dated the 27th April, 2020; and

(vi) Notification No. S.R.O. 77(I)/2021, dated the 21st January, 2021.

[C. No. 3/14-ST-S&P/2017.)

AFAQUE AHMAD QUERSHI,
Additional Secretary.

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[7311(2022)/Ex. Gaz.]

REVENUE DIVISION
(Federal Board of Revenue)
Inland Revenue

Islamabad, the 16th February, 2022

SALES TAX

S. R. O. 252(I)/2022.— In exercise of the powers conferred by section 50 of the Sales Tax Act, 1990, read with sub-section (43A) of section 2, sub-section (9A) of section 3, section 33, section 40C, and 56C 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, after Chapter-XIV-AC, the following new Chapter shall be inserted, namely:—

"CHAPTER XIV-AD
Procedure for Sealing and De-sealing of Business Premises of Tier-1 Retailers

150ZEN. Application.—The provisions of this chapter shall apply to the following persons, namely:-

(1) any person who is integrated for monitoring, tracking, reporting or recording of sales, production and similar business transactions with the Board or its computerized system, conducts such transactions in a manner so as to avoid monitoring, tracking, reporting or recording of such transactions, or issues an invoice which does not carry the prescribed invoice number or barcode or QR code or bears duplicate invoice number or counterfeit barcode or QR code; and

(2) any person who is required to integrate his business as stipulated under sub-section (9A) of section 3 read with sub-section 43A of section 2, but fails to get himself registered under the Act, and if registered, fails to integrate in the manner as required under the law and rules made thereunder.

150ZEO. Procedure for sealing of business premises of integrated tier-1 retailers.—The business premises of such person as mentioned in sub-rule (1) of rule 150ZEN shall be liable to be sealed in the manner prescribed as under:-

(1) the Commissioner Inland Revenue, in whose territorial jurisdiction the business premises of tier-1 retailer is located, may initiate proceedings for sealing of the business premises on the basis of information that such person was found involved in the issuance of tax invoice that does not carry the invoice number or QR Code as prescribed, bears duplicate invoice number or counterfeit QR Code, the invoice is defaced, or there is any other evidence of tempering;

(2) The information referred to in sub-rule (1) may be acquired in the following manner: -

(i) reported as unverified on "Tax Asaan" application or POS Dashboard;

(ii) physically available or acquired through mystery shopping as referred to in sub-section (2) of section 56C of the Act; or

(iii) through any other reliable source.

(3) The Commissioner Inland Revenue concerned shall verify any invoice through invoice number or QR code before declaring it unverified;

(4) Where the Commissioner Inland Revenue has evidence as provided under sub-rule (3), that a tier-1 retailer has either issued three unverified invoices in a day or five unverified invoices in seven days against a single STRN, the Commissioner Inland Revenue shall seek the approval of the Chief Commissioner Inland Revenue in writing for sealing of the retailer's business premises besides mentioning the team of officers and officials that shall carry out the process of sealing of the said business premises:

Provided in case the unverified invoices belong to a business premises of tier-1 retailer having jurisdiction in some other field formation, the Commissioner Inland Revenue concerned shall seek approval from the Chief Commissioner Inland Revenue in whose jurisdiction the integrated tier-1 retailer falls besides mentioning the team of officers and officials that shall carry out the process of sealing of the said business premises;

(5) The Chief Commissioner Inland Revenue, in whose jurisdiction the integrated tier-1 retailer falls, shall on receipt of request for approval as mentioned in sub-rule (4), issue an order in writing for allowing or dis-allowing the sealing of such business premises after recording the reasons therein, and, in case of allowing sealing of business premises, shall also notify the team for carrying out the process of sealing immediately:

Provided where the jurisdiction of tier-1 retailer falls in some other field formation, the concerned Chief Commissioner shall request the Board for notification of the team;

(6) The Chief Commissioner Inland Revenue in whose jurisdiction the integrated tier-1 retailer falls, shall decide whether one or more branches are to be sealed depending on the unverified invoices issued by the respective branches; and

(7) The sealing order shall be communicated by the concerned Chief Commissioner Inland Revenue to the Member (IR-Operations) for information and a copy thereof shall be sent to Chief (POS) for record.

150ZEP.Procedure for sealing of business premises of non-integrated tier-1 retailers.—The business premises of such person as mentioned in sub-rule (2) of rule 150ZEN shall be liable to be sealed in the manner prescribed as under:-

(1) The Officer Inland Revenue, not below the rank of an Assistant Commissioner, having territorial jurisdiction, shall report in writing the non-integration of tier-1 retailer, in violation of sub-section (9A) of the Act, to the Commissioner Inland Revenue concerned, recommending initiation of sealing of business premises under S.No. 25A of section 33 of the Act;

(2) The Commissioner Inland Revenue concerned after conducting inquiry shall forward the report to the Chief Commissioner Inland Revenue, citing cogent reasons for recommending sealing of business premises besides mentioning the team of officers and officials that shall carry out the process of sealing of the said business premises:

Provided where non-integrated tier-1 retailer falls in the jurisdiction of some other field formation, the Commissioner Inland Revenue concerned shall seek approval from the Chief Commissioner Inland Revenue in whose jurisdiction the non-integrated tier-1 retailer falls besides mentioning the team of officers and officials that shall carry out the process of sealing of the said business premises;

(3) The Chief Commissioner Inland Revenue concerned shall issue an order in writing for allowing or dis-allowing the sealing of such business premises after recording the reasons therein, and, in case of allowing sealing of business premises, shall also notify the team for carrying out the process of sealing immediately:

Provided where the jurisdiction of tier-1 retailer falls in some other field formation, the concerned Chief Commissioner shall request the Board for notification of the team; and

(4) The sealing order shall be communicated by the concerned Chief Commissioner Inland Revenue to the Member (IR-Operations) for information and a copy thereof shall be sent to Chief (POS) for record.

150ZEQ.Procedure for de-sealing of business premises of integrated tier-1 retailers.—Where business premises have been sealed under rule 150ZEO, the procedure for de-sealing of business premises shall be as under:

(1) The Commissioner Inland Revenue having jurisdiction over the case shall impose a penalty as provided under serial No. 24 of section 33 of the Act and ensure its payment. De-sealing order of the business premises shall be issued by the concerned Commissioner Inland Revenue within one day of the payment of penalty;

(2) The Commissioner Inland Revenue shall ensure software audit of all POS machines installed in all the branches of such retailer within three working days after de-sealing of the business premises;

(3) The Commissioner Inland Revenue shall ascertain the exact quantum of under-declared sales as a result of software audit and create a demand of tax sought to be evaded; and

(4) Once the penalty imposed has been recovered, any demand created as a result of software audit shall not impede de-sealing of the business premises provided that the software bug has been removed and all requirements of Chapter-XIV-AA of Sales Tax Rules, 2006 have been fulfilled by the integrated tier-1 retailer.

150ZER. Procedure for de-sealing of business premises of non-integrated tier-1 retailers.—Where business premises have been sealed under rule 150ZEP, the procedure for de-sealing of business premises shall be as under:-

(1) The Commissioner Inland Revenue having jurisdiction shall impose a penalty prescribed under serial No. 25A of section 33 of the Act and ensure its payment;

(2) The business premises of non-integrated tier-1 retailer shall remain sealed till the payment of penalty and integration of all POS machines installed in all its branches or outlets;

(3) The integration process shall be carried out in presence of FBR team constituted for this purpose by the respective Commissioner Inland Revenue having jurisdiction. In order to ensure error-free integration of tier-1 retailer, the team so constituted shall include a technical person:

Provided where the jurisdiction of tier-1 retailer 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 all POS machines installed in the business premises have been integrated with the FBR Computerized system and are free from any technical and functional errors.

[C. No. 11/IT-POS/IR/2021.]

FAROOQ AZMAT CHATHA,
Secretary (ST&FE-Policy).

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