



Publisher: S.A. Salam Publications UK, 19 Cheetham Hill Road, Manchester, United Kingdom
Sales Offices in Pakistan: 1st Floor, Salam Chambers, 22-Link McLeod Road., Lahore.
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S. A. SALAM's
Sales Tax Ready Reference

243rd Update – March 31, 2026

Please find enclosed 17 updated pages so as to complete and update your copy of Sales Tax Ready Reference. Kindly insert as follows:–

Existing Pages to be removed	Updated Pages to be inserted	Existing Pages to be removed	Updated Pages to be inserted
<i>Pt-IV – Exemption Notifications</i>			
35, 36	35, 36		
<i>Pt-VI – General Orders</i>			
v, vi	v, vi		
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<i>Pt-VII – Circulars</i>			
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Yours sincerely
Abdul Rab Khan
Manager

Note from the Author

It gives me great pleasure to complete the 243rd update of Sales Tax Ready Reference. This update covers:-

-SROs: 527(I)/2025;

-General Order No. 01 of 2026; and

-Circulars No. 1(42)SA-M/(IR-Ops)/2026/25980-R.

Part IV – Exemption Notifications

4. On page IV-36, SRO 1217(I)/2025 dated July 08, 2025 has been amended by **SRO 527(I)/2026** dated March 19, 2026. This is re: **Exemption from whole of sales tax on import and subsequent supply of white crystalline sugar.**

Part VI – General Orders

5. On page VI-129, **Sales Tax General Order No. 01 of 2026** dated March 30, 2026 has been reproduced. This is re: **Issuance of Electronic Sales Tax Invoices and Integration of Registered Persons.**

Part VII – Circulars

6. On page VII-181, **Sales Tax Circular No. 1(42)SA-M/(IR-Ops)/2026/25980-R** dated March 03, 2026 has been reproduced. This is re: **Standard Operating Procedure (SOP) for Exercising the Power Conferred by Section 37A of The Sales Tax Act, 1990.**

Your suggestions and comments are very useful for improvement of the work which will be highly appreciated.

Sheikh Asif Salam
Chartered Accountant

Exemption form whole of sales tax on import goods for medical purposes

S.R.O. 729(1)/2022 dated Islamabad, the 02nd June, 2022.- In exercise of the powers conferred by clause (a) of sub-section (2) of section 13 of the Sales Tax Act, 1990 (VII of 1990), the Federal Government is pleased to exempt the import of the goods specified in the Table below, for medical purposes, from whole of the sales tax from the period starting from the 9th day of November, 2021 and ending on the 30th day of June, 2022 (both days inclusive), namely:-

Table

S. No.	Description	PCT
(1)	(2)	(3)
1.	Oxygen gas	2804.4000
2.	Cylinders (for oxygen gas)	7311.0090
3.	Cryogenic tanks (for oxygen gas)	7311.0030

Exemption form whole of sales tax on goods import for flood effectees

S.R.O. 1636(1)/2022 dated Islamabad, the 30th August, 2022.- In exercise of the powers conferred by clause (a) of sub-section (2) of section 13 of the Sales Tax Act, 1990, the Federal Government is pleased to exempt for a period of ninety days the import and supply of the goods as certified by the National Disaster Management Authority or a Provincial Disaster Management Authority for relief operation for flood affectees, from the whole of the sales tax.

Exemption form whole of sales tax on import of tomato & onion

S.R.O. 1640(1)/2022 dated Islamabad, the 31st August, 2022.- In exercise of the powers conferred by clause (a) of sub-section (2) of section 13 of the Sales Tax Act, 1990, the Federal Government is pleased to exempt till the 31st day of December, 2022 the import of onion (PCT heading 0703.1000) and tomatoes (PCT heading 0702.0000), from whole of the sales tax.

Exemption form whole of sales tax on goods supplied to Japan International Cooperation Agency (JICA)

S.R.O. 1963(1)/2022 dated Islamabad, the 25th October, 2022.- In exercise of the powers conferred by clause (a) of sub-section (2) of section 13 of the Sales Tax Act, 1990 and clause (c) of sub-section (2A) of section 3 of the Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001), the Federal Government is pleased to exempt whole of sales tax payable on goods supplied to Japan International Cooperation Agency (*JICA*), Japan and services provided to it within Islamabad Capital territory by service providers registered under the Sales Tax Act, 1990.

Exemption form whole of sales tax on old Contingent Owned Equipment (COE) of Civil Armed Forces

S.R.O. 01(1)/2023 dated Islamabad, the 03rd January, 2023.- In exercise of the powers conferred by clause (a) of sub-section (2) of section 13 of the Sales Tax Act, 1990, the Federal Government is pleased to exempt whole of sales tax in respect of old Contingent Owned Equipment (COE) or used stores of Civil Armed Forces, as the case may be, that were repatriated and have arrived at Karachi Port after completion of United Nations Peacekeeping mission in Darfur (Sudan).

Exemption from whole of sales tax on import and supply donation consignments for flood affectees

S.R.O. 70(1)/2023 dated Islamabad, the 25th January, 2023.- In exercise of the powers conferred by clause (a) of sub-section (2) of section 13 of the Sales Tax Act, 1990 (VII of 1990), the Federal Government is pleased to exempt for a period of three months from the 1st day of December, 2022 the import and supply of the donation consignments and relief items as certified by the National Disaster Management Authority or a Provincial Disaster Management Authority for relief operation for flood affectees, from the whole of the sales tax.

Exemption from whole of sales tax on import and subsequent supply of white crystalline sugar

S.R.O. 1217(1)/2025 dated Islamabad, the 08th July, 2025.- In exercise of the powers conferred by clause (a) of sub-section (2) of section 13 of the Sales Tax Act, 1990, the Federal Government, vide its decision in Case No. 432/Rule-19/2025/615, dated the 4th July, 2025, is pleased to reduce the rate of sales tax from eighteen percent to 0.25% and exempt the minimum value added tax (VAT) at the rate of three percent, as specified under the Twelfth Schedule to the Sales Tax Act, 1990, on import and subsequent supply of white crystalline sugar upto 500.000 metric tons by Trading Corporation of Pakistan (TCP) or private sector subject to the following conditions:

- (i) import of sugar shall be carried out by the Commerce Division through TCP or private sector subject to conditions, limitations, and quota allotments for immediate and subsequent requirements;
- (ii) Commerce Division shall ensure quality assurance of the imported sugar through an international inspection firm; and
- (iii) the cut-off date for import of sugar to avail exemption under this notification shall be the ¹[28th day of February, 2026].

¹Substituted for "30th day of November, 2025" by SRO 527(I)/2026 dated March 19, 2026. Earlier it was substituted for "September" by SRO 1832(I)/2025 dated September 22, 2025.

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06 of 2022 December 03, 2021	Tier-1 Retailers - Integration with FBR's POS System	VI -103
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15 of 2022 April 26, 2022	Implementation of Track & Trace System under SRO 250/2019, Dated 26.02.2019 - Fertilizer Bags	VI -108
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08 of 2023 Mar 10, 23	Tier-1 Retailers - Integration with FBR's POS System	VI -116
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07 of 2025 Nov 10, 25	Electronic Monitoring Production of Tobacco sector through IP-CCTV Cameras	VI -129
01 of 2026 Mar 30, 26	Issuance of Electronic Sales Tax Invoices and Integration of Registered Persons	VI -129

6. All hardware installations (referred to herein as Production Monitoring Equipment) must allow seamless monitoring of production through video surveillance, video analytics or Digital Eye software, as defined under Rule 150ZQS of the Sales Tax Rules, 2006, as and when directed by the Board.

7. This issues with the approval of the competent authority, Member Inland Revenue Operations, FBR, Islamabad.

C.No.2(3)/T&Ts/Tobacco/2021/142664-R Islamabad, the 10th November, 2025

Sales Tax General Order No. 07 of 2025/IR Operations

Subject: Electronic Monitoring Production of Tobacco sector through IP-CCTV Cameras

In exercise of powers conferred under Section 40C of Sales Tax Act, 1990 read with Chapter XIV-B & BA of Sales Tax Rules, 2006. The Tobacco manufacturers have already been communicated to install cameras vide letter F.No. 2(3)/T&Ts/Tobacco/ 2021/ 103449-R, dated: 18.08.2025, letter F.No. 2(3)/T&Ts/ Tobacco/ 2021/104849-R, dated: 21.08.2025 and letter F. No. 2(3)/T&Ts/Tobacco/2021/ 105188-R, dated: 21.08.2025.

2. The Federal Board of Revenue is pleased to further direct that all Tobacco manufacturing units shall install IP-CCTV cameras on the direction of the Board on specified places of manufacturing facilities. No person engaged in manufacturing of Tobacco Products shall remove any production from their business premises unless it has undergone the process of production monitoring through IP-CCTV Cameras.

3. This issues with the approval of Competent Authority, Member Inland Revenue Operations, FBR, Islamabad and comes into force immediately.

C.No.1(190)/ST-L&P/2026/35900-R Islamabad, the 30th March, 2026

Sales Tax General Order No. 01 of 2026/IR Operations

Subject: Issuance of Electronic Sales Tax Invoices and Integration of Registered Persons

Whereas, the provisions of sub-sections (5) and (6) of Section 23 of the Sales Tax Act, 1990 mandate the Federal Board of Revenue (FBR) to require any person or class of persons to integrate their electronic invoicing system with the Board's computerized system for real-time reporting of sales in such mode, manner, and from such date as may be specified therein, and further provide that such integration shall be carried out by licensed integrators in the prescribed manner.

2. Whereas, FBR through SRO. 1413(1)/2025 dated 01.08.2025 obligate all sales tax registered persons to integrate with FBR's computerized system through a licensed integrator and issue digital invoices. Whereas, some hardships of involvement of more than one licensee integrator in cases of persons/class of persons have been reported.

3. In order to streamline the procedure, the Federal Board of Revenue is pleased to direct that a registered person may, for the purposes of integration of its electronic invoicing hardware and software with the Board's computerized system, engage one or more licensed integrators, as approved or notified by the Board, wherever required.

4. The Federal Board of Revenue is pleased to further direct that an integrated person shall only be allowed to cancel, delete, or edit a valid electronic sales tax invoice generated due to bonafide mistake, through the Board's computerized system within a period of seventy-two (72) hours from the time of its generation.
 5. Provided that any such cancellation, deletion, or editing after the expiry of seventy-two (72) hours from the time of generation of the electronic sales tax invoice shall be subject to prior approval of the concerned Commissioner Inland Revenue, in such manner and subject to such conditions as may be specified by the Board.
 6. This issues with the approval of the competent authority i.e. Member (IR Ops), FBR, Islamabad.
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Sr. No.	*Subject	Circular No. & Date	Page No.
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135	Circular No. 5 of 2022-POS Integrated Retailers - Implementation of Rule 150ZEB(II) of the Sales Tax Rules, 2006	C.No.1(5)STL&P/TAMA./2022, Jan 18, 2022	VII - 133
136	Circular No. 6 of 2022-Finance (Supplementary) Act 2022 - Explanation of Important Amendments in Sales Tax Act 1990, ICT (Tax on Services) Ordinance 2001 and Federal Excise Act 2005.	C.No.4/1-STB/2022, Jan 20, 2022	VII - 134
137.	Circular No. 7 of 2022-Explanation of Important Amendment Introduced in the Sales Tax Act, 1990, through Finance (Supplementary) Act, 2022-Sales Tax on Supply of Prepared Food, Food Stuff and Sweetmeats Supplied by Restaurants, Bakeries, Caterers and Sweetmeats Shops	C.No.1(1)SS(Pro-Taxes-1/2022, Jan 20, 2022	VII - 137
138.	Constitution of Sub-Committee on Tax Administration Modernization and Automation (TAMA) - Sub-Committee on Administrations on Supply Chain Capture.	C.No.1(5)ST-L&P TAMA/2022, Jan 20, 2022	VII – 138
139.	Extension in date of payment and filing of Sales Tax and Federal Excise Return for the Tax period of December, 2021	C.No.9(11)ST-LPE/Misc./2016, Jan 21, 2022	VII - 139
140.	Finance Act, 2022 - Explanation of Important Amendments in Sales Tax Act 1990, Federal Excise Act, 2005 and ICT (Tax on Services) Ordinance, 2001	C.No.3(1)ST-L&P/2019, July 21, 2022	VII - 139
141.	Abolition of Fixed Tax Scheme for Retailers & Other through Tax Laws (Second Amendment) Ordinance, 2022	C.No.3(1)ST-L&P/2019, Aug 24, 2022	VII - 144
142.	Clarification Regarding SRO 1636(I)/2022 dated 30 th August, 2022- Flood relief goods	C.No.4/5-STB/2022, Sept 06, 2022	VII - 145
143.	Finance (Supplementary) Act, 2023 - Explanation of Important Amendments in Sales Tax Act 1990 and Federal Excise Act, 2005 – Circular No. 01 of 2023	C.No.3/1-ST-L&P/2019, Feb 28, 2023	VII - 145
144.	Explanation of Important Amendments in Sales Tax Act 1990, ICT (Tax on Services) Ordinance, 2001 and Federal Excise Act, 2005 through the Finance Act, 2023	C.No.3(1)-ST-L&P/2015, Jul 21, 2023	VII - 147
145.	Standard Operating Procedure for Disposal of Cases of Condonation of Time Limit under Section 74 of the Sales Tax Act, 1990	C.No.3(1)-ST-&FE/2023, Mar 4, 2024	VII - 153

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147.	Circular No. 03 of 2024-24 Finance Act, 2024-Explanation regarding Important Amendments made in Sales Tax Act, 1990 and Federal Excise Act. 2005	C.No.1/8-STB/2024 Aug 05, 2024	VII - 154
148	Extension in date of submission of Sales Tax & Federal Excise Return for the period of July, 2024	C.No.9(11)-ST-LP&E/ 2016, Aug 16, 2024	VII - 165
149	Extension of Time for Biometric Re-Verification Circular No. 04 of 2024	C.No.3(1)-ST&FE / 2023, Sep 05, 2024	VII - 165
150	Standard Operating Procedure for Disposal of Cases of Condonation of Time Limit under Section 74 of the Sales Tax Act, 1990	C.No.1(25)-ST&FE / 2019, Sep 16, 2024	VII - 166
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152	Procedure for Integration into Digital Invoicing Systems	Cir. No. 01 of 2025, Apr 10, 2025	VII - 168
153	Extension in Date of Submission of Sales Tax & Federal Excise Return for the Tax Period of February, March & April 2025	C.No.9(11)-ST-LP&E/ 2016, Apr 18, 25 & May 30, 2025	VII - 169
154.	Circular No. 02 of 2025-26 Finance Act, 2025-Explanation regarding Important Amendments made in Sales Tax Act, 1990 and Federal Excise Act. 2005	C.No.2/1-STB/2025 Aug 02, 2025	VII - 170
155	Extension in Date of Submission of Sales Tax & Federal Excise Return for the Tax Period of June, 2025	C.No.9(11)-ST-LP&E/ 2016, Aug 04, 2025	VII - 180
156	Extension in Date of Submission of Sales Tax & Federal Excise Return for the Tax Period of July, 2025	C.No.9(11)-ST-LP&E/ 2016, Aug 22, 2025	VII - 180
157.	Cir 03 of 2025-Standard Operating Procedure for Change of NTN/ STRN on Industrial Connection of Electricity/ GAS by DISCOs/GASCOs	F.No.1(162)ST-L&P/2025 Oct 22, 2025	VII - 180
158.	Standard Operating Procedure (SOP) for Exercising the Power Conferred by Section 37A of The Sales Tax Act, 1990	No.1(42)SA-M/(IR-Ops)2026 Mar 03, 2026	VII - 181

- (i) The registered person shall apply to the Commissioner-IR having jurisdiction for change of NTN/STRN on electricity/Gas bills;
- (ii) The Commissioner-IR having jurisdiction may verify the particulars including physical verification of business premises and in case the Commissioner-IR is satisfied that the intended particulars is correct, he may ask the DISCO/GASCO concerned through order for change of NTN/STRN in respective utility bill.
- (ii) The DISCOs/GASCOs shall change NTN/STRN of the registered person upon recommendations of Commissioner-IR concerned.

No. 1(42)SA-M(IR-Ops)/2026/25980-R Islamabad, dated 03rd March, 2026.

Subject: Standard Operating Procedure (SOP) for Exercising the Power Conferred by Section 37A of The Sales Tax Act, 1990.

Whereas Section 37A of the Sales Tax Act, 1990 (the Act) empowers the authorized officer to inquire and investigate the commission of tax fraud or an offence under the Act and shall have the powers of a civil court under Code of Civil Procedure, 1908 (Act No. V of 1908) in matters defined under Clause (a) & (b) of Sub-Section (2) of Section 37A of the Act besides, powers to arrest in the manner defined under Sub-Section (8) & (9) of the Section 37A of the Act.

2. And whereas it is considered necessary to prescribe a structured procedure for the effective and judicious exercise of the powers conferred under Section 37A of the Act, so that the proceedings undertaken thereunder shall have legally sustainable before appellate fora.

3. Therefore, the following Standard Operating Procedure (SOP) is hereby issued for strict compliance by all field formations within their respective jurisdictions:

- a) During the proceedings under Section 11E of the Act or otherwise, on the basis of material evidence pointing to the commission of tax fraud by a person, the case shall be referred immediately to the Directorate of Intelligence & Investigation (Inland Revenue) of the related jurisdiction to the extent of tax fraud.
- b) Upon receipt of the case referred by the field formation, concerned Director of Intelligence & Investigation (Inland Revenue) shall scrutinize the referred case within thirty (30) days to ascertain whether action under Section 37A(1) of the Act is warranted or otherwise? In case,
 - (i) If such action is deemed warranted, the concerned Commissioner shall formally be intimated; and
 - (ii) If such action is not warranted, the case be sent back to the concerned jurisdiction for finalization of proceedings under Section 11E of the Act.
- c) After the inquiry under sub-section (3) of section 37A of the Act and submission of the report to the Director concerned under section 37(5) of the Act, if the office of the Directorate General of Intelligence & Investigation (Inland Revenue) considers it appropriate to initiate investigation under section 37A(6) of the Act, the procedure prescribed under Sales Tax General Order No.2 of 2025 shall be followed in letter and spirit.

4. This issues with the approval of Member (IR-Operations). _____