

TAX INSIGHTS APRIL 2025

Welcome to our latest newsletter, packed with insightful updates and vital information on Income Tax, Sales Tax, and Customs duties in Pakistan. This edition presents the latest developments and changes in fiscal laws and regulations that will impact businesses and individuals. Stay ahead of the curve with our newsletter and ensure compliance with the ever-evolving tax landscape in Pakistan.



SALES TAX

1. Fixation of Ex-mill Value of Sugar: SRO 577(I)/2025

The Federal Board of Revenue (FBR), on 8th April 2025, issued a sales tax notification (S.R.O. 577(I)/2025) to fix the minimum ex-mill price of white crystalline sugar for sales tax purposes. According to the notification, the minimum ex-mill value of white crystalline sugar shall be the average national retail price of domestically produced white crystalline sugar (as per PBS's Weekly Sensitive Price Indicator) minus Rs. 16, applicable for the respective fortnight starting on the 1st and 16th day of each month.

For Details: [S.R.O. 577\(I\)/2025 dated 08.04.2025 \(FBR\)](#)

2. Amendments to Sales Tax Rules: SRO 578(1)/2025: Amendments in Sales Tax Rules, 2006

The FBR on 8th April 2025, issued a sales tax notification (S.R.O 578(1)/2025) to introduce the following significant amendments to the Sales Tax Rules, 2006:

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a. Amendments to existing Annexure A

Annexure A of the sales tax return form has been revised to include an additional sub-column under the "Document" column, namely "Description".

(i) for the existing Annex-A, the following shall be substituted, namely:-

DOMESTIC PURCHASE INVOICES (DPI)													“Annex-A						
		NTN: 99999999 ***** Name of the registered Person *****										Tax Period:		MMM-YYYY					
S. No	Particulars of Supplier				Document				Purchase Type	Rate	Quantity/ Electricity Units	UoM	Value of Purchases Excluding Sales Tax	Sales Tax/ FED in ST Mode	Input Credit not allowed	Extra Tax	FED Amount	ST With-held as WH Agent	
	NTN	CNIC	Name	Province	Type	Type	Number	Date											HS Code
1																			
2																			
3																			
4																			
Purchases made from registered persons											-		-	-	-	-			
Purchases made from un-registered persons											-		-	-					11

b. Amendments to existing Annexure C

Annexure C of the sales tax return form has been revised to include an additional sub-column under the "Document" column, namely "Description".

Following additional columns have been added "Fixed/Notified Value or Retail Price", "Further Tax", "Total Value of Sales (In case of PAID only)," FED Amount".

(ii) for the existing Annex-C, the following shall be substituted, namely:-

DOMESTIC SALES INVOICES (DSI)																				“Annex-C				
NTN: 9999999-9		Name of the Registered Person												Tax Period:			MMM-YYYY							
S. No.	Particulars of Buyer				Sale Origination Province of Supplier	Document				Sale Type	Rate	Quantity	UoM	Value of Sales Excluding Sales Tax	Fixed/ notified value or Retail Price	Sales Tax/ FED in ST Mode	Extra Tax	Further Tax	Total Value of Sales (In case of PAID only)	ST With-held at Source	FED Amount	Exemption, Zero & Reduce Rated		
																						SRO No./ Schedule No.	Item S. No.	
	NTN	CNIC	Name	Type		Type	Number	Date	HS Code													Description		
1																								
2																								
3																								
Total Sales												-		-		-	-							”; and

c. Addition of new Annexure C1

After Annex-C, substituted as aforesaid, the following new Annex-C1 shall be inserted.

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"Annex-C1"												
PAYMENT RECEIVED AGAINST DOMESTIC SALES INVOICES												
NTN: 99999999 ***** Name of the registered Person ***** Tax Period: MMM-YYYY												
S. No.	Particulars of Buyer				Invoice Detail				Payment Received			
	NTN	CNIC	Name	Type	Number	Date	HS Code	Amount	Date	Amount Received	Cheque No	Issuing bank
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												

For Details: [S.R.O 578\(1\)/2025 dated 08.04.2025 \(FBR\)](#)

3. Extension in Date for Submission of Sales Tax & Federal Excise Return for the Tax Period of February 2025

The FBR, in exercise of its powers under Section 74 of the Sales Tax Act, 1990 and Section 43 of the Federal Excise Act, 2005, has announced a further extension in the deadline for submission of Sales Tax and Federal Excise returns for the tax period of February 2025. Initially due on 18th March 2025, and previously extended to 27th March 2025, the return filing deadline has now been extended to 13th April 2025. This extension is subject to the condition that the due sales tax liability must have been deposited within the original due date. The due date was further extended to 25th April 2025 for tax periods of February and March through circular dated 18th April 2025. Moreover, through another circular dated 25th April 2025, the due date for February has been extended to 28th April 2025. For March, the due date has been extended until 29th April 2025, subject to the same condition.

For Details: [Circular dated 09.04.2025](#)

[Circular dated 18.04.2025](#)

[Circular dated 25.04.2025](#)

4. Procedure for Integration with Digital Invoicing System

The FBR has issued a procedural update for the implementation of SRO 69(I)/2025, dated January 29, 2025, relating to digital invoicing under the Sales Tax regime. As per the directive, registered persons who are required to issue digital invoices must integrate their hardware and software systems with FBR's computerized invoicing system through a licensed integrator.

Currently, the approved licensed integrators are:

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- M/s Pakistan Revenue Automation Limited (PRAL) – offering free-of-cost integration services,
- M/s Haball (Pvt) Ltd.,
- M/s EY, and
- M/s WebDNA Works (Pvt) Ltd.

Registered persons are advised to visit the Digital Invoicing Portal at www.iris.fbr.gov.pk, select an integrator from the approved list, and begin the integration process. Licensed integrators have also been directed to ensure timely and responsive support and to follow the Application Programming Interface (API) integration guidelines provided by the FBR.

To facilitate a smooth integration process, the following PRAL personnel have been designated for technical assistance:

- Mr. Mehboob Rehman – Senior Project Manager
Email: mehboob.rehman@pral.com.pk | Phone: 0321-5326975
- Mr. Adeel Abbasi – Technical Support Officer
Email: adeel.abbasi@pral.com.pk | Phone: 0315-000009

For Details: [Circular No. 1 ST of 2025 dated 10.04.2025](#)

5. Electronic Integration of Registered Persons: S.R.O 709(1)/2025

The FBR has obligated specified registered persons to integrate their hardware and software with the FBR's computerized system through licensed integrators or PRAL and issue e-invoices from the following dates:

- Corporate registered persons as of the **First day of May 2025**
- Non-Corporate registered persons as of the **First day of June 2025**

For Details: [S.R.O 709\(1\)/2025 dated 22.04.2025](#)

6. Extension Regarding Electronic Integration of Registered Persons

The FBR has extended the date for integration of registered persons with FBR's computerized system through licensed integrators or PRAL to the following dates:

- Corporate registered persons as of the **First day of June 2025**
- Non-Corporate registered persons as of the **First day of July 2025**

For Details: [F. No. 1\(141\) ST-L&P/2025/55105-R dated 30.04.2025](#)

7. Fixation of Minimum Retail Price of Cement: SRO 746(I)/2025

The FBR, on 29th April 2025, issued a sales tax notification (S.R.O. 746(I)/2025) to fix the minimum retail price of cement as follows:

- Minimum retail price of cement shall be the Average national retail price of the cement (as per PBS's Weekly Sensitive Price Indicator), before 1st and 16th of each month, applicable for respective fortnight starting on these dates.
- This notification shall take effect from the 1st day of May, 2025.

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For Details: [S.R.O 746\(1\)/2025 dated 29.04.2025](#)

8. Amendments to Sales Tax Rules: SRO 608(1)/2025: Amendments in Sales Tax Rules, 2006

The FBR, on 17th of April 2025, issued a sales tax notification (S.R.O 608(1)/2025) to introduce the following significant amendments to the Sales Tax Rules, 2006

a. Amendments to Rule 11

The FBR has introduced key amendments to Rule 11 (De-registration) of the Sales Tax Rules to streamline the de-registration process for registered persons. Under the revised procedure, taxpayers intending to de-register must now submit their applications online via the FBR's computerized system, replacing the earlier requirement of applying to the Commissioner Inland Revenue. Additionally, the time limit for de-registration proceedings has been reduced from ninety to sixty days. A new proviso bars registered persons from filing Annex-C, Annex-D, or sales tax returns once the online application for de-registration has been submitted and prohibits input tax adjustments or refunds for both the applicant and other taxpayers on invoices issued during the de-registration period. The Commissioner is empowered to conduct audits or inquiries, which must be concluded within ninety days from the date of application (excluding adjournments), after which the system will automatically process the de-registration.

b. Amendments to Rule 12 (Blacklisting and Suspension of Registration)

The term "LTUs" (Large Taxpayer Units) has been officially replaced with "LTOs" (Large Taxpayer Offices) across all relevant sub-rules, aligning terminology with the current structure of tax administration.

In clause (a), the definition of "tax fraud" has been clarified by referencing clause (37) of section 2 of the Sales Tax Act, 1990. Additionally, the term "non-availability" has been replaced with "non-existence". Substantial revisions have also been made to the grounds for suspension of registration. A consolidated clause now stipulates that refusal to allow access to business premises under sections 40B and 40C, or refusal to provide records under sections 25 and 37, may result in suspension of registration. Moreover, if the declared business activity becomes five times higher than the sum of the capital and liabilities declared in the balance sheet, or if a taxpayer conducts more than 10% of their purchases from, or supplies to, suspended persons in the same month exceeding Rs. 50 million or 10%, whichever is higher, suspension may also apply. Non-filing of sales tax returns for three consecutive months or submission of six consecutive null returns or commission of any act which falls within the ambit of tax fraud are also specified as grounds for suspension of registration.

Additional amendments include:

- In sub-clause (iii), the time threshold for suspension has been reduced from six months to three months,
- In sub-clause (vi) (**which was inadvertently mentioned as sub-clause(iv)**), paragraph (C), the phrase "under sections 40B and 40C" has been inserted in respect of record or premises-

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- In paragraph (D), in paragraph (D), for the word "Commissioner", the word "Board" has been substituted.
- In sub-clause (viii) or the word "LTUs", the word "LTOs" has been substituted.
- In sub-clause (ix), a critical timeline has been introduced requiring that the revocation of suspension of a registered person must be completed within thirty days of receipt of the reply to the notice.

For Details: [S.R.O 608 \(1\)/2025 dated 17.04.2025](#)

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INCOME TAX

1. Insertion of New Clause 98AA in Part-1 of the Second Schedule of the Income Tax Ordinance 2001; S.R.O. 579(I)/2025 dated 9th April 2025

The FBR, through S.R.O. 579(I)/2025, has announced a significant tax exemption under the Income Tax Ordinance, 2001 [the Ordinance]. In exercise of the powers conferred under Section 53(2) of the Ordinance, and following approvals by the Economic Coordination Committee (ECC) and subsequent ratification by the Federal Cabinet, the FBR has inserted a new clause (98AA) into Part I of the Second Schedule.

According to the notification, any income derived by the following non-resident individuals and entities shall be exempt from income tax in Pakistan:

- ICC Business Corporation (IBC)
- International Cricket Council (ICC)
- Employees, officials, agents, and representatives of IBC and ICC
- Officials from ICC member
- Players, coaches, medical doctors, and officials of member countries
- IBC partners and media representatives

The exemption applies to income earned in connection with the ICC Champions Trophy 2025 and is available only to non-residents.

For Details: [S.R.O. 579\(I\)/2025 dated: 09.04.2025](#)

2. Amendments in the Inland Revenue Reward Rule 2021

The FBR, through S.R.O. 686(I)/2025, has officially notified amendments to the Inland Revenue Reward Rules, 2021, pursuant to the authority granted under the Ordinance; the Sales Tax Act, 1990; the Federal Excise Act, 2005; and the Islamabad Capital Territory (Tax on Services) Ordinance, 2001.

These amendments, which were earlier published for public consultation via S.R.O. 580(I)/2025 dated April 9, 2025, have now been formally adopted and are aimed at incorporating reward mechanisms aligned with the FBR Transformation Plan, 2024.

Key Changes Include:

- Clause (ii)(d) has been inserted under Rule 2 to introduce a new reward category titled: "Monetary Reward under FBR Transformation Plan, 2024".
- A new clause (ix) has been added, providing that monetary rewards shall be granted to Cadre Officers of Inland Revenue Services (BS-17 and above) based on their performance rankings as determined under the performance management framework of the FBR Transformation Plan, 2024.

For Details: [S.R.O 604\(1\)/2025 dated 16.04.2025](#)

3. Exemption of Withholding Tax on Import of Specified Medicines

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The FBR has issued S.R.O. 722(1)/2025, exempting withholding tax under Section 148 of the Ordinance for the import of specific medicines for personal therapeutic use of immediate family members, subject to specified medicines, quantities, and NOC from the Ministry of National Health Services.

Sr. No	Name of Patient	Name of Importers	Name of Drug	Name of Doctors	Qty	Countr. y of Origin	NOC
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Mr. Muhammad Arsam S/o Muhammad Arif House # 310/1, Westridge valley, Westridge-III, Rawalpindi	Ms Shumailah Iqbal CNIC No. 36102-6910022-4 House # CB-310/1, Westridge valley, Westridge-III, Rawalpindi 0333-6081448	Cystagon Capsule (50mg)	Dr. Waseem Riaz, Post Graduate Resident Nephrology, Holy Family Hospital, Rawalpindi	400 Capsules	France	Ministry of National Health Services, Regulations and Coordination vide O.M. No. F.13-27/Admn-II/NHSRC. dated 12 th February, 2025
2	Ms. Fatima D/o Ghulam Murtaza Street No. 24,	Ghulam Murtaza CNIC No. 34201-0381679-5 Street No. 24,	Systagon Capsule (50mg)	Dr. Nyla Gill, IMC NESCOM, Islamabad	500 Capsules	France	Ministry of National Health Services, Regulations and Coordination
	New City, Phase-1, Wah Cantt.	New City, Phase-1, Wah Cantt. 0322-6458013					vide O.M. No. F.13-27/Admn-II/NHSRC. dated 12 th February, 2025

For Details: [S.R.O 722\(1\)/2025 dated 24.04.2025](#)

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CUSTOMS

1. Amendment in Reward Rule: S.R.O 704/2025

Through S.R.O. 704(I)/2025 dated April 17, 2025, the FBR has amended S.R.O. 386(I)/2012 to introduce a new performance-based reward mechanism for Pakistan Customs Service officers (BS-17 and above). As per the new sub-rule added to Rule 3, monetary rewards will be sanctioned based on officers' performance rankings under the FBR Transformation Plan.

For Details: [S.R.O 704/2025 dated 17.04.2025](#)

2. Amendment in S.R.O 499(1)2009 dated 13th June 2009: S.R.O 586(1)

FBR has issued S.R.O. 686(I)/2025, amending S.R.O. 499(I)/2009. The amendment removes clause (f) and its related entries from Serial No. 2 in the table, as well as the explanation below the table.

For Details: [S.R.O 586\(1\)/586 dated 09.04.2025](#)

3. Amendment in Customs Rules,2001: S.R.O 610 (1)/2025

The FBR has introduced an amendment to sub-rule (6A) of Rule 328(Conditions for qualifying as a bonded carrier and its operations) of the Customs Rules, 2001 through S.R.O. 610(I)/2025. The amendment extends the scope of responsibility to include not only the operator but also the Pakistani importer of goods or their authorized customs agent, allowing them to act on the importer's behalf.

For Details: [S.R.O 610\(1\)/2025 dated 16.04.2025](#)

4. Customs General Order No. 03 of 2025 -Amendments in Customs General Order 12 of 2002 dated 15.06.2002

The FBR has further amended the procedure for disposing of confiscated goods specified in the Customs General Order No. 12 of 2002, dated 15 June 2002, namely:-

In the aforesaid order, in para 117, sub-para (vi) shall be omitted.

For Details: [Customs General Order No. 03 of 2025 dated 11.04.2025](#)

5. Amendment in Customs Rules,2001 (EFS Rule, 2001): S.R.O 592 (1)/2025

The FBR has issued S.R.O. 592(I)/2025 proposing further amendments to the Customs Rules, 2001 under powers conferred by the Customs Act, 1969; Sales Tax Act, 1990; Federal Excise Act, 2005; and Income Tax Ordinance, 2001. The draft proposes inserting a condition in Rule 871(m) and Rule 872(1) specifying that exceptions to tariff provisions will only apply from a date appointed by the Board. Stakeholders have been invited to submit objections or suggestions within five days of the draft's publication in the official Gazette.

For Details: [S.R.O 592\(1\)/2025 dated 12.04.2025](#)

6. Amendments in Tracking and Monitoring Rules: S.R.O 609 (1)/2025

Through S.R.O. 609(I)/2025, the FBR has published a draft amendment to the Customs Rules, 2001, seeking public input within seven days of its publication in the official Gazette. The amendment proposes to substitute Rule 1122 with a new provision requiring the Project Director to ensure an annual third-party audit of the system and periodic third-party monitoring of the tracking services

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for system improvement, corrective and remedial measures. Stakeholders are encouraged to submit suggestions or objections to the FBR within the stipulated time.

For Details: [S.R.O 609\(1\)/2025 dated 15.04.2025](#)

PUNJAB AGRICULTURE INCOME TAX RULES

Amendments to the Punjab Agricultural Income Tax Rules, 2001

The Governor of Punjab, exercising powers under Section 11 of the Punjab Agricultural Income Tax Act, 1997, has introduced several significant amendments to the Punjab Agricultural Income Tax Rules, 2001, with immediate effect. The key highlights are as follows:

- The terms "assessee" and "an assessee" have been replaced with "taxpayer," and "income year" and "assessment year" have been replaced with "tax year" throughout the Rules for consistency.
- Rule 3 has been revised, and a new provision now outlines that agricultural income tax will be levied based on the rates specified in the Schedule appended to the Rules.
- The Board of Revenue is now empowered, with the government's approval, to extend the deadline for filing returns of agricultural income.
- The time limits in the provisos to Rules 6, 10, 13, and 14(3) have been extended from "two" to "four" years.
- A new Rule 10-A authorizes Collectors and appellate or revisional authorities to obtain information related to a taxpayer's agricultural income from any person or institution, including banks.
- A new Rule 12-A provides for the estimation of average crop produce and pricing through a designated committee at the Sub-Division level to support accurate tax assessments.
- Additionally, a definition for "Schedule" has been inserted, and a new clause (bb) has been added to Rule 1(1)(b).
- The revised forms section is now preceded by these rule amendments.

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Schedule 3

(see rule 3)

Part-I

RATE OF TAX ON TOTAL AGRICULTURAL INCOME OF FARMERS

Sr. No.	Income	Rate of Tax
1.	Not exceeding Rs. 600,000/-	Nil
2.	Exceeding Rs. 600,000/- but not exceeding Rs. 1,200,000/-	15% of amount exceeding Rs. 600,00/-.
3.	Exceeding Rs. 1,200,000/- but not exceeding Rs. 1,600,000/-	Rs. 90,000/- + 20% of amount exceeding Rs. 1,200,000/-.
4.	Exceeding Rs. 1,600,000/- but not exceeding Rs. 3,200,000/-	Rs. 170,000/- + 30% of amount exceeding Rs. 1,600,000/-.
5.	Exceeding Rs. 3,200,000/- but not exceeding Rs. 5,600,000/-	Rs. 650,000/- + 40% of amount exceeding Rs. 3,200,000/-.
6.	Exceeding Rs. 5,600,000/-	Rs. 1,610,000/- + 45% of amount exceeding Rs. 5,600,000/-.

Part-II

RATE OF TAX ON TOTAL AGRICULTURAL INCOME FOR CORPORATE FARMING

Type of Company	Rate of Tax
Small Company	20%
Any Other Company	29%

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SINDH REVENUE BOARD (SRB) SALES TAX RULES

1. Amendments in Sindh Sales Tax on Services Rules, 2011

The SRB, on 9th April 2025, issued a notification (No.SRB-3-4/16/2025) to introduce the following significant amendments to the Sindh Sales Tax on Services Rules, 2011.

a. Amendments to Rule 13A

In rule heading, the word "and Annex-C1" has been inserted after "Annex-C".

A new sub-rule (3) has been added according to which registered collection agents are now required to electronically submit tax collection details (Table-1 of Annex-C1) on the SRB website by the 10th day of the month following the tax period along with the amount of tax collected and other relevant information.

b. Amendments to Rule 42FF

A new sub-rule (10) has been added to Rule 42FF. Now, collection agents collecting tax on behalf of medical practitioners/consultants must declare the collected tax in their SST-03 return (Annex-C1, Table-I), showing the practitioner's Registration number. This tax must be deposited without deductions. The medical practitioner/consultant will get automatic tax credit in their return (Annex-C1, Table-II) based on this declaration.

c. Amendments in Form SST -03

The phrase "CA = Collected Amount" has been removed from the document type fields. Additionally, note (6) at the end of the Notes section has been deleted. A new Annex-C1 will be added after the amended Annex-C.

For Details: [No. SRB-3-4/16/2025 dated 09.04.2025](#)

2. Amendments in Sindh Sales Tax Special Procedure (Tax on Specified Services) Rules, 2023

Through Notification No. SRB-3-4/17/2025 dated April 9, 2025, the SRB has introduced amendments to Rule 3 of the Sindh Sales Tax Special Procedure (Tax on Specified Services) Rules, 2023. Effective from May 1, 2025, the revised Rule 3(3) now mandates that tax collected by collection agents must be declared in Table-I of Annex-C1 of Form SST-03 under the appropriate tariff heading. The tax amount must also be reflected in row '14b' of the same return and e-deposited under Sindh Government's head of account "B-02384" by the 15th of the month following the relevant tax period. Importantly, no adjustment or deduction will be permitted. Additionally, sub-rule (4) has been omitted entirely. For Details: [No. SRB-3-4/17/2025 dated 09.04.2025](#)

3. Amendments in Sindh Sales Tax Special Procedure (Collection Agent) Rules, 2024

The SRB, on 9th of April 2025, issued a notification (No. SRB-3-4/18/2025) to introduce the following significant amendments to the Sindh Sales Tax Special Procedure (Collection Agent) Rules, 2024

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The collection agent must charge sales tax at the applicable rate on the gross value of the specified service, including any commission, and declare it in Table-I of Annex-C1 (Form SST-03) with the relevant tariff heading. The tax must be shown in row '14b' and e-deposited into the Sindh Government's account "B-02384" by the 15th of the following month without any adjustment. The service provider must file returns as per Chapter III of the SST Rules, 2011, declare the full tax in Annex-C, and will receive tax credit through auto-filled Table-II of Annex-C1 based on the agent's declaration.

This notification will take effect from the 1st of May 2025. For Details: [No. SRB-3-4/18/2025 dated 09.04.2025](#).

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About Us

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