

TAX INSIGHTS AUGUST 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.



INCOME TAX

1. Limit for cash-based payments for retail outlets and cash-on-delivery (COD) in E-Commerce

The Federal Board of Revenue (FBR), through Circular, has reiterated that in accordance with section 21(s) of the Income Tax Ordinance, 2001 (ITO), the transaction limit for cash-based payments applicable to retail outlets shall also extend to e-commerce Cash-on-Delivery (COD) orders. The existing cash transaction limit for both categories is Rs. 200,000.

For Details: [C.No. 4\(32\) IT-Budget/2025 dated 12.08.2025](#)

2. Simplified Electronic Income Tax Return Forms for Tax Year 2025

The FBR has issued S.R.O. 1561(I)/2025 and S.R.O. 1562(I)/2025, introducing two new parts in the Second Schedule of Income Tax Rules, namely Part-II-ZD and Part-II-ZC. The new rules introduce Simplified Electronic Return for Individuals and Electronic Return for Companies for upcoming tax returns for the tax year 2025.

For Details: [S.R.O 1561\(1\)/2025 dated 18.08.2025](#)
[S.R.O 1562\(1\)/2025 dated 18.08.2025](#)

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3. Statement Filing by Online Marketplaces

The FBR through S.R.O. 1634(I)/2025 has proposed the following draft amendments to the Income Tax Rules, 2002.

a. Rule 38

This rule requires the Online Marketplaces to submit monthly statements pursuant to section 165C of the ITO. Furthermore, in cases where an Online Marketplace also offers courier services, it shall additionally submit the statements required under sub-rule (2) of Rule 44, read with Part-X of the Second Schedule to Income Tax Rules.

b. Rule 44

i. Sub-rule (2)

The Sub-rule (2) shall be substituted as follows:

Under the revised rule, couriers and payment intermediaries who are responsible for collecting or deducting taxes under respective sections of the Ordinance must submit a quarterly statement as required under section 165(2) and 165C of the ITO. The rule provides the following timelines for filing of statements:

- For quarter ending 31st March, by 20th April
- For quarter ending 30th June, by 20th July
- For quarter ending 30th September, by 20th October
- For quarter ending 31st December, by 20th January

ii. Sub-rule (4)

The word "biannual" has been substituted with "quarterly".

c. Second Schedule, Part-X

The expression "Biannual Statement of collection or deduction of income tax under section 165(2) [See Rule 44(2)]" shall be substituted with "Quarterly Statement of collection or deduction of income tax under section 165(2) and section 165C [See Rule 44(2)]".

For Details: [S.R.O. 1634\(I\)/2025 dated 27.08.2025](#)

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SALES TAX

1. Electronic Integration of Registered Person

The FBR through S.R.O 1413(1)/2025, has revised the timelines for designated registered persons to integrate their hardware and software with the FBR's computerized system. The revised deadlines are as follows:

S. No.	Category of Registered Person	Date of Registration	Date of Testing	Date for issuance of electronic invoices
(1)	(2)	(3)	(4)	(5)
1.	All public companies.	10 th August, 2025	25 th August, 2025	1 st September, 2025
2.	All companies excluding at serial no. 1 with turnover exceeding 1 billion rupees declared in sales tax returns for the last twelve months.	10 th August, 2025	25 th August, 2025	1 st September, 2025
3.	All importers	10 th August, 2025	25 th August, 2025	1 st September, 2025
4.	All companies excluding at serial no. 1 with turnover exceeding 100 million but not exceeding 1 billion rupees declared in sales tax returns for the last twelve months.	10 th September, 2025	30 th September, 2025	1 st October, 2025
5.	All companies excluding at serial no. 1 with turnover not exceeding 100 million rupees declared in sales tax returns for the last twelve months.	10 th October, 2025	30 th October, 2025	1 st November, 2025
6.	All individuals and association of persons with turnover exceeding 100 million rupees declared in sales tax returns for the last twelve months.	10 th September, 2025	30 th September, 2025	1 st October, 2025
7.	Registered persons other than listed above.	10 th November, 2025	30 th November, 2025	1 st December, 2025

For Details: [S.R.O 1413\(1\)/2025 dated 01.08.2025](#)

2. Withholding Obligation for Online Marketplace, Payment Intermediary and Courier for Digitally Ordered Goods

The FBR has introduced a new Chapter XIV-E in the Sales Tax Rules, 2006, regulating withholding sales tax on digitally ordered goods, as outlined below:

a. 150ZZM: Application

- Applies to taxable goods ordered digitally through online marketplaces, websites, or similar applications.

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- Also applies to payment intermediaries and couriers, whether payment is made online or through Cash on Delivery (CoD).

b. 150ZZN: Responsibility of Online marketplace, Payment intermediary and Courier

- For digitally ordered taxable goods, the payment intermediary or courier must withhold the applicable sales tax (under the Eleventh Schedule) and settle the net amount with the supplier/vendor.
- Payment intermediaries are required to deposit the withheld sales tax and file a monthly STR-35 statement by the 10th of the following month.
- In case of Couriers, they are required to deposit the withheld sales tax and file a monthly STR-36 statement by the 10th of the following month.
- In case of supplies made through online marketplaces, the marketplace in Pakistan is required to file a monthly STR-34 statement, showing supplier-wise orders and taxable goods delivered, by the 10th of the following month.
- In case the Online Marketplace (OMP) also provides courier services, it must additionally file the monthly STR-36 statement required for couriers.
- Intermediaries and couriers must issue certificates to suppliers, detailing the sales tax deducted, supplier 's particulars, and description of goods.

For Details: [S.R.O 1429\(1\)/2025 dated 04.08.2025](#)

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

The FBR has announced an extension of the deadline for submitting Sales Tax and Federal Excise returns for the tax period of July 2025. Originally due on 18th August 2025, the deadline has now been extended to 26th August 2025. The extension is subject to the condition that the due sales tax liability must be paid within the original due date.

For Details: [C.No. 9 \(11\) ST-LP&E/Misc/2016/105454-R dated 22.08.2025](#)

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CUSTOMS

1. Amendment in Customs Rules, 2001

The FBR, through S.R.O. 1526(1)/2025 has proposed an amendment to Chapter XLVI, Rule 1207, clause (e) of the Customs Rules, 2001, adding the words "duly affiliated as member of FIATA (International Federation of Freight Forwarders Association and" after the word "carriage".

For Details: [S.R.O 1526\(1\)/2025 dated 12.08.2025](#)

2. Amendment in Customs Rules, 2001

The FBR, through S.R.O 1583(1)/2025, has proposed an amendment in Rule 870C, sub-rule (6), adding the words "after the approval of FBR" after the word "facility".

For Details: [S.R.O 1583\(1\)/2025 dated 22.08.2025](#)

3. Amendment in Customs Rules, 2001

The FBR, through S.R.O. 1649(I)/2025 has amended Notification No. S.R.O. 212(I)/2009 dated 5th March 2009.

In Schedule I, under item No. 6, column (1), the following tariff heading has been added in column (3): "4011.9010"

For Details: [S.R.O 1649\(1\)/2025 dated 28.08.2025](#)

4. Review of Export Facilitation Scheme 2021

The FBR, through S.R.O. 1435(1)/2025, has finalised the draft issued earlier through S.R.O. 1359(I)/2025, dated 29th July 2025, making amendments to the Customs Rules, 2001, relating to the Export Facilitation Scheme, 2021. Key changes include the introduction of "insurance guarantee" as an accepted security, exclusion of raw cotton, cotton yarn, and grey cloth from EFS, revised rules for import of compressor/motor scrap, and extended utilization timelines.

For Details: [S.R.O 1435\(1\)/2025 dated 05.08.2025](#)

[S.R.O. 1359\(I\)/2025 dated 29.07.2025](#)

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