CHAPTER 19

SALES TAX
RETURNS & RECORDS

Sales tax returns (monthly, quarterly, annual, special, final), **electronic filing and provisional returns**, **extension** and **revision**, the **records and tax invoices** a registered person must keep, **retention**, and **audit** including samples. Law: STA 1990 as amended by Finance Act 2026.

CHAPTER ROADMAP

1. **Returns** — ss.26 – 29
2. **Electronic filing** — Rule 18 · IRIS
3. **Records** — s.22
4. **Tax invoices** — s.23
5. **Retention of records** — s.24
6. **Audit and samples** — ss.25 · 25A

RETURN A **sales tax return** is the document in which a registered person declares his output and input tax for a tax period and **determines his liability**. The return form shows supplies, purchases, tax credit carried forward, arrears and the amount payable or refundable.

1 KINDS OF RETURNS AND DUE DATES

sections 26 – 29 · Rules 14, 17, 18

Return	Who and when	Due date
Monthly	Every registered person for each tax period	**15th** of the next month — e-filing: tax paid by the 15th, return by the **18th**
Quarterly / additional annual	If the Board notifies a class of persons	As notified
Annual	Private or public **limited company** (Rule 17)	**30 September** following the financial year
Special (s.27)	Any person, registered or not, on notice: quantity manufactured, purchases, supplies, arrears; also a principal's details	Date in the notice
Final (s.28)	A person applying for de-registration	Date directed by the Commissioner
Notice to a non-filer	Officer requires the missing return	**15 days** of service; notice within **5 years** of the end of the financial year (**15 years** in tax fraud)

MULTI-SECTOR PERSON · Rule 14(2)

One return for all sectors, by the due date of the **major activity**.

DEEMED RETURN · s.29

A return made by a duly appointed representative is deemed made by the person unless he proves otherwise.

DIGITAL SUPPLY CHAIN

Online marketplaces, payment intermediaries and couriers file **monthly supplier-wise statements** by the due date, whoever owns the goods.

2 ELECTRONIC FILING AND PROVISIONAL RETURNS

Rule 18

FILING

Return filed electronically (web / magnetic media) is valid. Tax is paid at designated **National Bank of Pakistan** branches. No tax payable → file a **Nil return** with no deposit.

BUYER'S PROVISIONAL RETURN

A buyer's return is **provisional** until the seller files by the **last day of the month in which the due date falls**. If the seller does not, **IRIS deletes the seller's invoices** from the buyer's return and the buyer's liability is computed **without that input tax**; the return becomes valid once that liability is paid. If the seller files and pays in time, the buyer keeps the credit.

WITHHELD TAX

Tax withheld by a **withholding agent** can be claimed only if the **corresponding sales are declared** in the return.

3 CONTENTS, REVISION AND EXTENSION

section 26

PARTICULARS

Supplier's STRN, name and address; recipient's details (and **NIC / NTN of an unregistered distributor** for supplies by a manufacturer or importer); invoice date; description and quantity; **tax credit brought forward**; supplies and output tax (local taxable, exempt, zero-rated); purchases and input tax; **arrears**; amount payable or refundable.

REVISION

With the Commissioner's approval **within 120 days** of filing. **No approval within 60 days** if the revised return shows **more tax or a smaller refund** (unless restricted by risk management). Voluntary correction **before an audit notice**: tax + default surcharge, **no penalty**. **During audit / before a show cause notice**: + **25%** of penalty. **After a s.11E show cause notice**: + **50%** of penalty (the return provision speaks of the full penalty); the notice **abates**.

EXTENSION

Apply in writing **by the due date**; grounds: absence from Pakistan, sickness or misadventure, other reasonable cause. Up to **15 days**; the **Chief Commissioner** may grant up to another 15. It **never changes the due date for payment** — default surcharge applies.

GOOD-FAITH SALE

If the buyer's CNIC given to the seller proves incorrect, **no tax or penalty** falls on a seller who acted in good faith. Only **one** tax invoice per taxable supply.

4 RECORDS, TAX INVOICES AND RETENTION

sections 22, 23, 24

RECORDS · s.22

Of **purchases, imports and supplies** (including zero-rated and exempt): description, quantity, value, party details, tax; **double-entry sales tax accounts**; invoices, **debit / credit notes**, bank statements and s.73 instruments, inventory, utility bills, cash book, salary bills, agreements, **gate passes**, transport receipts, electronic copies. Kept at the **business premises or registered office**, in **English or Urdu**. Audited companies file audited accounts with an **auditor's tax-payment certificate**. The Board may require declared business bank accounts and **electronic fiscal cash registers**.

TAX INVOICE · s.23

Issued **at the time of supply** with a verifiable **FBR invoice number**: supplier and recipient details, date, description and quantity, **value excluding tax**, **amount of tax**, value including tax. **Only a registered person or a person paying retail tax** may issue one; **one invoice per supply**; e-invoicing and integration as notified; **Tier-1 retailers** integrate outlets; goods in transit need an **e-Bilty** linked to the invoice.

RETENTION · s.24

Six years after the end of the tax period, or until the **final decision** of any proceedings (assessment, appeal, revision, reference, petition, **ADR**).

5 AUDIT AND SAMPLES

sections 25 and 25A

AUDIT NOTICE · s.25

The Commissioner directs an officer **not below Assistant Commissioner** to audit, on **recorded reasons** communicated in the notice — no hearing before the notice. Reasons rest on scrutiny of returns, income tax data, financial statements or third-party information and must **identify risk factors**; mere verification of input / output tax or refunds is **not enough**.

CONDUCT

Officer may call records (including electronic data and access to machines) — **not after six years** from the end of the financial year; require attendance; make **third-party enquiries**; audit by **video link**. Powers are independent of the Board's s.72B. Failure to produce records → **best judgment (s.11D)**.

RE-AUDIT · 25(8A)

Complex, voluminous, doubtful, multiple or specialised accounts: after a **hearing** and the **Chief Commissioner's prior approval**, direct **re-audit by an accountant** or **re-valuation of inventory by a cost accountant** (from the Board's panel).

AFTER AUDIT · SAMPLES

Audit report with observations; then, if needed, an order under **s.11E** after a hearing. **Samples (s.25A)**: minimum quantity needed, the holder is informed and may **sign and keep a matching sample**, taken against a receipt.

6 EXAM FOCUS · MCQ TRAPS

what examiners test

1 Monthly return
Tax by the **15th**, e-filed return by the **18th**; annual return of companies: **30 September**.

2 Notice to non-filer
15 days; **5 years** (15 for tax fraud) — compare income tax: 30 days.

3 Provisional return
Non-filing seller's invoices are **deleted** from the buyer's return; buyer pays the recomputed tax.

4 Revision
Approval within **120 days**; free within **60 days** only if tax rises or refund falls.

5 Extension
By the due date; **15 days**; payment date unchanged.

6 Invoice
Registered / retail-tax persons only; **one per supply**; FBR invoice number.

7 Retention
Six years after the tax period; longer while proceedings, incl. ADR, are pending.

8 Audit
Recorded risk-based reasons; **six-year** record limit; re-audit needs a **hearing + Chief Commissioner**.

CLASSIFY IT · WHICH RETURN?

1	Registered person, every month	MONTHLY
2	Private limited company, once a year	ANNUAL
3	Person applying for de-registration	FINAL
4	Quantity manufactured and arrears on demand	SPECIAL
5	No tax payable for the period	NIL RETURN
6	Class notified by the Board	QUARTERLY
7	Person operating in two sectors	SINGLE RETURN
8	Return by a duly appointed representative	DEEMED MADE

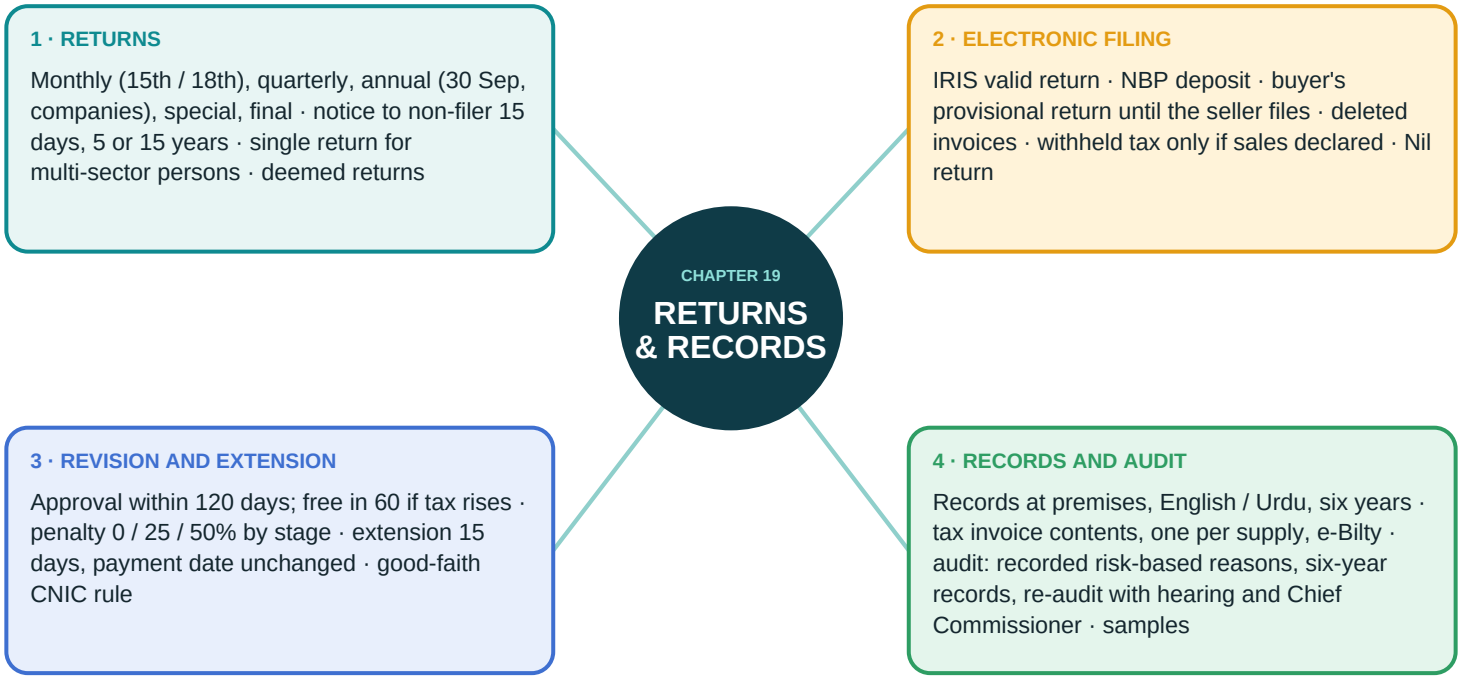
CLASSIFY IT · DATE OR PERIOD?

1	Monthly return: tax paid by	15TH
2	Monthly return: e-filed by	18TH
3	Annual return of a company	30 SEPTEMBER
4	Notice to a non-filer: time to file	15 DAYS
5	Extension of the return deadline	15 DAYS
6	Revision with approval within	120 DAYS
7	Revision without approval within	60 DAYS
8	Keep records for	6 YEARS

LIMITS TO KNOW

Due date	Annual	Extension	Revision	Records
15th · e-file 18th	30 September	15 days · payment unchanged	120 / 60 days	6 years

REVISION MAP



Returns
15th, 18th, 30 September.

Filing
Seller's filing validates the buyer's.

Revise
Penalty depends on stage.

Records
Six years, invoice contents.