

Government of Pakistan  
(Revenue Division)  
Federal Board of Revenue  
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Islamabad, the 26<sup>th</sup> August, 2020.

**NOTIFICATION**  
(Income Tax)

**S.R.O. 779(I)/2020.**— In exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Income Tax Rules, 2002, the same having been previously published vide Notification No. S.R.O. 296(I)/2020, dated the 9th April, 2020 as required by sub-section (3) of the said section 237, namely:—

In the aforesaid Rules, after Chapter VII, the following new Chapter shall be inserted, namely:—

**“CHAPTER VIIA**

**ONLINE INTEGRATION OF BUSINESSES**

**33A. Application.**— The provisions of this Chapter shall apply to all persons mentioned in column (2) of schedule I, excluding those specified in column (4), whose principal place of business is —

- (a) in case of a company, anywhere in Pakistan; and
- (b) in all other cases, within the civil limits including cantonments of districts specified in Schedule II.

**33B. Obligations and requirements.**— (1) The Person as specified in rule 33A, hereinafter referred to as “integrated enterprise” in this Chapter, shall install such fiscal electronic device and software, as approved by the Board, available on its website with complete technical instructions for installation, configuration and integration.

(2) The person shall notify to the Board, through the Computerized System, of all the establishments, hereinafter referred to as notified establishments, from which they intend to carry on business and shall register each point of sale (POS) to activate the integration duly providing the following information, namely:—

- (a) POS Registration Number (to be provided by the System);

- (b) Name of business;
- (c) Branch name;
- (d) Branch address;
- (e) POS identification number; and
- (f) Registration date.

(3) No sale or service from the notified establishment shall be rendered without being recorded by the duly accredited electronic fiscal device (EFD), which means a system composed of one Sale Data Controller (SDC) and at least one Point of Sale (POS) connected together, that has the following characteristics and requirements, namely:—

- (a) it can perform following tasks, i.e. —
  - (i) receive, record, analyze and store fiscal data;
  - (ii) format fiscal data into fiscal invoices or bills;
  - (iii) transmit the fiscal data to the Board's Computerized System through secure means; and
  - (iv) print invoice or bill.;
- (b) sales data controller (SDC) is the component of an EFD that—
  - (i) receives transaction data from a POS component of the EFD;
  - (ii) analyses the transaction data into fiscal data;
  - (iii) formats the fiscal data as a fiscal invoice or bill creates the digital signature for the EFD and records the digital signature on the fiscal invoice or bill;
  - (iv) transmits the fiscal invoice or bill number to the POS;
  - (v) encrypt and preserves the transaction data and fiscal data in an irrevocable and secure manner;
  - (vi) transmits the fiscal data to the Board's Computerized System;
- (c) external SDC (E-SDC) is hardware set up as a separate component of the EFD used by integrated enterprise;
- (d) virtual SDC (V-SDC) is software attached to the POS system;

- (e) an integrated enterprise must integrate each and every POS of the business to any of the SDC;
- (f) an EFD must comply with the following, namely:–
  - (i) each POS is accredited;
  - (ii) each POS transmits to the SDC a bill, on which is recorded the transaction data specified in sub-rule (5), for each transaction of the business;
  - (iii) the SDC receives the transaction data, analyses the data, verify calculated taxes to produce fiscal data for the transaction, record the invoice or bill data and transmits the fiscal invoice or bill number to POS;
  - (iv) POS prints the fiscal invoice or bill with the fiscal invoice or bill number and QR Code;
  - (v) the SDC transmits the fiscal data to the Board's system; and
  - (vi) a fiscal invoice or bill is produced for each invoice; and
- (g) the point of sale should have the following functionalities, namely:–
  - (i) provide mechanism to connect to SDC;
  - (ii) send each invoice or bill to SDC for the issuance of fiscal invoice or bill;
  - (iii) generate the QR Code on the base of fiscal invoice or bill number generated by the SDC and print the QR Code on bill;
  - (iv) must perform closing on the close of day, week and month;
  - (v) send the summary report with following fields to FBR periodically (daily, weekly or monthly) –
    - (a) total sale; and
    - (b) total number of invoices or bills for the period;
  - (vi) every adjustment, modification or cancellation must be recorded duly maintaining logs for each activity; and
  - (vii) system events need to be recorded.



(4) The invoice or bill for each transaction shall be transmitted to EFD specifying the following particulars, namely:—

- (a) POS Registration Number;
- (b) unique sequential invoice number;
- (c) date and time of sale invoice or bill;
- (d) name of customer or service recipient, where recorded;
- (e) item-wise description of service and price exclusive of sales tax, if any;
- (f) rate for each item, if applicable;
- (g) total amount inclusive of sales tax, if any;
- (h) discount, if any; and
- (i) mode of payment, cash or credit card. In case of credit card, the name of client and other relevant details thereof.

(5) POS shall print a clear and legible invoice or bill for each transaction, copy of which shall be provided to the customer, containing the following particulars in addition to those as in the preceding sub-rule, namely:—

- (a) QR Code (Generated based on FBR Fiscal Invoice Number);
- (b) FBR Fiscal Invoice Number;
- (c) name of the business;
- (d) national tax number; and
- (e) name or location of the notified establishment.

(6) The EFDs installed at each notified establishment shall be tamper-proof and all the data recorded thereon shall be backed up at an offline site.

(7) In case of sale returns or exchange, a proper credit note or supplementary invoice with prescribed particulars shall be issued containing the reference of original invoice and the detail of amount refunded or additionally charged, along with sales tax involved, if any.

(8) All the transactions made from the notified establishment shall be communicated to the Board's Computerized System through EFD.

(9) The SDC shall be capable of generating and sending alert messages resulting from any malpractice or error or any inconsistent action noticed in the system and keeping a log thereof.

(10) The transactions on each point of sales in the notified establishment shall be recorded by a CCTV camera and the recording thereof shall be retained for a period of at least three months. Such recordings shall be provided to the Commissioner concerned as and when demanded and for the time as specified.

(11) In case ancillary services or sale of goods are made from notified establishment, the transactions thereof shall also be recorded and the invoice or bill issued in the same manner. Such data shall also be communicated to the Board's Computerized System in the same manner.

(12) The cost for integration including the cost of equipment and fiscalization shall be borne by the taxpayer itself.

(13) The taxpayer shall prominently display at each establishment that the POS or the establishment is accredited by FBR to issue invoice or bill and that the registration number of each POS is verifiable through the Board's verification services.

**33C. Accreditation of points of sales (POS) systems.**— (1) A vendor, who wants to supply a POS of a particular brand, model and specification to a Person that is not an accredited POS, must apply to the Board for accreditation of the POS of that brand, model and specification.

(2) On receiving the application under sub-rule (1), the Board shall take steps to determine accreditation of the brand, model and specification of the POS. During the accreditation process, the supplier must provide the Board with access to information and equipment, and any other assistance reasonably required for carrying out the process.

(3) After completing the accreditation process, the Board shall either allow accreditation to the brand, model and specification of POS as applied for or refuse the same in accordance with the parameters determined by it.

(4) The Board shall, without delay after accrediting a POS under this sub-rule, publish the details of the brand, model and specification of the POS on its website along with the date of accreditation.

(5) The Board may revoke the accreditation of a POS if the POS ceases to comply with the determined parameters. The notice of revocation shall be sent to the



vendor specifying the reasons for revocation and also to the integrated supplier operating such POS. The Board shall also immediately remove the particulars of the POS from its website.

**33D. Record, access and examination.**— (1) The integrated enterprise shall maintain the record of all the bills and transactions made from a notified establishment and also at the notified central location. The taxpayer shall provide access to such premises as well as the specific record required to the Inland Revenue officer as authorized by the Commissioner concerned.

(2) Other provisions of the Ordinance regarding record maintenance and access thereto, and otherwise, shall also be applicable.

(3) FBR may issue the parameters for inquiry/investigation.

(4) The FBR may conduct inquiry and investigations at different levels to ensure that the taxpayer is complying with these rules, including by—

- (a) checking if the taxpayer is issuing valid invoices or bill;
- (b) checking if the POS and SDC for the taxpayer's business are accredited;
- (c) checking if the EFD complies with the guidelines set out in these rules;
- (d) checking the operation of the protocols; and
- (e) requiring taxpayers to provide relevant information and documents as necessary.

**33E. Online integration during intervening period.**— (1) During the intervening period till such time the Board puts into operation a system of accredited secure devices and real time communication of bills and other data as stipulated in rule 33B, the online integration shall be considered to have been achieved if all the conditions specified in this rule are fulfilled.

(2) The taxpayer shall certify, using his user ID and password on the Computerized System, that he shall fulfill all the requirements of this Chapter as relaxed by this rule and that he shall ensure integration of all notified establishments in the manner as stipulated in rule 33B within one month of the date when the Board declares readiness for the same through a notice sent through email or Computerized System. Such person shall provide details of all his establishments in the manner as stipulated in sub-rule (2) of rule 33B. Such person shall also make

necessary declaration during this process as stipulated by the Board's Computerized System.

(3) The taxpayer shall upload or transfer the data of all invoices or bills periodically to the Board's Computerized System but the interval during such transfer shall not exceed seven clear days in any case.

**33F. Consequences of non-compliance or contravention.**– A taxpayer found to have tampered with the system or issued bill or invoice otherwise than through the prescribed devices or contravenes any of the provisions of this Chapter, shall be liable to penalty or punishment in accordance with the provisions of Income Tax Ordinance, 2001.

**33G. Reporting of failure to transfer sale or bill data to the Board.**– The Board shall ensure to provide a facility on its website to a customer of an integrated enterprise Person to verify and ensure that the invoice or bill issued to him has been duly communicated to the Board's Computerized System and in case of non-verification, he may upload the image of invoice or bill to the Board's portal.

**THE SCHEDULE - I**  
**[see rule 33A]**

S.No	Description	PCT Heading, if applicable	Exclusion, if any
(1)	(2)	(3)	(4)
1.	Restaurants	9801.2000 9801.7000	Where – a. the restaurant is operating otherwise than as part of a food court; and b. the facility of air-conditioning is not installed or available in the premises.
2.	Hotels, motels, guest houses, marriage halls, Marquees, clubs including race clubs.	9801.1000 9801.3000 9801.4000 9801.5000 9801.6000 9801.7000	Where– a. The covered area is less than 4500 sq. feet b. the facility of air-conditioning is not installed or available in the premises.
3.	Inter-city travel by road.	9803.9000	Where – a. The taxpayer is only providing non air conditioned travel service; or b. Travel service maintaining a fleet of less than ten vehicles.



4.	Courier services and cargo services	9808.0000 98.04	Where – a. the taxpayer is not a company; and b. the taxpayer is offering only domestic courier or cargo service.
5.	Services provided for personal care by beauty parlours, clinics and slimming clinics, body massage centres, pedicure centres; including cosmetic and plastic surgery by such parlours / clinics,	9810.0000 9821.4000 and 9821.5000	Where – a. The covered area is less than 1000 sq. feet; or b. the facility of air-conditioning is not installed or available in the premises.
6.	Medical practitioners and consultants	9815.1000	Where – a. the consultation is being provided at a place other than a hospital or Poly-Clinic; and b. the consultation fee is less than Rs. 1500/-.
7.	Pathological laboratories, medical diagnostic laboratories including X-Rays, CT Scan, M.R. Imaging etc.	98.16 98.17	Where – c. the taxpayer is not a company; and d. the taxpayer is not maintaining more than one branch whether under its own name or through an associate.
8.	Hospitals or medical care centres providing medical consultation, hospitalization or other ancillary services	Respective headings	
9.	Health clubs, gyms, physical fitness centres, and body or sauna massage centres	98.21	Where – a. The covered area is less than 1000 sq. feet; or b. the facility of air-conditioning is not installed or available in the premises.
10.	Photographers	-	Photographers charging less than Rs. 100,000 per event
11.	Accountants	-	Accountants who are not operating as part of a firm or a company
12.	Retailers including manufacturer-cum-retailer, wholesaler-cum-retailer, importer-cum-retailer or such other person who combines the activity of retail sale with another business activity.	Respective headings	A retailer who does not fall in any on the following categories, namely:– a. a retailer operating as a unit of national or international chain of stores; b. a retailer operating in an air-conditioned shopping mall, plaza or center, excluding kiosks; c. a retailer whose cumulative electricity bill during the immediately



			<p>preceding twelve consecutive months exceeds rupees twelve hundred thousand;</p> <p>d. a wholesaler-cum-retailer, engaged in bulk import and supply of consumer goods on wholesale basis to retailers as well as on retail basis to the general body of consumers; or</p> <p>e. a retailer whose shop measures one thousand square feet in area or more.</p>
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**THE SCHEDULE - II**  
[see rule 33A(b)]

S.No	Description
(1)	(2)
1.	Karachi
2.	Lahore
3.	Islamabad
4.	Rawalpindi
5.	Faisalabad
6.	Multan
7.	Peshawar
8.	Gujranwala

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