

Government of Pakistan
Revenue Division
Federal Board of Revenue

C. No. 1/2-STB/2019

Islamabad, the 4th October, 2019

SALES TAX GENERAL ORDER NO. 106 / 2019

SUBJECT: DEFINITION/RULES FOR CNIC/GOOD FAITH FOR SALES TAX

Keeping in view the problems reported by the registered persons is ensuring proper identity of the buyer to fulfil the requirement of reporting NTN/NIC of the buyer in terms of section 23 of the Sales Tax Act, 1990, it is directed that the NIC/NTN of the buyer with respect to taxable supplies to an unregistered person shall be deemed to have been reported in good faith by the supplier provided that:

- (a) The tax invoice complies with the requirements of section 23(b) of the Act.
- (b) Payment made by or on behalf of the unregistered purchaser of the amount of the tax invoice, inclusive of sales tax and applicable further tax, is deposited into the supplier's declared business bank account.
- (c) The NIC provided by the purchaser is found authenticated by the National Data and Registration Authority (NADRA).
- (d) The NIC/NTN provided is not of the employee of the seller or of his associates as defined under the Income Tax Ordinance, 2001.

02. The issuance of a show cause notice to a registered person being a seller on account of any matter arising out of the NIC provided by a purchaser shall not be made without the prior approval of the Member (IR-Operations), FBR after providing an opportunity to be heard.


(Tauqeer Ahmed)
Secretary (ST&FE-Budget)