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S.R.O 709(I)/2025 & ITS APPLICATION ON TAXPAYERS



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The matter regarding integration was initially brought forth in 2023, however as per the recent amendments the scope has significantly broadened which has caused a certain ambiguity in its application as to which class of registered persons it caters to. This write up aims to discuss the history of the amendments and the recent scope.

The **Federal Board of Revenue (FBR)** vide **S.R.O. 1525(I)/2023** dated **10th November 2023** introduced amendments to the **Sales Tax Rules, 2006**, specifically focusing on the implementation of electronic invoicing under **Chapter XIV**.

The **Rule 150Q** specified that the provisions of **Chapter XIV** apply to the **electronic transmission of sales tax invoices** by registered persons, with the date and method of implementation to be notified separately by the FBR. As per **Rule 150R**, only those registered persons notified under Rule 150Q were required to use the system.

[For further insight: FBR](#)

In furtherance of **S.R.O. 1525(I)/2023** and to specify the class of register person, the FBR vide **S.R.O. 28(I)/2024** wherein FBR had specified the registered persons who were required to transmit their sales tax invoices electronically. in accordance with **Rule 150Q** of the Sales Tax Rules, 2006, as per Notification No. 1525(I)/2023 dated November 10, 2023.

This requirement applied to **all importers and manufacturers of fast-moving consumer goods (FMCGs)** including **wholesalers (including dealers), distributors, and wholesaler-cum-retailers** who are involved in the **bulk import and wholesale supply of FMCGs** to retailers.

For clarity, the notification had defined the term "**fast-moving consumer goods**" whereas it was communicated that **FMGC** refers to **non-durable consumer goods** that are typically sold in **retail markets based on daily consumer demand**. The definition specifically **excludes durable goods**.

[For further insight: FBR](#)

The FBR, vide S.R.O. No.69(I)/2025 dated 29th January, 2025 completely substituted the existing Chapter XIV wherein the **substituted version of Rule 150Q** significantly broadened the scope of integration. It introduced the requirement for registered persons to not only transmit invoices electronically but also to **integrate their hardware and software systems**—either through licensed integrators or PRAL.

Further, the substituted **Rule 150R**, moved beyond eligibility to state the **obligations and technical requirements** for compliance. It mandates that the notified registered persons—referred to as "integrated persons"—must install, register, and integrate their invoicing hardware and software with the FBR's computerized system.

It was also communicated that the manner for installing and integrating with the Board's computerized system shall be specified through a Sales Tax General Order.

[For further insight: FBR](#)

The procedure for integrating and the list of registered integrators was communicated by the FBR vide its Sales Tax Circular No. 01 of 2025 /IR Operations dated 10th April, 2025.

The FBR, vide **S.R.O. 709(I)/2025**, dated 22nd April, 2025 directed that the Corporate Registered Persons and Non-Corporate Registered Persons shall electronically integrate their hardware and software with Board's computerized system through license integrator or PRAL with a deadline of 1st May, 2025 and 1st June, 2025 respectively.

[For further insight: FBR](#)

In view of the amendment made through S.R.O. No.69(I)/2025 it is observed that there is deficiency in manner specified in Rule 150R. As per Rule 150R, it is stated that manner for installing and integrating with the Board's computerized system shall be specified through a Sales Tax General Order. However, FBR had communicated the procedure through a Sales Tax Circular bearing No. Sales Tax Circular No. 01 of 2025 /IR Operations dated 10th April, 2025.

A big question arises as to whether the abovementioned circular stands valid in light of Rule 150R which categorically states that the manner shall be communicated through a Sales Tax General Order.

Sales Tax Circular is an official communication issued by tax authorities, to clarify interpretations of existing sales tax laws, rules, or procedures. They are issued to guide taxpayers and tax officers on how to implement certain aspects of the law, address ambiguities, or explain new developments.

On the other hand, a **Sales Tax General Order (STGO)** is a more formal and binding directive that often deals with the implementation of specific policies, enforcement actions, or compliance requirements.

The minor difference between the two lies in their **purpose**: a circular primarily offers **guidance and clarification**, while a general order is **directive and enforceable**.

The binding nature of circulars has been discussed in the Supreme Court of India's judgment titled 'Commissioner of Sales Tax vs Indra Industries' (2001 SLD 731, 2001 PTD 2587), wherein it was held that while circulars are binding upon the tax authorities issuing them, they do not have a binding effect on the courts or the assessee. The operative part is reproduced as under:

Quote

A circular by tax authorities is not binding on the Courts. It is not binding on the assessee. However, the interpretation that is thereby placed by the taxing authority on the law is binding on that taxing authority. In other words, the taxing authority cannot be heard to advance an argument that is contrary to that interpretation

Unquote

With regards to Sales Tax General Orders, the Tribunal in the case Messrs. The Decent Lodges, u/town, Peshawar vs. Commissioner of Inland Revenue, RTO, Peshawar (2016 SLD 2914, 2016 PTD 2659) has discussed the importance of following the Sales Tax General Order. The operative part is reproduced as under:

Quote

8. Furthermore, the original adjudicating authority has also not followed the condition and guideline as given in the General Sales Tax Order, 2004 ibid in its true spirit while levying minimum tax...In this view of the matter, the case is remanded to original adjudicating authority with the direction to strictly follow in its true spirit the Sales Tax General Order, 2004 read with relevant provisions of section 11(5) before and after the amendment dated 12.06.2004.

Unquote

In summary, while both Sales Tax Circulars and General Orders provide guidance, circulars are more about the interpretation of the law, whereas General Orders are directives that can clarify the application of the law.

In light of the above, it is submitted that both STGOs and Circulars are binding on the department. As such, the tax department must implement and act in accordance with these directives.

This has also been recognized under the provisions of the Sales Tax Act, 1990, specifically section 72 which solidifies the binding nature of orders on tax authorities. Section 72 is reproduced below:

Quote

72. *Officers of Sales Tax to follow Board's orders, etc.– All officers of Inland Revenue and other persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Board*

Unquote

Section 50 of the Sales Tax Act also contemplates this aspect where in subsection 2 it is stated that all rules made shall be collected, arranged and published with general orders. Section 50 is reproduced hereunder:

Quote

50. *Power to make rules.– (1) The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this Act 64I, including rules for charging fee for processing of return, claims and other documents and for preparation of copies thereof.*

(2) *All rules made under sub-section (1) or any other provisions of this Act, shall be collected, arranged and published along with general orders and departmental instructions and rulings, if any, at appropriate intervals and sold to the public at reasonable price or may be placed regularly on the official website maintained by the Board.*

Unquote

In our view, the recently issued SRO 709(I)/2025 is applicable on all registered persons that are already not integrated with the FBR's Point of Sale System.

However, the procedure for integration has been prescribed through a Circular rather than a STGO. Therefore, the proper procedure has not been followed whilst prescribing the manner in which the registered persons are to integrate for the purposes of Rule 150Q.

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