

Circular to members # 38/2025-26

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FBR to suspend 'uncooperative' sales taxpayer



The Federal Board of Revenue (FBR) will suspend/ blacklist a sales taxpayer, who would refuse to allow access to its business premises for deputation of tax officers to monitor stocks, production/ clearances; etc., at manufacturing premises.

According to the updated Sales Tax Rules 2006, where the Commissioner or Board has reasons to believe that the registered person is to be suspended or blacklisted, in order to ensure that the Large Taxpayer Offices (LTOs) and Regional Tax Offices (RTOs) follow a uniform policy for suspension and blacklisting of sales tax registered persons under section 21(2) of the Sales Tax Act and for subsequent proceedings in such cases, the following procedure shall be followed, namely:-Where a Commissioner, having jurisdiction, is satisfied that a registered person has issued fake invoices, evaded tax or committed tax fraud, registration of such person may be suspended by the Commissioner through the system, without prior notice, pending further inquiry.

The basis for such satisfaction may inter alia include the following, namely:

- 1: Non-existence of the registered person at the given address.
- 2; Refusal to allow access to business premises under section 40B and 40C or refusal to furnish records under section 25 and 37 of the Sales Tax Act to an authorized Inland Revenue Officer.
- 3; Activity becomes five time more than sum of the capital and liabilities declared in the balance sheet.
- 4; Making more than 10 per cent purchases from or making 10 per cent supplies to other suspended person in the month of suspension, except suspension based in terms of clause B or value of above Rs50 million or whichever is higher.
- 5; Non-filing of sales tax returns for three consecutive months and null filing of sales tax returns for six consecutive months and committed any act which falls within the ambit of tax fraud, the FBR added

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