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Tax fraud arrests

FBR names business representatives to be consulted

BUSINESS RECORDER The Federal Board of Revenue (FBR) has notified the list of nominated representatives of the business community to be consulted before ordering any investigation to arrest a businessman on charges of tax fraud.

Since announcement of federal budget (2025-26), no FIR has been registered against any businessman on the charges of tax fraud till now.

In this regard, the FBR has notified the list of the representatives of the business community through issuance of a notification on Thursday.

According to the FBR's notification, in perspective of Sales Tax General Order No.02 of 2025, the Board is pleased to nominate representatives of the business community pursuant to the referred STGO.

In line with the Sales Tax General Order No.02 of 2025, the representatives of the business community have been included from Pakistan Business Council, LCCI, FPCCI, APTMA, Multan Chamber of Commerce & Industry, Quetta Chamber of Commerce & Industry, Hyderabad Chamber of Commerce & Industry and Sarhad Chamber of Commerce & Industry, the notification added.

Without this consultation process with the business community, no investigation against the businessman would be approved by the FBR Member (Inland Revenue Operations).

The FBR has already issued a detailed procedure of investigation before any arrest of businessmen under sales tax general order (STGO) number 2 of 2025 on Wednesday.

The notification of the pre-arrest committee regarding section 37A of the Sales Tax Act, 1990 as per agreement, having two representatives of business committee from the concerned zone has been issued by the FBR. This will be a safeguard that no undue pressure/action is taken against the business community of Pakistan because of presence of our two members in the committee, they added.

According to the earlier STGO, the Board has directed that the following procedure shall be followed before initiating investigation leading to action under sub-section (8) and (9) of section 37A of the Sales Tax Act, 1990.

(a) Inquiry shall not be initiated unless approval from the Commissioner has been obtained.

(b) After conclusion of inquiry, the Commissioner shall not give approval to initiate investigation unless he has obtained approval from the Member (Inland Revenue Operations) of the Board.

Before seeking approval of the Member (Inland Revenue Operations), it is binding upon the Commissioner to make consultation with two representatives of the business community from amongst such representatives as notified by the Board.

(c) Board shall notify a list of representatives of business community on FBR's web portal.

€ Trade organizations mentioned shall nominate two persons each, (who should be compliant and reasonably significant taxpayers) and send their names to the Member Inland Revenue Operations, FBR Head Quarters.

The trade organizations mentioned in the STGO shall nominate two persons each, (who should be compliant and reasonably significant taxpayers) and send their names to the Member Inland Revenue Operations, FBR Head Quarters.

The Member Inland Revenue Operations shall nominate 02 persons for each region for consultation from amongst persons nominated by The Trade Organizations based on the income tax payments made by them for the latest tax year, exports and compliance history.

The Member Inland Revenue Operations shall not select more than one person from a nominating trade organization in one region, FBR added.

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