

**Government of Pakistan  
Revenue Division  
Federal Board of Revenue  
Inland Revenue**

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C.No.13/IR-Analysis/2020/ 65483 R

Islamabad, the 24<sup>th</sup> May, 2021

**Sales Tax General Order # 06/2021**  
**(Operations)**


**Subject: Standard Operating Procedures for Enrollment with FBR System of AJK/Gilgit-Baltistan Registered Persons**

The Sales Tax Act, 1990 mandates a Registered Person (RP) registered with Federal Board of Revenue (FBR) to claim input tax credit on supplies made to RPs registered with Azad Jammu & Kashmir (AJK) Tax Department and vice versa. Rule 161 of the Sales Tax Rules, 2006, however, warrants that RPs registered with AJK Tax Administration to have enrollment with FBR so as to be able to avail the benefits of input adjustments.

2. Apart from a few isolated memoranda issued every now and then, no systematic set of instructions have so far been formulated. Similar instructional void exists when it comes to Gilgit-Baltistan (GB) registered persons intending to undertake imports/exports and have to enroll with FBR's WeBOC System.

3. Sub-rule (3) of Rule 161 supra also stipulates that "when the AJK authorities institute e-filing for their registered persons, the adjustment as aforesaid shall only be available against electronic data of supplies as provided to the Board by AJK authorities." In the intervening period when AJK Tax Department and Pakistan Revenue Automation Limited (PRAL) were negotiating and signing the Service Level Agreement (SLA), cross adjustment of input tax credit was allowed manually. Rule 161(2) warranted all AJK-RPs to "furnish an undertaking that they will provide their supply record and the return filed in AJK" as and when required by the respective RTO or LTO, where their buyers are registered to ascertain correctness of their sales. In anticipation of signing of the SLA between AJK Tax Department and PRAL, manual adjustments stand disallowed.

4. Accordingly, it has been decided that hereinafter, in order to ensure certainty, transparency and across-the-board, Standard Operating Procedures (SOPs) are being devised that shall govern enrollment of AJK and GB RPs with FBR systems for all purposes.

  
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Second Secretary (ST-L & P)  
Federal Board of Revenue  
Islamabad


### (A). Status Pre-conditions

All AJK/GB taxpayers seeking enrollment with FBR systems for input adjustment and import/export purposes would need to fulfill the following pre-conditions:-

- (i) That, the business is physically located within the territorial boundaries of AJK and GB administrations.
- (ii) That, the business should have been registered with the AJK/GB tax roll.
- (iii) That, the applicant taxpayer must not be involved in a criminal or tax fraud proceedings at the time of filling of application anywhere in the country.

### (B). Application Requirements

- (i) The AJK/GB RPs intending to enroll with FBR would make a formal request on its letter head to his Commissioner concerned in AJ&K/GB duly enclosed by a copy of CNICs of the owner(s) of the business, and Directors and Partners in case of an Association of Persons or a Company along with Partnership Deed for an AOP, and Memorandum and Articles of Association/Form 29 for Companies.
- (iv) A copy of National Tax Number (NTN) Certificate issued by the AJK/GB Tax Department.
- (v) A copy of Sales Tax Registration Certificate issued by the AJK/GB Tax Department.
- (vi) Proof of being Active Taxpayer with the AJK/GB's Tax Department.
- (vii) Online NTN/STRN verification (Principal Activity Manufacturer/Importer/Exporter from AJK and GB Tax Department.)
- (viii) A copy of NTN's of all Directors/Partners issued by the FBR in case of Limited Company/AOPs.
- (ix) Emails and mobile numbers of the lead/authorized Director/Partner.
- (x) Incorporation number for SECP registered companies.
- (xi) The verification report of premises of the AJK/GB taxpayer/manufacturer must be forwarded internally by Commissioner Inland Revenue, AJK or GB, as the case may be.

  
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(xii) Undertaking/affidavit by the applicant seeking enrollment as regards provision of documents/records, as and when required by the IR field formations of FBR in terms of Rule 161 of Sales Tax Rules, 2006.

(xiii) Recommendation of AJK Chamber of Commerce & Industry or GB as the case may be.

**(C). Procedures**

- (i) The aforementioned documents shall be accompanied with the verification of manufacturing unit/business by the AJK/GB Tax Department. The AJK/GB shall forward the request electronically to Registration Cell for Enrollment (RCFE) established in FBR for enrollment with FBR automated system. FBR would establish and notify RCFE as and when automated transmission of data is operationalized by AJK/GB, IR department.
- (ii) The RCFE, shall process the application of AJK/GB-RPs in FBR automated system through link as provided by PRAL and generate NTN/STRN in FBR system. The generated NTN/STRN shall be forwarded to IT Wing/PRAL for auto-population in FBR automated system/ WeBOC system with STRN/NTN as issued by the AJK.
- (iii) In case of any discrepancy observed in provided data/documents of applicant by Registration Cell, the same shall be referred back to concerned AJK/GB department for removal of same.

5. The SOPs laid down in this STGO, mutatis mutandis, would also apply to the GB registered persons as and when requirement for the same are met.

  
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**Standard Circulation**