

### **FBR asks retailers to deploy online invoicing system till Aug 31**

KARACHI: The Federal Board of Revenue (FBR) on Friday extended the deadline for big retailers to report sales on real-time to the tax authority by two months and avail concessionary tax rate in line with the government's ambition to hook 15,000 logs by yearend.

The FBR extended the date for integration of point-of-sales (POS) system at retail outlets up to August 31 and asked retailers to avail reduced rate of 12 percent announced in the federal budget.

The previous deadline for POS integration expired on June 30.

The deadline was extended as the coronavirus lockdown adversely hurt the economic life.

The concept of POS integration was introduced in order to monitor sales of retailers and check sales tax evasion.

Action was warned against those who avoid linking their system with the FBR.

Under the tax laws, if a retailer refuses to comply then such retailer would face a penalty up to Rs500,000 or 200 percent of the tax amount involved, whichever is higher. Such retailer may also be sentenced to imprisonment which may be extended to two years, the FBR said.

Minister for Industries and Production Hammad Azhar, while presenting the budget for 2020/21 last month, said the narrow tax base has been expanded by bringing retailers into the tax net, and successful installation of POS system at 6,616 retail outlets with the aim to increase the number to 15,000 by December this year.

"Covid 19 has affected the business of common man, it is proposed to decrease sales tax rate from 14 percent to 12 percent for business registered with POS.

This will give relief to common man and to business also," said Azhar.

"The measure will help in documentation of economy."

The FBR, in a statutory regulatory order, made it mandatory for tier-1 retailers to provide real-time reporting of their sales to the tax authority from December 1, 2019. Then the deadline was extended a number of times from December 15.

The FBR said the new deadline can only be availed by retailers who submit their intention of integration to concerned tax office by August 20.

Under the Sales Tax Act, 1990, all retailers falling under category of tier-1 retailers are required to integrate their outlets with the FBR's online system for monitoring of sales and purchases.

The retailers include those operating as units of a national or international chain of stores, in an air-conditioned shopping mall, plaza or centre, excluding kiosks, whose cumulative electricity bill during the immediately preceding 12 consecutive months exceed Rs1.2 million or those engaged in bulk import and supply of consumer goods on wholesale basis to retailers and consumers.