

# A brief on invoice integration of registered persons with FBR

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The Federal Board of Revenue (Board) in order to end the phenomenon of flying invoices, fake invoices, sales suppression and fake input claims among other initiatives introduced Sales Tax Real -Time Invoice Verification (STRIVE) system in 2016 which is still continuing.

Moving towards enhancing transparency, Board further introduced online integration of Tier-1 retailers under Chapter XIV - AA of the Sales Tax Rules, 2006 (Rules 2006) making it mandatory for all Tier-I Retailers (B2C) to integrate their retail outlets with the Board computerized system for real-time reporting of sales, in the mode and manner, as prescribed therein from 01 December 2019. Now through notification SRO 1525-DI/2023 dated 12 December 2023, the Board has notified all importers, manufacturers, all wholesalers (including dealers) and distributors of Fast-Moving Consumer Goods (FMCG) along with wholesalers - cum retailers engaged in bulk import and supply of FMCG on wholesale basis to the retailers (B2B) to electronically transmit sales tax invoices.

Board also introduced Chapter XIV - BB in the Rules 2006 regarding integration of Tier-1 retailers and licensing thereof on 24 August 2021 requiring that no person shall carry out integration of the retailers through software unless he has obtained a license. Chapter XIV-BB has recently been amended by SRO 1788(I)/2023 dated 11 December 2023 requiring that no person shall carry out integration of the registered persons including Tier-1 retailers through software unless he has obtained a license from the Board.

## Licensee is expected to offer following services:

a. Develop, test, and certify business software for real-time digital invoicing, ensuring compatibility with existing systems of an integrated registered person;

- b. Employ Agile methodologies for rapid adaptation to changing tax regulations;
- c. Implement robust information security standards (encryption, multi-factor authentication, data integrity checks) and adhere to industry compliance standards;
- d. Regularly update and audit the system to maintain compliance and security posture;
- e. Define and implement open standards for seamless integration with ERP and POS systems;
- f. Utilize modern APIs and web services for efficient data transmission, supporting industry-standard protocols (e.g., OAuth) for secure authentication;
- g. Implement remote monitoring tools for proactive issue detection and resolution;
- h. Use advanced network and application tracing techniques for rapid troubleshooting;
- i. Provide real-time reporting on system health and performance;
- j. Provide comprehensive training for end-users to ensure effective use of the system;
- k. Offer responsive support services for troubleshooting and issue resolution, and
- l. Maintain a knowledge base for users to access relevant information and updates.

**This brief is intended for the benefit of our clients who are encouraged to talk to us and see how we can help them in complying with this regulation in collaboration with our renowned technology partner.**

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