

A Brief on S.R.O. 709(I)/2025 - Deadlines of integration for corporate and non-corporate registered persons

30 April 2025

Preamble

In order to move towards digitization and documentation of economy, the Federal Board of Revenue [the “FBR”] introduced Chapter XIV of the Sales Tax Rules 2006 [the “Rules”] through Notification No. S.R.O. 470(I)/2007 dated 9 June 2007 which specified the procedure for issuance of electronic invoices.

Moving towards enhancing transparency, the FBR further introduced online integration of Tier-1 retailers under Chapter XIV - AA of the Rules through Notification No. S.R.O. 1360(I)/2028 dated 12 November 2018, making it mandatory for all Tier-I Retailers (B2C) to integrate their retail outlets with the FBR’s computerized system for real-time reporting of sales, in the mode and manner, as prescribed therein.

The FBR then also introduced Chapter XIV - BB in the Rules regarding integration of Tier-1 retailers and licensing thereof through Notification No. S.R.O. 1063(I)/2021 dated 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 was further amended through Notification No. S.R.O. 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 FBR.

Further, the FBR through notification No. S.R.O 28(I)/2024 dated 10 January 2024 notified that the all Manufacturers, importers, Wholesalers, Distributors, Wholesales-cum-retailers engaged in bulk import and supply of Fast-Moving Consumer Goods [“FMCG”] shall integrate their system with FBR’s Computerized System and later on, the same SRO was not forced till time registered license providers are duly notified by the FBR.

Later on, through Notification No. S.R.O. 69(I)/2025 dated 29 January 2025 FBR replaced Chapter XIV of the Rules. The new Chapter XIV not only prescribed new rules for licensing, integration and issuance of electronic invoices but has also merged the rules / requirements in Chapter XIV-AA and XIV-BB in Chapter XIV. As a result, Chapter XIV-AA and XIV-BB of the Rules have been Omitted.

Now through Notification No. S.R.O 709(I)/2025 dated 22 April 2025 [“SRO 709”], FBR has provided timelines for ALL corporate and non-corporate registered persons to integrate with FBR’s Computerized system through registered License holders for integration duly notified by the FBR.

This brief narrates the changes brought through SRO 709 only as all other aspects have been duly covered in our previous publications issued relevant to these Rules:

Integrated Person

Under the new SRO 709, the scope of Integrated persons has been vastly enhanced and now ALL registered persons under the Sales Tax Act, 1990 [the “ST Act”] are required to integrate their systems with the FBR’s Computerized system through notified registered License holders for integration or PRAL as per the notified deadlines. Following deadlines have been notified for Corporate and Non-Corporate Registered Persons:

Type of Registered Person	Deadline for Integration
Corporate Registered Persons	01 May 2025
Non-Corporate Registered Persons	01 June 2025

The SRO 709 has removed all previous categories of Integrated Persons and integration is now mandated for ALL registered persons now.

However, there are multiple challenges with respect to integration as well as the applicability of the SRO 709 as below:

1. The deadlines seem very tight and practically may not be met by most of the Registered persons. The FBR will have to either give extensions on case-to-case basis or extend the deadlines, when expired
2. The FBR’s e-invoicing system is currently in a transitional phase, with ongoing improvements to address technical challenges reported by taxpayers. While integration functionality has improved, certain issues, such as API stability and support responsiveness persist.

3. While SRO 709 is applicable only to registered persons under the Sales Tax Act, 1990, there remains ambiguity regarding its scope. Entities solely liable to Federal Excise Duty (FED) under the Federal Excise Act, 2005 (such as banks, insurance companies, and airlines) are not subject to this requirement, as a separate notification under the FE Act would be necessary to extend e-invoicing provisions to FED-registered persons.
4. Furthermore, there is a lack of clarity surrounding the inclusion of “all registered persons,” as many taxpayers such as audit and consulting firms, legal practitioners, exporters of services, construction service providers, and contractors, particularly those operating within the Islamabad Capital Territory may not perceive themselves to fall within the ambit of this requirement.
5. We believe that it’s a good step towards digitization, however phase wise implementation should have been adopted for smooth, effective and efficient transition to the very cause.

Please select the below links to access our previous publications on integration and licensing for integration:

1. A Brief on Integration Rules – Published on 17 February 2025
2. A Brief on Invoice Integration of Registered Persons with FBR – Published on 6 January 2024

[A Brief on Integration Rules - KPMG Pakistan](#)

<https://kpmg.com/pk/en/home/insights/2024/01/a-brief-on-invoice-integration-of-registered-persons-with-fbr.html>

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