

**GOVERNMENT OF PAKISTAN  
REVENUE DIVISION  
FEDERAL BOARD OF REVENUE  
INLAND REVENUE**

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C. No. 05/POS/IR/2021/164662-R

Islamabad, the October 13, 2021


**Subject: CLARIFICATION ON THE ISSUE OF DISCOUNT ON THE STANDARDIZED TAX INVOICE AS PER SRO 1006(I)/2021**

Federal Board of Revenue, vide SRO 1006(I)/2021 dated 09.08.2021, specified a standardized format for Sales Tax invoice detailing minimum requirements for the integrated Point of Sale (PoS) Systems.

2. The definition of trade discount as mentioned in the value of supply in sub-section (46) of Section 2 of the Sales Tax Act, 1990 is meant for Business to Business transactions and does not cover retail sector and the Business to Consumer transaction.

3. Various representations from the taxpayers and Bar Councils have been received by the Board seeking clarification of the term "trade discount" as stated in sub-section (46) of Section 2 of the Sales Tax Act, 1990 whether the term also covers "cash discount" given by retailers to end consumers, for the purpose of depiction in the standardized Sales Tax invoice under SRO 1006(I)/2021 dated 09.08.2021.

4. The matter has been examined by the Board, it is clarified that the discount if any to be given by a retailer has to be depicted on the invoice horizontally i.e. from left to right. The captions such as total, sales tax paid, discount allowed appearing at the bottom of the invoice are standalone notations and do not necessarily add or subtract one another.



**Salman Ahmad Khan**  
Secretary (IR-Analysis)/PoS