

From: **Asif Siddiq Kasbati** <asif.s.kasbati@professional-excellence.com>

Date: Wed, Jan 14, 2026 at 9:36 AM

Subject: TLQC3415= Track & Trace Violations Crack Down & KC Recommendation

590+ Taxes & Levies Quick Commentary - TLQC 3415

A. Background

1. We refer to TLQCs in **trail, blue, italic and double Line** (a) **1410 of 15.3.21 about Track & Trace system for Tobacco, Cement, Fertiliser & Sugar** (b) 2692 of 5.4.24 about BTB, Digitizing, Track & Trace, Promoting Capital Market
2. Also refer to several Other TLQC including (a) 2683 of 29.3.24 about Digital Tax System is Top Priority (b) 2681 of 28.23.24 about FBR Agreement with Karandaaz for Tax System Digitization

B. Updated Commentary

1. Further to KQU 3730 of 7.1.26, **being an Important matter**, we would inform you about [FBR Seals Two Chutes of Chanar Sugar Mill Over Track and Trace System Violation](#) (**Attachment 3415.1**) in the ensuing paragraph, with emphasis in **bold & Underline** for quick reading.
2. **Pursuing its zero-tolerance policy against tax evasion in the sugar sector, the FBR has continued its stern enforcement actions against sugar mills found involved in violation of the Track and Trace System and the electronic monitoring system of FBR.**
3. **In continuation of these efforts and ongoing monitoring of sugar mills, on 5.1.26, FBR staff stationed at Chanar Sugar Mill, Samundri, Faisalabad, sealed two chutes due to violation of the Track and Trace System. Similarly, on 6.126, Safina Sugar Mills, Lalian, Chiniot, has been sealed for violations of FBR's electronic monitoring system.**
4. The Govt of Pakistan reiterates its zero-tolerance policy against tax evasion and non-compliance in the sugar sector. These enforcement actions form part of a broader campaign to strengthen tax compliance, safeguard government revenue, and ensure transparency within the sugar industry.
5. Strict monitoring and swift enforcement actions will continue, even after the close of the crushing season, to ensure regular supply of sugar to end consumers after recovery of due taxes.

C. Kasbati & Co Recommendations

1. **Due to Zero Tolerance at FBR level in above & Other matters**, it is worthwhile to keep your Team considering below matters.
2. **Your Entity Tax Team Development to take care of future expected Notices for 40% Budget increase**

For Tax, Levies, Corporate Compliance & Savings, we recommend your team members to attend the Courses considering their Education & Experience. These courses can be attended Physically at Karachi; Online from Karachi Lahore, Islamabad, etc and Recorded Lecture are also available. Click [here](#) for the Main Tax Flyer. Specific Level as per the following Courses, click [Flyers and Tentative Registration Links](#). Please click on the [Link](#) for (a) Comparative Study to decide relevant Level by Mr Asif Kasbati FCA, FCMA, LLB and Courses Director (b) View of High Level Professionals view (c) Participants views

3. Broadening Tax Base to Reduce your tax in future budgets

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D. Multiplication

Although all the Commentaries are to the extent of the Subscribed IDs only, however, your Goodself is allowed to share this QC to Impart Knowledge to the maximum Employees, Relatives, Groups, etc as soon as possible.

E. Further Details & Services

Should you require any clarification or explanations in respect of the above or otherwise, or require Income Tax, Federal & Provincial Sales Tax or Withholding Tax Statement, Advisory, Return Filing or Review services, please feel free to email Mr Amsal at amsal@kasbati.co with CC to info.kasbati@professional-excellence.com, asif.s.kasbati@professional-excellence.com.

Best regards for Here & Hereafter
Asif S Kasbati (FCA, FCMA & LLB)

Managing Partner

Kasbati & Co (1400+ Tax, Levies, Companies, Economy, Inflation, HR, Banking, Finance, etc

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PTCL: 92-21-34329108 **Mobile:** 0334 322 3161 **Website:** kasbati.co **Facebook:** <https://www.facebook.com/taxexcellence/>

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From: Asif S Kasbati <asifskasbati@tax-excellence.com>

Date: Mon, Mar 15, 2021 at 3:17 PM

Subject: TLQCI410 - Track & Trace system for Tobacco, Cement, Fertiliser & Sugar

You may have seen KQU # 923 whereby we shared the link of the "FBR issues Sales Tax General Orders for four Specified Sectors" alongwith several other updates and now give our Commentary on the same in ensuing paragraphs being an Important matter.

*2. The FBR has issued the following Sales Tax General Orders (**STGO**) about Track & Trace system for the following 4 Sectors as per Section 40C(2) of the ST Act read with Rule 150ZF of the ST Rules which mandates FBR to notify the date for the implementation of Electronic Monitoring of productions and sales of goods in the manner prescribed in the law on all manufacturing sites (unless otherwise provided) of all the notified sectors.*

- (a) Tobacco- STGO 1 ([Attachment 1410.1](#))*
- (b) Cement- STGO 2 ([Attachment 1410.2](#))*
- (c) Fertiliser- STGO 3 ([Attachment 1410.3](#))*
- (d) Sugar- STGO 4 ([Attachment 1410.4](#))*

3. The FBR has notified that no Product shall be allowed to be removed from a production site / factory premises / manufacturing plant or import station without affixation of Tax stamps / Unique Identification Marking with effect from 1.7.21, which are to be obtained / procured from and applied by the FBR's Licensee AJCL / MITAS / Authentix Consortium.

4. The FBR has directed all manufacturers of specified Products to make necessary arrangements for importation of applicators and other equipment required for successful installation and implementation of Track and Trace System at their production facilities.

5. Section 40C and Rule 150ZF are reproduced below in Italics for ready reference

*5.1 40C. Monitoring or Tracking by Electronic or other means- (1) Subject to such conditions, restrictions, and procedures, as it may be fit to impose or specified, the Board may, by notification in the official Gazette, specify any registered person or class of registered persons or **any good** or class of goods in respect of which monitoring or tracking of production, sales, clearances, stocks or any other related activity may be implemented through electronic or other means as may be prescribed*

(2) From such date as may be prescribed by the Board, no taxable goods shall be removed or sold by the manufacturer or any other person without affixing tax stamp, bandrole stickers, labels, barcodes, etc. in any such form, style and manner as may be prescribed by the Board in this behalf.

(3) Such tax stamps, banderols, stickers, labels, barcodes etc., shall be acquired by the registered person referred to in sub-section 2 from a licensee appointed by the Board for the purpose, against price approved by the Board, which shall include the cost of equipment installed by such licensee in the premises of the said registered person.

5.2 Electronic Monitoring, Tracking and Tracing of Specified Goods and Licensing thereof Sub-Chapter 1 - Preliminary

150ZF. Application— The provisions of this Chapter shall apply to electronic monitoring, tracking and tracing of production, import and supply-chain of the following goods, on real time basis, hereinafter referred to as the specified goods, namely:

- (a) tobacco products;
- (b) beverages;
- (c) sugar;
- (d) fertiliser;
- (e) cement; and
- (f) petroleum products

Provided that any or all of the said specified goods above shall be monitored, tracked and traced in the manner provided in this Chapter and any other instructions, procedures and orders issued by the Board:

Provided further that the specified goods, if brought from non-tariff area as defined in the Federal Excise Act, 2005, shall be treated as imported goods for the purposes of this Chapter.

Best regards

Asif S Kasbati (FCA, FCMA & LLB)

From: Asif Siddiq Kasbati <asif.s.kasbati@professional-excellence.com>

Date: Fri, Apr 5, 2024 at 11:45 AM

Subject: TLQC2692 =BTB, Digitizing, Track & Trace, Promoting Capital Market

A. Background

- (a) 2683 of 29.3.24 about Digital Tax System is Top Priority
- (b) 2681 of 28.23.24 about FBR Agreement with Karandaaz for Tax System Digitization
- (c) 2623 of 27.1.24 about BTB - Income Tax Scheme for 3.5M Retailers & KCV

B. Updated Commentary

Further to KQU 2740 of 30.3.24, **being an important matter** we would inform you about Article 29.3.24 FM stresses for reforming the tax system (Attachment 2692.2) in the ensuing paragraph, with emphasis ours in **bold** for quick reading.

1. FM Mr Aurangzeb has stressed for reforming the tax system to improve the country's economy.
2. Addressing the Gong ceremony at PSX in Karachi recently, he said we are working with the law ministry and FBR to remove leakage in tax revenue and broaden the tax net.
3. structural reforms.
4. He said reforms in FBR are carried out by introducing a track and trace system and digitizing its operations to ensure transparency and enhancing tax collections. Highlighting the role of the private sector in economic development, he said the importance of the capital market in promoting economic development is fundamental.

5. He said in coordination with the relevant departments, the government will work on creating a conducive regulatory environment for economic growth.

6. The government will focus more on the capital market to enhance market efficiency, transparency and investor protection.

7. Alluding to the importance of Chinese investment and partnership, the FM called for increasing cooperation between PSX and Chinese stock exchanges.

8. He said the current account of the country is improving and it was in surplus last month.

C. Further Details & Services

Should you require any clarification or explanations in respect of the above or otherwise, please feel free to email Mr Amsal at amsal@786tax.com with CC to info.kasbati@professional-excellence.com

Best regards for Here & Hereafter
Asif S Kasbati (FCA, FCMA & LLB)