

February 25th, 2026

S.R.O 288(1)/2026 (ONLINE INTEGRATION OF BUSINESSES)

S.R.O 288 (1) / 2026, dated February 18, 2026, has been introduced as an amendment in **Chapter VIIA** of Income Tax Rules, 2002. The Executive summary of the amendments and their effects therein are as follows;

OVERVIEW

S.R.O. 288(I)/2026 introduces a comprehensive framework for mandatory digital integration of businesses with FBR's computerized system. This framework is aimed to ensure real-time reporting of sales transactions, strengthen tax transparency through electronic invoicing and monitoring mechanisms.

The amendment replaces the existing Chapter VIIA of Income Tax Rules, 2002 to establish a fully structured regulatory, licensing, and enforcement regime governing online business integration

APPLICABILITY:

The provisions of this Chapter applied to all persons listed in column (2) of the Schedule, except those excluded in column (3).

Schedule		
(1)	(2)	(3)
Sr. No.	Description	Exclusion Condition
1.	Restaurants	If no air-conditioning facility
2.	Hotels, motels, guest houses, marriage halls, clubs including race clubs	If no air-conditioning facility
3.	Inter-city road travel	If taxpayer only providing non air conditioning service OR maintaining a fleet less than 5 vehicles
4	Courier & cargo services	No specific exclusion
5.	Beauty parlours, slimming clinics, massage & pedicure centers	If no air-conditioning facility

6.	Medical service providers (physiotherapists, surgeons, dentists, vets, etc.)	If fee < Rs. 500
7.	Medical Diagnostic & pathological labs	No specific exclusion
8.	Private hospitals & medical care centers	No specific exclusion
9.	Health clubs, gyms, swimming pools, multipurpose clubs operated by any civilian/ non-civilian administration.	No specific exclusion
10.	Photographers, videographers, event managers	If fee < Rs. 50,000 per event
11.	Accountants (CA & CMA)	No specific exclusion
12.	Retailers (including combined businesses)	A retailer is excluded if they are a small retailer who does NOT; <ul style="list-style-type: none"> • Operate as part of a national or international chain store • Operate in an air-conditioned mall, plaza, or shopping center (except kiosks) • Have annual electricity bills exceeding Rs. 1.2 million • Work as a wholesaler-cum-retailer dealing in bulk goods • Have a shop area of 1,000 sq. ft. or more
13.	Foreign exchange dealers / exchange companies	No specific exclusion
14.	Private schools, colleges, universities, training institutes	If fee per child < Rs. 1,000 per month

Note: The mode and manner of online integration will be confirmed by Federal Board of Revenue through a general order, and they are yet to notify such order

KEY OBLIGATIONS AND REQUIREMENTS.

Registration and Integration

- Enterprises must register all POS and electronic invoicing systems with FBR's computerized system.
- Each outlet and POS/e-invoice machine must:
 - Transmit data in real-time, securely encrypted
 - Generate invoices with unique FBR invoice number and QR code
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 - Generate invoices with unique FBR invoice number and QR code
 - Maintain logs for every adjustment, modification, or cancellation
 - Perform daily, weekly, and monthly closing procedures

Invoice and Billing Requirements

- Invoices must include:
 - Seller and recipient details (name, address, NTN)
 - Invoice number, date/time, itemized description, quantity, unit value, tax details
 - Debit/credit notes for returns, exchanges, or adjustments
- Electronic retention of all invoices and debit/credit notes for six years
- Offline invoices due to system or internet failure must be uploaded within 24 hours

Online Marketplace Integration

- Websites, mobile apps, and online marketplaces must issue auto-generated electronic invoices integrated with FBR systems
- All digital payment transactions (debit/credit cards, QR payments) must be captured and reported in real-time

CCTV and Security

- Mandatory CCTV monitoring for POS transactions if directed by FBR (**retention: 1 month**)
- POS and EFD devices must be tamper-proof, with offline backup maintained

Costs and Display

- Enterprises bear all integration costs (hardware/software)
- Licensees may charge only below a Board-specified threshold
- Prominent display of “Integrated with FBR” and verifiable POS/e-invoice registration numbers required

LICENSING OF INTEGRATORS (NEW IN S.R.O 288)

Licensing Requirements

- Only licensed entities may operate POS or e-invoicing integration
- PRAL is designated as default licensed integrator, providing free software to taxpayers
- Licensing Committee evaluates applications, inspects systems, and recommends approval/rejection

Application Requirements

Applicants must provide;

- Company profile, technical and managerial details
- Employee details, audited accounts (last 3 years), paid-up capital of at least Rs. 10 million.
- Documents include legal and registration records
- Certification from Pakistan Software Houses Association / Institute of Chartered Accountants
- Undertaking of no past fiscal fraud or blacklisting

Licensee Responsibilities

- Ensure installation, configuration, operation, and maintenance of POS/e-invoicing systems

- Provide technical support, resolve system issues, apply updates, and ensure real-time data transmission
- Report failures or operational disruptions to FBR within 24 hours

License Duration and Rights

- Valid for 5 years, non-transferable, subject to compliance
- Non-compliance may lead to suspension or cancellation
- Licensee has the right to install, maintain, and upgrade systems within the approved scope

AUDIT, ENFORCEMENT, AND COMPLIANCE.

The SRO significantly strengthens enforcement by:

- Inland Revenue Enforcement Network monitors integrated enterprises, checking real-time reporting
- Allowing recovery of taxes on unreported transactions
- Requiring CCTV monitoring at POS locations where directed

Non-compliance may result in penalties, tax recovery, and restrictions under the Income Tax Ordinance.

ELECTRONIC STORAGE & RECORD RETENTION.

All invoices, debit notes, and credit notes must:

- Be generated electronically in real time
- Contain standardized mandatory fields (seller/recipient details, tax components, HS codes, etc.)
- Be retained electronically for **six years** for audit and verification purposes

In case of system or internet failure, offline invoices must be uploaded within **24 hours** of restoration.

CONCLUSION.

SRO 288(1)/2026 substantially strengthens Chapter VIIA by;

- **POS Integration:** All POS and e-invoicing systems, including online marketplaces (websites & mobile apps) must be integrated with FBR, with CCTV as directed (1-month retention)
- **Invoice Generation:** Invoices must include a unique FBR invoice number, QR code, digital signature, and be transmitted in real-time. Enterprises must issue invoices accordingly and maintain detailed audit logs.
- **Debit/Credit Notes:** All debit and credit notes must be issued electronically and retained for **six years**. Enterprises are required to generate and store these records electronically.
- **Licensing:** Integration of electronic invoicing may only be carried out by licensed integrators, with **PRAL** acting as the default licensed provider.
- **Audit and Enforcement:** FBR has established an enforcement network with real-time monitoring and tax recovery authority.
- **Offline Handling:** Any offline invoices due to system or internet failure must be uploaded within 24 hours of restoration.
- **Penalties:** Non-compliance may result in strengthened penalties, including license suspension or cancellation and recovery of unreported taxes. Enterprises must strictly adhere to all rules and maintain operational logs and reporting.

CONTACT FOR FURTHER QUERY.

Please feel free to reach out to us in case of any further query.

Regards