

RASG IMPACT

August, 2025

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RIAZ AHMAD, SAQIB, GOHAR & CO.
CHARTERED ACCOUNTANTS

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Result Assured Services for Growth

TECHNICAL UPDATES

FEDERAL INCOME TAX LAWS

Simplified electronic return for individuals (TAX YEAR 2025) – SRO 1561(I)/2025

The Federal Board of Revenue has through S.R.O. 1561(I)/2025, dated August 18, 2025, Introduced a “Simplified Electronic Return format for Individuals” for Tax Year 2025.

This form aims to make filing of income tax return easier for individuals, however, there are certain limitations. This form only caters for those individuals earning income from a very restricted source. Where there are multiple sources of income, the taxpayer is redirected towards the detailed form.

Electronic return for companies (TAX YEAR 2025) – SRO 1562(I)/2025

The Federal Board of Revenue has through S.R.O. 1562(I)/2025, dated August 18, 2025, formally issued the finalized electronic return of income form for the tax year 2025.

It has been clarified that any changes in the return form as compared to the draft form already in operation would be deemed to have always been present without any prejudice towards the taxpayers who had filed their return on the basis of the draft form.

Monthly reporting obligations for online marketplaces under income tax rules, 2002 – SRO 1634(I)/2025

The Federal Board of Revenue has through S.R.O. 1634(I)/2025, dated August 27, 2025, proposed to insert Rule 38A in the Income Tax Rules, 2002, to implement section 165C of the Income Tax Ordinance, 2001. Under the new rule, Online Marketplaces will be required to furnish a monthly statement to FBR containing transactional details and aggregate sales of sellers registered with them.

Moreover, if an Online Marketplace also provides courier services, it will additionally be required to file the an additional statement as prescribed under the Income Tax Rules, 2002.

Explanation of important amendments made in the income tax ordinance, 2001 – circular 01 of 2025-26

The Federal Board of Revenue, through its Circular No. 01 of 2025-26 dated August 2, 2025, has issued explanations on the major amendments introduced by the Finance Act, 2025 in the Income Tax Ordinance, 2001.

This is an annual phenomenon which aims to ensure clarity regarding the amendments made through the Finance Act.

Standardization of cash limits to support cashless economy initiatives – circular 02 of 2025-26

The Federal Board of Revenue, through Circular 02 of 2025-26 dated August 12, 2025, has reiterated that, in line with the government's objective of promoting a cashless economy for the purpose of section 21(s) of the Income Tax Ordinance, 2001, the cash transaction limit of Rs. 200,000 shall be uniformly applicable to both retail outlets and e-commerce cash-on-delivery (COD) transactions.

Therefore, it is clarified that any retail outlet or e-commerce entity receiving cash against a single sale invoice exceeding Rs. 200,000/- shall be subject to disallowance of 50% of the related expenditure of such sales.

SALES TAX LAWS

Explanation of important amendments made in the sales tax act 1990 and federal excise act 2005 – circular 02 of 2025-26

The Federal Board of Revenue, through Circular 02 of 2025-26 dated August 2, 2025, has issued clarifications on the major amendments introduced by the Finance Act, 2025, in the Sales Tax Act, 1990 and Federal Excise Act, 2005

This is an annual phenomenon which aims to ensure clarity regarding the amendments made through the Finance Act.

Mandatory e-invoicing integration deadlines announced by FBR – SRO 1413(I)/2025

The Federal Board of Revenue through S.R.O. 1413(I)/2025, dated August 1, 2025, has extended the due date for different categories of registered persons to integrate their hardware/software with FBR's computerized system through a licensed integrator or PRAL and issue electronic invoices within specified deadlines, replacing the earlier notification S.R.O. 709(I)/2025.

The due dates are stated as under:

- **Public companies:** Registration by 10th August 2025, Testing by 25th August 2025, E-invoicing from 1st September 2025.
- **Companies (other than public) with turnover exceeding Rs. 1 billion:** Registration by 10th August 2025, Testing by 25th August 2025, E-invoicing from 1st September 2025.
- **Importers:** Registration by 10th August 2025, Testing by 25th August 2025, E-invoicing from 1st September 2025.
- **Companies with turnover between Rs. 100 million and Rs. 1 billion:** Registration by 10th September 2025, Testing by 30th September 2025, E-invoicing from 1st October 2025.
- **Companies with turnover below Rs. 100 million:** Registration by 10th October 2025, Testing by 30th October 2025, E-invoicing from 1st November 2025.

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- **Individuals and AOPs with turnover exceeding Rs. 100 million:** Registration by 10th September 2025, Testing by 30th September 2025, E-invoicing from 1st October 2025.
- **All other registered persons not listed above:** Registration by 10th November 2025, Testing by 30th November 2025, E-invoicing from 1st December 2025.

Withholding obligation for online marketplace, payment intermediary and courier through digitally ordered goods – SRO 1429(I)/2025

The Federal Board of Revenue Through S.R.O. 1429(I)/2025 dated August 04, 2025, has inserted Chapter XIV-E into the Sales Tax Rules, 2006, prescribing rules for withholding obligations on digitally ordered taxable goods.

The new rules apply to Online Marketplaces, Payment Intermediaries, and Couriers where payments are made online or on Cash on Delivery.

Payment intermediaries and couriers are required to deduct sales tax at the rate of 2% of the gross value of supplies and deposit the same with FBR, and file monthly electronic statements (STR-35 for intermediaries and STR-36 for couriers) by the 10th of the following month, along with issuing sales tax deduction certificates to vendors.

Online Marketplaces must file supplier-wise monthly statements in STR-34, and if also providing courier services, must additionally comply with courier-specific filing.

“This area is intentionally left blank.”

CORPORATE LAWS

Amendments in the non-banking finance companies and notified entities regulations, 2008 – SRO 1438(I)/2025

The Securities and Exchange Commission of Pakistan through its S.R.O.1438(1)/2025 dated August 1, 2025 under its statutory powers, has made amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

It Introduces a comprehensive regulatory framework for Digital Asset Management Companies (Digital AMCs) and AMCs offering services through digital platforms.

Objective of Key amendments Introduced

- Digitalization of mutual fund/asset management industry
- Governance & eligibility requirements (Board expertise, IT/digital risk committee, CTO/CISO)
- Investor protection (cooling-off rights, transparent NAV disclosure, retail investor focus)
- Cybersecurity & IT resilience (penetration testing, disaster recovery, third-party audits)
- Retail investor outreach (70% AUM retail participation)
- Trustee & SECP oversight (mandatory NOCs, listing of approved digital platforms)
- Flexibility in operations (conversion between conventional AMC and Digital AMC).

The notification aims to enable digital transformation of Pakistan's asset management sector while ensuring strong investor safeguards, IT security, and regulatory compliance.

Company's responsibility regarding ultimate beneficial ownership (UBO) – circular no. 21 of 2025

The Securities and Exchange Commission of Pakistan, under Section 510 of the Companies Act, 2017, issued Circular No.SY/SECP/8/13 dated August 8, 2025, to promote transparency and prevent the misuse of corporate structures for money laundering or terrorist financing.

It is clarified that all companies, including foreign companies, are required to maintain accurate and up-to-date records of their Ultimate Beneficial Owners (UBOs), in accordance with Section 123A of the Companies Act, 2017, and Regulation 48 of the Companies Regulations, 2024..

Key requirements include:

- Maintaining a register of UBOs in the prescribed form.
- Timely record and update any changes in UBO information.
- Providing UBO data to SECP, other authorized agencies, and Financial Institutions as needed for compliance and due diligence.
- Holding and verifying accurate UBO information regularly.

Adoption of digital payment systems by SECP-regulated entities – direction no. 24 of 2025

The Securities and Exchange Commission of Pakistan through its direction No. 24 of 2025 dated August 26, 2025 under its statutory powers, has directed all Licensed Entities to adopt digital payment solutions to promote financial sector modernization.

Licensed Entities are required to:

- Implement digital payment systems, particularly Raast QR Code, at all offices/branches;
- Clearly display available digital payment options (QR Code, POS, Soft POS, internet/mobile-based solutions);
- Accept digital payments and not refuse any customer opting to pay digitally.
- All Licensed Entities shall ensure compliance with the requirements of this directive by October 31, 2025, and upon integration, shall report the same to the through the prescribed mode of communication.

Introduction of standard format of board resolution for corporate account opening – circular 22 of 2025

The Securities and Exchange Commission of Pakistan in exercise of its powers under Section 510 of the Companies Act, 2017, through its 22 of

2025 dated August 22, 2025 has introduced a Standard Board Resolution format (Annexure-A) to streamline corporate account opening with financial institutions.

All companies shall prepare the Board Resolution in the prescribed format, either in digital or physical form, duly authenticated by the authorized officer. The template may be adapted to suit specific requirements.

Where submitted electronically, the resolution must bear an electronic or advanced electronic signature under the Electronic Transactions Ordinance, 2002.

Companies are encouraged to embed a QR code on the Board Resolution to enable instant verification of its authenticity.

CHALLENGES / OPPORTUNITIES

ISO and Its Importance for Organizations and the Economy

Prof. Dr. Muhammad Ovais, Executive Director

The International Organization for Standardization (ISO) is an independent, non-governmental body that develops and publishes internationally recognized standards. Established in 1947, ISO brings together national standards organizations from over 160 countries to create frameworks that promote consistency, quality, safety, and efficiency across industries. Its standards are designed to support organizations in achieving operational excellence while also fostering trust among stakeholders and customers.

For organizations, the adoption of ISO standards serves as a **strategic advantage**. Standards such as ISO 9001 (Quality Management Systems), ISO 14001 (Environmental Management Systems), and ISO 27001 (Information Security Management Systems) provide structured approaches for enhancing processes, ensuring compliance, and reducing risks. **Certification to these standards signals credibility, demonstrates a commitment to continuous improvement, and often becomes a requirement in competitive procurement and global supply chains.** By aligning operations with ISO frameworks, businesses not only improve internal efficiency but also strengthen their reputation and market position.

The impact of ISO standards extends well beyond individual organizations and plays a critical role in supporting the **broader economy**.

Harmonized international standards reduce trade barriers by ensuring that products, services, and systems are accepted across borders without the need for multiple certifications. This facilitates smoother international trade, encourages investment, and creates opportunities for small and medium-sized enterprises (SMEs) to access global markets. In addition, ISO standards promote innovation, sustainable practices, and workplace safety, contributing to economic resilience and long-term development.

Governments and regulatory bodies frequently use ISO standards as a foundation for legislation and public policy. This alignment ensures that regulations are globally relevant and effective, further strengthening the role of ISO in shaping economic and industrial landscapes. Ultimately, ISO standards foster a culture of quality and accountability that benefits not only organizations but also consumers, industries, and economies worldwide.

In conclusion, ISO is more than a certification framework; it is a **driver of trust, growth, and sustainability**. Its influence on organizations and economies underscores its importance as a cornerstone of global trade, industrial development, and organizational excellence.

LIFE AT RASG

Successful Awareness Session on FBR-Integrated E-Invoicing Software at RASG!

We are pleased to share that our recent awareness session on FBR-integrated e-invoicing software was a great success. The session was well-attended by industry professionals, clients, and stakeholders, and received an overwhelmingly positive response.



Participants gained valuable insights into the implementation process, compliance requirements, and real-time integration of the system with the FBR portal.



RASG remains committed to empowering businesses with the knowledge and tools they need for smooth tax compliance and digital transformation.



Stay connected with us for more updates, trainings, and expert advisory!

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Training Session on Filing of Income Tax Returns for Individuals and AOPs

We are pleased to share that a training session on filing of annual income tax returns, wealth statement and statement of foreign assets and liabilities for the upcoming return filing season has been successfully conducted.



The session was led by our National Tax Partner, Mr. Mohammed Kamil Gohar, who provided in-depth insights on:

- Key provisions and interpretations with respect to filing of annual income tax returns
- Compliance requirements
- Hands on guided walk through of the IRIS portal and electronic form for the annual income tax return, wealth statement and statement of foreign assets and Liabilities.



A big thank you to all the participants for their active engagement and contribution in making this session a success.

RASG Celebrates 14th August and Marka-e-Haq

RASG proudly celebrated **Pakistan's Independence Day** on **14th August**, honoring the historic struggle and sacrifices that gave us our homeland. The day was observed as a symbol of unity, resilience, and unwavering belief in the vision of Pakistan.



Alongside Independence Day, we also observed **Marka-e-Haq**, commemorating Pakistan's historic victory against India — a triumph that stands as a testament to our nation's courage, strength, and unshakable resolve. This dual observance highlighted not only the achievement of freedom but also the defense of sovereignty, reminding us of the responsibility we carry as a nation.

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At RASG, these celebrations reaffirmed our commitment to the values of **integrity, accountability, and service**, while inspiring us to contribute to a stronger, progressive, and prosperous Pakistan.

Pakistan Zindabad!

Big Congratulations to Abrar Nadeem Chartered Accountants

Abrar Nadeem, one of our dedicated trainee students, has achieved an extraordinary milestone by qualifying as a Chartered Accountant (CA) during his articleship. This remarkable accomplishment is a testament to his unwavering commitment, resilience, and hard work.



At RASG, we take immense pride in fostering an environment where students can thrive and achieve their goals. Abrar Nadeem's success reflects our continuous commitment to nurturing talent, guiding students, and empowering them to excel in their professional journeys.

RASG IS HIRING

Opportunity for CA Trainees:

Switch from Audit to Taxation (Position Based in Karachi Office)

Riaz Ahmed, Saqib, Gohar & Co. invites applications from CA trainees who have successfully completed two years of Articleship in Audit & Assurance and are now seeking to complete their remaining training period in Taxation Services.



What You Will Gain

- In-depth exposure to Income Tax and Sales Tax matters
- Practical training in Tax Compliance and Advisory
- Insight into Tax Planning and Litigation processes
- A strong foundation for a career in Taxation and Corporate Consulting

Eligibility Criteria

- Successfully completed 2 years of Articleship in Audit & Assurance
- Willing to complete the remaining training period in Taxation
- NOC from current training organization is mandatory
- Position is based in Karachi only

If you are ready to broaden your professional horizon and advance in the dynamic field of Taxation, we encourage you to apply now at Stay connected with us for more updates, trainings, and expert advisory! and become part of our Karachi-based Taxation team.

This is a unique opportunity to diversify your professional experience and develop specialized expertise under the mentorship of:

- Qualified Chartered Accountants
- Seasoned Tax Lawyers
- Registered Income Tax Practitioners (ITPs)

Key Contacts

Corporate Office: Karachi

RASG Tower - 7C, Zulfiqar Commercial
Street 4, Phase - VIII - A. DHA Karachi.
Phone: 92 21 3493 2629 , 34946112
Email: rasgkhi@rasgco.com

Lahore

Building No. 35 - D / E, Ali Block, New
Garden Town Lahore.
Phone: 92 42 35940246-7
Email: rasglhr@rasgco.com

Islamabad

Office Nos. 06, 07 & 18, 3rd Floor, Plot No.
08 Pak Land Business Centre I – 8 Markaz,
Islamabad.
Phone: 92 51 2804245 - 46
Email: rasgisld@rasgco.com



GOHAR MANZOOR
Founder and Managing Partner
Email: gohar@rasgco.com



MUHAMMAD ALI RAFIQUE
National Partner - Audit
Email: muhd.ali@rasgco.com



MUHAMMAD KAMAL GOHAR
National Partner - Advisory
Email: kamal@rasgco.com



MOHAMMED KAMIL GOHAR
National Partner - Taxation
Email: kamil@rasgco.com



BABAR HABIB
Partner
Email: baber@rasgco.com



FAREED HUSSAIN SIDDIQUE
Director - Taxation
Email: fareed@rasgco.com



PROF. DR. MUHAMMAD OVAIS
Executive Director
Email: ovais@rasgco.com



info@rasgco.com



www.rasgco.com



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company/rasgco