



**THE PUNJAB SALES TAX  
ON  
SERVICES ACT 2012**

**Government of Punjab**

**Punjab Revenue Authority**

Government of Punjab

## CHAPTER V

### BOOK KEEPING AND AUDIT PROCEEDINGS

#### 30. Issuance of tax invoices.—

- (1) A registered person providing a taxable service shall issue a numbered and dated tax invoice containing the following particulars:-
  - (a) Name, address and registration number of the service provider;
  - (b) Name, address and registration number, if any, of the service recipient;
  - (c) Description of service or services;
  - (d) Value exclusive of the tax;
  - (e) Amount of the tax; and
  - (f) Value inclusive of the tax.
- (2) The Authority may, by notification in the official Gazette, specify such modified invoices for different services or persons and prescribe the manner and procedure for regulating the issuance and authentication of tax invoices.
- (3) A registered person providing a taxable service may, subject to such conditions and restrictions as the Authority may, by notification in the official Gazette, specify, issue invoices to another registered person or other recipient of taxable service electronically and transmit images or statements of such invoices to the Authority as well as to the Commissioner, as may be specified.

#### 31. Records.—

- (1) A registered person providing taxable service shall maintain and keep at his business premises or registered office in English or Urdu the following records of taxable service (including exempt service) provided by him or by his agent acting on his behalf in such form and manner as would permit ready ascertainment of his tax liability during a tax period—
  - (a) Records of taxable service provided indicating—
    - (i) The description and type of service;
    - (ii) The value of the service;
    - (iii) The particulars of the person to whom the service was provided; and
    - (iv) Any other information as may be specified by the Authority;
  - (b) Records of exempt service; and
  - (c) Such other records as may be specified by the Authority.
- (2) The Authority may, by notification in the official Gazette, require a registered person or class of registered persons to declare and use as many number of business bank accounts as may be specified by the Authority in such notification to make or receive payments on account of providing services for the purpose of this Act and the rules and to make payment of due tax from such accounts.

- (3) The Authority may, by notification in the official Gazette, specify that any person or class of persons registered under this Act shall use such electronic fiscal cash registers in such manner as are approved by the Authority.
- (4) The Authority may, by notification in the official Gazette, prescribe the procedure or software for electronic invoicing or billing, maintenance of records, filing of tax returns and for any other matter or approve any software for electronic invoicing or billing, maintenance of records and filing of returns by a registered person or class of such persons under this Act.
- (5) The registered persons, whose accounts are subject to audit under the Companies Ordinance, 1984 (*XLVII of 1984*), shall be required to submit a copy of the annual audited accounts, along with a certificate by the auditors certifying the payment of the tax due and any deficiency in the tax paid by the registered person.

### **32. Retention and production of records and documents.–**

- (1) A person, who is required to maintain any record or documents under this Act, shall retain the record and documents for a period of five years after the end of the tax period to which such record or documents relate or till the final decision in any proceedings including proceedings for assessment, appeal, revision, reference or petition, whichever is later.
- (2) A person who is required to maintain any record or documents under this Act or any other law shall, as and when required by an officer not below the rank of the Assistant Commissioner, produce records or documents which are in his possession or control or in the possession or control of his agent, and where such records or documents have been stored as electronic data, he shall allow to such officer full and free access to, and use of, such data of any machine.

### **33. Audit proceedings.–**

- (1) An officer authorized by the Authority or the Commissioner may, on the basis of the return or returns submitted by a registered person or the records maintained under this Act and the rules, conduct an audit of such person.
- (2) In case the Authority or the Commissioner has any information showing that any registered person is involved in tax fraud or evasion of tax, it or as the case may be, he may authorize an officer not below the rank of the Assistant Commissioner, to conduct an inquiry or investigation, which may or may not be in addition to any audit carried out for the same period.
- (3) Where the officer is to conduct an audit under sub-section (1), he shall issue a notice of audit to the person informing him of the audit proceedings and direct him to produce any records or documents which such officer may require for conducting the audit.
- (4) The officer shall conduct audit and issue an audit observation or observations pointing out the contraventions of this Act or the rules and the amount of the tax evaded or short paid, and the registered person may, within a period of twenty one days of the receipt of the audit observation, submit his reply in writing.
- (5) If no reply is received within the specified time or the reply furnished by the registered person is found unsatisfactory, the officer shall issue an audit report specifying the amount of the tax or charge that has not been levied or has been short levied or any other violation of any provision of the Act or the rules.

- (6) After completion of the audit under this section or any other provision of this Act or the rules, an officer having pecuniary jurisdiction in terms of section 60 shall, if required, pass an order determining the correct amount of payable tax, charging default surcharge and imposing a penalty.
- (7) Notwithstanding the penalties prescribed in section 48—
  - (a) if a registered person wishes to deposit the amount of the tax short paid or evaded along with default surcharge voluntarily, whenever it comes to his notice, he may, before receipt of notice of audit, file a revised return and may deposit the amount of tax short paid or evaded along with default surcharge, in which case no penalty shall be recovered from him;
  - (b) if a registered person wishes to deposit the amount of the tax short paid or evaded along with default surcharge during the audit, or at any time before issuance of show cause notice in lieu of the audit report, he may file a revised return and may deposit the short paid or evaded amount of the tax, default surcharge under section 49 and twenty per cent of the penalty payable under section 48, in which case the show cause notice in lieu of the audit report shall not be issued in the matter;
  - (c) if a registered person wishes to deposit the amount of tax short paid or evaded along with default surcharge after issuance of show cause notice, he may file a revised return and may deposit the short paid or evaded amount of the tax, default surcharge under section 49, and fifty per cent of the penalty payable under section 48 and, thereafter, the show cause notice shall abate.

**34. Special audit by chartered accountants or cost accountants.—**

- (1) The Authority may, by notification in the official Gazette, appoint a Chartered Accountant as defined under Chartered Accountants Ordinance, 1961 (*X of 1961*) or a firm of Chartered Accountants or a Cost and Management Accountant within the meaning of the Cost and Management Accountants Act, 1966 (*XIV of 1966*) or a firm of Cost and Management Accountants, for conducting a special audit of the records of any registered person.
- (2) Notwithstanding that the records of a registered person have been audited by an officer appointed under section 39, the Authority or a Commissioner may direct an auditor appointed under sub-section (1) to audit the records of any registered person for the same period.
- (3) An auditor appointed under sub-section (1), shall have such powers of an officer as may be conferred by the Authority to such auditor under any of the provisions of this Act or the rules.
- (4) For purposes of this section or section 33, the audit of records includes audit of the tax affairs of the registered person under this Act and the rules.