

**By Fax**

**Government of Pakistan  
Revenue Division  
Federal Board of Revenue  
Inland Revenue**

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No.1(42)SA-M(IR-Ops)/2026/25980-R

Islamabad, the 03<sup>rd</sup> March, 2026

To,

**All Chief Commissioners-IR,  
LTOs/MTO/CTOs/RTOs**

**Subject: Standard Operating Procedure (SOP) for Exercising the Powers Conferred by Section 37A of the Sales Tax Act, 1990**

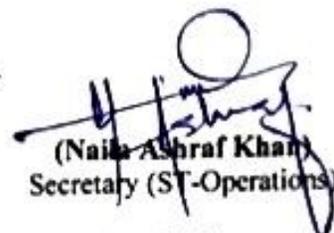
Whereas Section 37A of the Sales Tax Act, 1990 (the Act) empowers the authorized officer to inquire and investigate the commission of tax fraud or an offence under the Act and shall have the powers of a civil court under Code of Civil Procedure, 1908 (Act No. V of 1908) in matters defined under Clause (a) & (b) of Sub-Section (2) of Section 37A of the Act besides, powers to arrest in the manner defined under Sub-Section (8) & (9) of the Section 37A of the Act.

2. And whereas it is considered necessary to prescribe a structured procedure for the effective and judicious exercise of the powers conferred under Section 37A of the Act, so that the proceedings undertaken thereunder shall have legally sustainable before appellate fora.

3. Therefore, the following Standard Operating Procedure (SOP) is hereby issued for strict compliance by all field formations within their respective jurisdictions:

- a) During the proceedings under Section 11E of the Act or otherwise, on the basis of material evidence pointing to the commission of tax fraud by a person, the case shall be referred immediately to the Directorate of Intelligence & Investigation (Inland Revenue) of the related jurisdiction to the extent of tax fraud.
- b) Upon receipt of the case referred by the field formation, concerned Director of Intelligence & Investigation (Inland Revenue) shall scrutinize the referred case within thirty (30) days to ascertain whether action under Section 37A(1) of the Act is warranted or otherwise? In case,
  - (i) If such action is deemed warranted, the concerned Commissioner shall formally be intimated; and
  - (ii) If such action is not warranted, the case be sent back to the concerned jurisdiction for finalization of proceedings under Section 11E of the Act.
- c) After the inquiry under sub-section (3) of section 37A of the Act and submission of the report to the Director concerned under section 37(5) of the Act, if the office of the Directorate General of Intelligence & Investigation (Inland Revenue) considers it appropriate to initiate investigation under section 37A(6) of the Act, the procedure prescribed under Sales Tax General Order No. 2 of 2025 shall be followed in letter and spirit.

4. This issues with the approval of Member (IR-Operations).

  
(Naima Ashraf Khan)  
Secretary (ST-Operations)

Copy to:

Director General, Intelligence & Investigation (Inland Revenue), Islamabad.