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

Subject: **REQUEST FOR RESOLUTION OF IRIS RELATED ISSUE REGARDING DECLARATION OF DIFFERENTIAL GAS SALES PRICES IN ST RETURN IN THE CASE OF M/S SUI NORTHERN GAS PIPELINES LIMITED (NTN:0801137-7)**

I am directed to refer to the above subject and to enclose herewith a letter dated 16-06-2026 along-with its enclosures received from the CCIR, LTO Lahore in the case of **M/s Sui Northern Gas Pipelines Limited (NTN:0801137-7)** hereinafter referred as the Registered Person (RP).

2. Briefly it is reported that the RP has made supplies of LNG during the period April-2015 to June-2022 and July 2022 through March 2024 at the available rate. Later on, the Regulator authority i.e Oil and Gas Regulatory Authority (OGRA) has modified the rate of sale price of LNG through different notifications. As per provisions of section 5 of Sales Tax Act,1990 the company is liable to charge sales tax on differential amount at the rate of applicable at the time of original supply. The differential sale price attributable to such revision has been billed by the company to consumers in the latest gas bills (relating to July 2025) as prior period adjustment and applied sales tax thereon at the rate of 17%. But in IRIS system sale tax automatically applies the currently applicable rate of 18% instead of applicable rate of 17% during the subject period. In view of the above, the issue has been forwarded to the Board for declaration of sales tax at the applicable rate of 17% instead of automated rate of 18% enabling the RP to declare the actual value of supplies including prior period adjustments and sales tax applicable thereon in the next coming tax periods May 2026 or June 2026.

3. Foregoing in view, it is requested that contents of the enclosed letter may be examined and the RP may be allowed to declare its sales @ 17% relating to the period from April 2015 to June 2022 and July 2022 to February 2023 in the ST Return for the tax periods May-2026 and June-2026 subject to prevailing rules & SOPs. A compliance report in this regard may also be shared with the Board on or before **24-06-2026.**

Encl: (As Above)

Safia

(Safia Sardar)
Second Secretary (ST-Operations)
17.06.2026

The Chief Executive Officer, PRAL, Islamabad

FBR's U. O. No.1(6)SS(ST-Ops-I)/2026 /65797-R Islamabad, the 17-June-2026

FBR
PAKISTAN

CHIEF COMMISSIONER
INLAND REVENUE
Large Taxpayers Office, Lahore

10-Babar Block, New Garden Town Main Boulevard, Lahore

C. No. LTO/Board's-Letter/V-III/HQ/SO-III/7603 **Dated: 16 , June, 2026**

The Member (IR-Operations),
Federal Board of Revenue,
Islamabad.

SUBJECT: **SUI NORTHERN GAS PIPELINES LIMITED, NTN: 0801137-7 - REQUEST FOR RESOLUTION OF IRIS-RELATED ISSUE REGARDING DECLARATION OF DIFFERENTIAL GAS SALES PRICE IN SALES TAX RETURN: -**

Kindly refer to the subject cited above.

2. The Commissioner Inland Revenue Zone-III report regarding resolution of IRIS related issue in respect of M/s Sui Northern Gas Pipelines Limited, (NTN: 0801137-7) is enclosed for further necessary action.

Encl: As above

(YASIR ALI)
Chief Commissioner

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PAKISTAN

COMMISSIONER INLAND REVENUE
Zone-III, Large Taxpayers Office, Lahore
10-Babar Block, New Garden Town, Lahore

C.No. LTO/CIR Z-III/ 22854 **Dated: 10th June 2026**

To,

The Chief Commissioner Inland Revenue,
Large Taxpayers Office,
Lahore.

SUBJECT:- **SUI NORTHERN GAS PIPELINES LIMITED. NTN. 0801137-7 – REQUEST FOR RESOLUTION OF IRIS-RELATED ISSUE REGARDING DECLARATION OF DIFFERENTIAL GAS SALE PRICE IN SALES TAX RETURN.**

Kindly refer to A.F.Ferguson & Co, Chartered Accountants letter vide No. T-4957 dated 04.06.2026 in the case of M/s Sui Northern Gas Pipelines Limited and find enclosed herewith report of the DCIR Unit-03, Zone-III, Large Taxpayers Office,. Lahore for your kind perusal and necessary action.

(ATTIYA ALI KHAN)
Commissioner Inland Revenue

Encl: As above.

GOVERNMENT OF PAKISTAN
OFFICE OF THE
DEPUTY COMMISSIONER INLAND REVENUE,
UNIT-03, ZONE-III, LARGE TAXPAYERS OFFICE, LAHORE

No.LTO/Zone-III/Unit-03 Dated: 10.06.2026

To,
The Commissioner-IR,
Zone-III, Large Taxpayers Office,
Lahore
Through Proper Channel

SUBJECT: SUI NORTHERN GAS PIPELINES LIMITED NTN:0801137-7 REQUEST FOR RESOLUTION OF IRIS-RELATED ISSUE REGARDING DECLARATION OF DIFFERENTIAL GAS SALE PRICE IN SALES TAX RETURN.

Kindly refer to the letter No. T-4957 dated 04.06.2026 from A, F. Ferguson & Co. Chartered Accounts on the behalf of Sui Northern Gas Pipe Lines Limited on the subject above.

2. The Sui Northern Gas Pipe Lines Limited is public limited company and engaged in the business of transmission and distribution of natural gas to domestic, commercial and industrial consumers. The company is regulated by Regulator authority i.e Oil and Gas Regulatory Authority (OGRA).

3. The registered person also engaged in supply of re-gasified liquid natural gas (RLNG). The registered person has supplied of re-gasified liquid natural gas for the period April- 2015 to June-2022 and July 2022 through March 2024 at the available rate. Later on, the Regulator authority i.e Oil and Gas Regulatory Authority (OGRA) has modified the rate of sale price of LNG through different notifications. As per provisions of section 5 of Sales Tax Act,1990 the company is liable to charge sales tax on differential amount at the rate of applicable at the time of original supply. The differential sale price attributable to such revision has been billed by the company to consumers in the latest gas bills (relating to July 2025) as prior period adjustment and applied sales tax thereon at the rate of 17%. But in IRIS system sale tax automatically applies the currently applicable rate of 18% whereas in the subject tax period the applicable rate was 17 %.

4. The provisions of section 9 of the Act *inter alia* allow the registered person to make the adjustment relating to the change in value of supply in the sales tax return, subject to conditions and limitations imposed by the Board. These conditions, procedures and limitations, as notified by the Board, are stipulated in Chapter III of the Sales Tax Rules, 2006 ('Rules'). The rule 22A of the Rules being relevant to the matter under consideration is reproduced hereunder:

> *"**22A. Change in value of supply of electricity or natural gas.** – In case of supply of electricity or natural gas by the distribution companies, if the value of supplies made in a previous tax period changes, leading to the change in amount of tax, such company, may instead of issuing separate debit or credit note, make necessary adjustment in the bill for a subsequent month, ensuring that due sales tax is paid on actual value of supply. The registered buyer shall not claim input tax credit in excess of the sales tax amount actually paid against such bills."*

5. Through the above rule, the registered person being the gas distribution companies can make the adjustment relating to change in value of supplies in subsequent bills, while ensuring that the applicable sales tax is discharged/ paid on actual value of supplies. The registered person is liable to charge sales tax on differential sale price relating to tax period April 2015 to June 2022 and July 2022 to February 2023 at the rate of 17%, as the rate of sales tax was subsequently enhanced to 18% through Notification SRO 179(I)/2023 dated February 14, 2023.

6. In the view of above and in the light of provisions of section 5 of the Act read with rule 22A of the Rules, the registered person's request for charging of sales tax at the applicable rate instead of automated rate of 18% may kindly be considered to enable registered person to declare the actual value of supplies including prior period adjustments and sales tax applicable thereon the in the next coming tax periods May 2026 or Jue 2026.

(ARSALAN KHAN)
Deputy Commissioner-Inland Revenue
Unit-03, Zone-III, LTO, Lahore.

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June 4, 2026

T 4957

TAXPAYERS FACILITATION
No. 6520 Date 4/6/2026
CC CT ..... MC HQ .....
Zone-I ..... Zone-II .....
Zone-III ..... Zone-IV .....
Zone-V ..... IT/TFD/HRM .....

The Commissioner Inland Revenue
Zone – III
Large Taxpayers Officer
Lahore

Dear Madam

SUI NORTHERN GAS PIPELINES LIMITED [NTN: 0801137]
REQUEST FOR RESOLUTION OF IRIS-RELATED ISSUE REGARDING DECLARATION OF DIFFERENTIAL GAS SALE PRICE IN SALES TAX RETURN

Our above-named client is a public-listed company engaged in the business of transmission and distribution of natural gas to residential, commercial and industrial consumers. The company's business activities/ operations are regulated by M/s Oil and Gas Regulatory Authority ('OGRA'), which determines the "**Tariff**" (sales price) for natural gas supplied by the company to consumers operating in various sectors.

2. In this background, it is apprised that the OGRA, through notifications (duly published in Official Gazette and available on OGRA's internet website), has further modified sale price of re-gasified liquid natural gas ('RLNG') **retrospectively** for tax periods **April 2015 through June 2022** and **July 2022 through March 2024.** In terms of section 5 of the Sales Tax Act, 1990 ('Act'), the company is liable to charge sales tax on differential amount at the rate applicable at the time of relevant supply which, during the tax periods of **April 2015 through February 2023**, was **17%** as against the currently applicable rate of 18%.

3. In this context, it may be noted that online sales tax return form available at IRIS pre-supposes that sales tax is leviable at currently applicable rate of 18% and computes the sales tax liability automatically with reference to 'value of supply' declared by the company in relevant column thereof thus, resulting in overstatement of company's liability in respect of tariff differential. Accordingly, in sales tax declarations for tax periods December 2025 and March 2026, the company could only declare the sales tax on tariff differential that attracted sales tax implications @ 18% and regarding the differential price billed to consumers by charging sales tax @ 17% in terms of section 5 of the Act, the company filed an intimation letter with your office (copy enclosed as **Annexure 'A'**) explaining that, owing to IRIS-relating limitation, declaration to this effect could not be made in relevant sales tax returns, besides submitting customer-wise details thereof.

4. In order to address the above IRIS- related issue, the matter has been taken up with the Federal Board of Revenue ('FBR') with a request to issue appropriate instructions to M/s Pakistan Revenue Automation Limited, the entity responsible for the operations of IRIS, to disable the pre-supposed sales tax rate in the company's case, thereby enabling accurate declaration of its sales tax liability (acknowledged copy of the letter is enclosed as **Annexure 'B'**).

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, 308-Upper Mall, Shahrah-e-Quaid-e-Azam, P.O. Box 39, Lahore-54000, Pakistan
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سوئی ناردرن گیس
Sui Northern Gas

A1

ACC:606/15/26

May 18, 2026

The Commissioner Inland Revenue
Zone – III,
Large Taxpayers Office,
Lahore.

Dear Madam

IRIS-RELATED ISSUE REGARDING DECLARATION OF DIFFERENTIAL GAS SALE PRICE IN SALES TAX RETURN

Our organization, a public listed company, is engaged in the business of transmission and distribution of natural gas to residential, commercial and industrial consumers. The company supplies natural gas to consumers in accordance with the "Tariff" (sales price) determined by the Regulator i.e. M/s Oil and Gas Regulatory Authority ('OGRA').

2. In this background, it is apprised that the OGRA, through recently issued notifications (duly published in Official Gazette and available on OGRA's internet website), has further modified sale price of re-gasified liquid natural gas ('RLNG') retrospectively for tax periods July 2022 through March 2024. In terms of section 5 of the Sales Tax Act, 1990 ('Act'), the company is liable to charge sales tax on differential amount at the rate applicable at the time of relevant supply which, during the aforesaid tax periods of July 2022 through February 2023, was 17% as against the currently applicable rate of 18%.

3. In this context, it is submitted that online sales tax return form available at IRIS determines sale tax liability on an automated basis by applying current sales tax rate of 18% on value of supply, resulting in an overstatement of sales tax liability in such return form. In this context, the company has filed an application with the Member (Inland Revenue – Operations), Federal Board of Revenue, requesting issuance of appropriate instructions to the relevant officials at M/s Pakistan Revenue Automation Limited ('PRAL') to the effect that a pre-supposed sales tax rate is not applied so as the company could correctly declare its sales tax liability in the sales tax return form (copy of letter enclosed as **Annexure 'A'**).

4. However, since the above explained IRIS-related issue is still pending before relevant officials for resolution and sales tax return for tax period March 2026 is due to be filed on May 18, 2026, the company has

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5. In this context, during the course of meeting Mr Muhammad Awais Aslam, our Senior Manager, had with the honourable Chief (Sales Tax Operations) on this issue, we have been advised to also bring this matter to your kind attention for necessary consideration. In accordance with the said instructions, we enclose herewith as **Annexure 'C'**, a schedule containing details of the relevant sales tax invoices relating to differential price and applicable sales tax, for your perusal and record. Accordingly, on behalf of our client, it is requested that appropriate comments/ findings in the matter are communicated to relevant officials at FBR so that the issue being faced by the company in declaring the differential tariff subject to sales tax @ 17% may be addressed.

in USB Drive

6. It is apt to mention here that based on favourable recommendations of your office, the above-explained restriction/ limitation was relaxed in the company's case for tax period July 2025, that enabled the company to declare tariff differential, earlier notified by OGRA, at the previously applicable rate of 17%.

Your kind support in the matter shall be highly appreciated.

Yours truly

tf Ferguson & Co.

encls

Copy to: Mr Kamran Akram
Chief Financial Officer
Sui Northern Gas Pipeline Limited
Lahore

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February 3, 2026

T 3091

Accounts Department			
Diary # 2542		Time 08:15	
4-02-26			
CA (HC)		DCA (P)	
CA (AP/F)		DCA (FR)	
CA (Revenue)		Asst. Genl.	
CA (Tax)	✓	Secy. Flup	

The Member (Inland Revenue – Operations)
Federal Board of Revenue
Constitution Avenue
Islamabad

Dear Sir

SUI NORTHERN GAS PIPELINES LIMITED [NTN: 0801137]
REQUEST FOR RESOLUTION OF IRIS-RELATED ISSUE REGARDING DECLARATION OF DIFFERENTIAL GAS SALE PRICE IN SALES TAX RETURN

Our above-named client is a public listed company engaged in the business of transmission and distribution of natural gas to residential, commercial and industrial consumers. The company's business activities/ operations are regulated by M/s Oil and Gas Regulatory Authority ('OGRA'), which determines the "Tariff" (sales price) for natural gas supplied by the company to consumers operating in various sectors.

2. In this background, it is apprised that the OGRA, through recently issued notifications (duly published in Official Gazette and available on OGRA's internet website), has further modified sale price of re-gasified liquid natural gas ('RLNG') retrospectively for tax periods **April 2015 through June 2022.** In terms of section 5 of the Sales Tax Act, 1990 ('Act'), the company is liable to charge sales tax on differential amount at the rate applicable at the time of relevant supply which, during the aforesaid tax periods of April 2015 through June 2022, was 17% as against the currently applicable rate of 18%.

3. In this context, it is submitted that online sales tax return form available at IRIS pre-supposes that sales tax is leviable at currently applicable rate of 18% and computes the liability on an automated basis with reference to 'value of supply' declared by the company in relevant column of sales tax return form. Thus, in respect of differential price, company's liability is overstated in such return form. Accordingly, it is requested that the relevant authorities at M/s Pakistan Revenue Automation Limited ('PRAL'), an enterprise entrusted with operations of IRIS, are given appropriate instructions to the effect that in the company's case, a pre-supposed sales tax rate is not applied so as the company could correctly declare its sales tax liability in the sales tax return form.

Your urgent attention to the matter and timely issuance of instructions to PRAL, as requested, shall be appreciated and facilitate the company's management in timely filing of statutory sales tax declaration by the company.

Yours truly

A. F. Ferguson & Co.

Copy to Mr Kamran Akram
Chief Financial Officer
Sui Northern Gas Pipeline Limited
Lahore

GM(AC)	✓
GM(F)	
GM(RA)	
GM(TRY)	
CA(CS)	
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CA(HC)	
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CA(FR)	
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CA(Cen)	
DCA(P)	

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Sui Northern Gas

filed the sales tax return for said tax period without incorporating/ declaring the incremental/ differential value of supply/ arrears, subject to sales tax @ 17% in terms of section 5 of the Act. For your consideration, customer-wise details of such differential tariff and related output sales tax are enclosed herewith as **Annexure 'B'**.

5. Needless to mention that the above treatment/ declaration has no bearing on company's bottom-line sales tax liability, as the sales tax on differential value of supply was adjustable against unclaimed input sales tax (aggregating to Rs 60 Billion approx.). Furthermore, the differential value of supply, subject to sales tax @ 17%, will also be declared by the company in relevant sales tax declaration once the IRIS-related issue is resolved.

6. Your attention is also drawn to our earlier letter bearing reference# ACC/606/07/26 dated February 18, 2026 regarding same subject matter but different tax periods **April 2015 through June 2022** duly notified by OGRA, which was due to be declared in sales tax for period December-2025, enclosed herewith as **Annexure 'C'**. The issue is being actively pursued with the Member (Inland Revenue – Operations), Federal Board of Revenue and PRAL for early resolution, however it is yet to be resolved.

We hope the above submissions adequately explain the IRIS-related issue being faced by the company and the treatment adopted in filing of sales tax return for tax period March 2026 due to be filed on May 18, 2026 and December 2025 return already submitted on February 18, 2026; however, in case you need any further information/ clarification, please feel free to contact us.

Yours faithfully,
SUI NORTHERN GAS PIPELINES LIMITED

(M. Raheel Farooq)
GENERAL MANAGER (ACCOUNTS)
for MANAGING DIRECTOR

o/c

Copy to:
(i) The Member (IR-Operations), FBR, Islamabad.

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