Government of Pakistan
Revenue Division
Federal Board of Revenue
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C. No. 3/2-STB/2026 (2)/ 76364-R Islamabad, the 14th July, 2026

Sales Tax General Order No. 10/2026 -- IR Policy

Subject: **Removal of Difficulty for Voluntary Corporatization of Iron and Steel Manufacturers**

As a consequence of Board's documentation drive, a considerable number of Individuals and Association of Persons manufacturing iron and steel intend to incorporate themselves as companies limited by shares, as mirror image of proprietorship or association of persons.

02. This voluntary incorporation is a welcome step towards documentation and digitalization of the economy in general and the iron and steel sector in particular. However, this transition has created a short-term difficulty regarding continuations of existing sales tax declaration, adjustment of input tax, output tax, refunds and payment of liabilities.

03. Therefore, in exercise of the powers conferred under section 55 of the Sales Tax Act, 1990 and section 43 of the Federal Excise Act, 2005, for removal of this difficulty faced by Iron and Steel Manufacturers being Individuals and Association of Persons (as defined in Income Tax Ordinance, 2001) in becoming corporate entities limited by shares, the Federal Board of Revenue is pleased to prescribe and implement with immediate effect, the following Standard Operating Procedures (SOPs):

1. The NTN allotted to the newly formed corporate entity shall be linked with the previous/existing NTN/STRN for the purpose of filing declarations, adjustment of input tax and calculation of sales tax liability.

2. This facility shall be available only to the entities specified in Table-1 below subject to fulfilment of the following conditions:

   (a) This facility shall only be available to the entities who voluntarily corporatize and apply to the Board for availing the benefit of this STGO.
   (b) The new entity shall be incorporated by on or before 31st July, 2026.
   (c) The individual business shall be converted into a wholly owned company in terms of section 95 of the Income Tax Ordinance, 2001.
   (d) An AOP shall be converted into a wholly owned Private Limited Company as per conditions laid down in section 96 of the Income Tax Ordinance, 2001.
   (e) The predecessor and successor entities shall be jointly and severally liable:

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(i) for retention of record and documents required to be maintained under this Act, for a period and purposes as specified under section 24 of the Sales Tax Act, 1990 and section 17 of the Federal Excise Act, 2005;

(ii) for provision of record before the authorities of IR and personal appearance as and when required by him for the purposes specified under the provision of sales tax and federal excise law;

(iii) for payment of adjudged amount of arrears on account of sales tax and federal excise or the short-paid amount of tax and duty as the case may be;

(iv) to respond adjudication proceedings in respect of arrears detected or to be detected on account of sales tax and federal excise pertaining to the period before or after voluntary corporatization.

3. The Board shall decide the application within seven (07) days of receipt of the application, and in case of approval, the name of the entity shall be added to Table-1.

4. The facility for linking the previous NTN/STRN with the NTN/STRN of the newly formed corporate entity shall remain available till 31.12.2026 and the amount of excessive input/carried forward and stocks against thereof, shall be utilized by the entity voluntarily opting for corporatization till that date.

5. From the 1st day of January, 2027, new NTN/STRN shall completely and wholly be operative for the newly incorporated entity and no further activity/transaction against the old NTN/STRN shall be carried out after 31st day of December, 2026.

Table-1

Sr. No.	Name of Newly Incorporated Entity	NTN of Existing Entity	New NTN	New STRN	Registered Address	Factory/ Manufacturing Premises Address	Industrial Electricity Connection No.	Industrial Gas Connections (if any)

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(Anser Majeed)
Second Secretary (ST&FE-Budget)