

KTBA Appeals for Sales Tax Deadline Shift Amid IRIS Issues

Karachi, March 17, 2025 – The Karachi Tax Bar Association (KTBA) has formally urged the Federal Board of Revenue (FBR) to extend the deadline for filing monthly sales tax returns due to ongoing technical issues with the IRIS portal.

Persistent glitches have made it increasingly difficult for taxpayers to submit their returns on time, prompting KTBA to seek immediate intervention. In a letter addressed to the FBR Chairman on Monday, KTBA emphasized that it had already raised concerns regarding IRIS portal malfunctions on March 14, 2025, yet no resolution has been provided. KTBA President Ali A. Rahim stated that recent modifications to the IRIS portal have introduced serious functionality issues, disrupting the process of sales tax return filing.

“These technical obstacles have made it nearly impossible for taxpayers to meet the current deadline despite their best efforts,” the KTBA stated in its letter. “We request the FBR to urgently address these challenges and extend the sales tax filing deadline until March 28, 2025, allowing sufficient time for compliance.”

Key Issues with the IRIS Portal Identified by KTBA

1. HS Code Expansion from 4 to 8 Digits

- o The IRIS portal has not been updated to accommodate the expansion of HS codes from 4 to 8 digits. This omission has created significant obstacles for businesses attempting to prepare accurate returns.

- o Many products now have multiple HS codes, increasing the complexity of classification and reporting. Businesses dealing in diverse goods face a higher risk of errors and inconsistencies in their submissions.

2. Mandatory Association of UoM with HS Code & Lack of Standard Measurement Units

- o The IRIS system has linked the Unit of Measurement (UoM) with specific HS codes, making accurate reporting difficult.

- o The system does not support all standard measurement units such as tons, kilograms, liters, milliliters, and ounces, further complicating data entry and sales tax return preparation.

KTBA's Demands to FBR

In light of these serious issues, KTBA has urged the FBR to take immediate steps to:

1. Resolve all technical glitches in the IRIS portal to ensure a seamless and efficient tax filing process.
2. Extend the deadline for filing sales tax returns and annexures until March 28, 2025, allowing businesses sufficient time to comply once the IRIS system is fully functional.

The KTBA emphasized that unless these concerns are addressed promptly, taxpayers will continue to face unnecessary compliance burdens, impacting the overall efficiency of the sales tax collection process. The association has called on the FBR to act swiftly to ensure a smooth and error-free filing experience for all businesses.