



THE BALOCHISTAN GAZETTE  
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GOVERNMENT OF BALOCHISTAN,  
BALOCHISTAN REVENUE AUTHORITY

THE BALOCHISTAN SALES TAX ON SERVICES (AUDIT) RULES 2026

NOTIFICATION

Dated: Quetta, the 03<sup>rd</sup> February, 2026

(Sales Tax on Services)

No. BRA/BSTS/ 138. In exercise of the powers conferred under section 78 of the Balochistan Sales Tax on Services Act 2015 (VI of 2015), the Balochistan Revenue Authority is pleased to make the following rules:

CHAPTER I  
PRELIMINARY

1. **Short title and commencement.**— (1) These rules may be called the Balochistan Sales Tax on Services (Audit) Rules 2026.

(2) These Rules shall come into force at once.

2. **Definitions.**— In these rules, unless there is anything repugnant to the subject or context,—

- (1) "Act" means the Balochistan Sales Tax on Services Act, 2015;
- (2) "audit panel" means the audit team, which prepare contravention report for adjudication purposes;
- (3) "authorized officer" means any officer, authorized by the Authority or the Commissioner, as the case may be, for the purposes of audit under the Act read with these rules.
- (4) "Audit Officer" means a person appointed as an Audit Officer of the Balochistan Revenue Authority under section 39 of the Act.
- (5) Words and expressions used, but not defined in these rules shall have the same meaning, as assigned to them under the Act.

## CHAPTER II AUDIT

**3. Audit by the officers of the Authority.**— The Commissioner may under section 33 of the Act select any registered person for the purpose of audit and may cause such person audited by any officer or officers subordinate to him.

**4. Selection for audit.**— No registered person shall be selected for audit unless the Commissioner has a reason to believe that there exists a potential risk to revenue at least due to elements like:

- (i) non or short payments of tax amounts declared on the monthly returns or other declarations;
- (ii) irregular or abnormal fluctuations in input tax adjustments including carry forwards;
- (iii) unusual variations in inventories;
- (iv) habitual tendency of filing short or mis-filled returns or its annexures;
- (v) sudden or unexpected downward changes in turnover; and
- (vi) any other cogent factor evident from the computer profile of the registered person giving rise to reasonable doubts about tax evasion or tax avoidance.

**5. Scope of audit.**— The Commissioner and the officer or officers of the Authority conducting audit of a registered person shall ensure that audit is conducted in a systematic and comprehensive manner; is generally confined to the business records of the registered person; is performed following sound auditing principles and findings are recorded unambiguously and fairly.

**6. Convenience of the taxpayer.**— (1) Before commencing audit, the registered person shall be informed well in advance through proper letter indicating the records and documents required to be examined during audit.

- (2) No registered person shall be required to supply copies of the records, documents, data or information which is already available with the Authority.
- (3) The venue of audit shall be decided in consultation with the registered person.
- (4) Before finalizing any audit observation or observations, its or their details shall be discussed with the registered person and his viewpoint shall be duly considered and incorporated in the audit report.

**7. Preparation of audit report.**— (1) Audit report shall be prepared in the following format and uploaded in the registered person's folder in the Authority's computerized system:

## AUDIT REPORT

1	Name & Address of the Taxpayer.	
2	Headquarter, Regional / Branch offices etc.	
3	Status of the Taxpayer.	
4	Jurisdictional Commissionerate.	
5	Taxable services provided.	
6	Registration No.	
7	Exemption Notifications, if any, availed.	
8	Date of Last Audit.	
9	Period for which Current Audit undertaken.	
10	Dates on which audit undertaken.	
11	Unconfirmed previous outstanding demand, if any.	
12	Confirmed previous outstanding demand, if any.	
13	Appeal filed, if any.	
14	Tax, default surcharge & Penalty paid during the current audit period.	
15	No. of Revenue observations.	
16	No. of procedural observations.	
17	Total Revenue involved in audit observations.	
18	Tax payments made against current audit observations.	

- (2) The important and material non-compliance issues identified and reaction of the registered person is indicated in the table given below:

Audit Observation No.	Gist of Observations	Revenue implications, if any, (in Rs.)	Taxpayer's Agreement Yes/No, if no, reasons for disagreement	Department's conclusion with reasons
<b>Total Revenue Involved</b>				

\_\_\_\_\_  
Name, Designation and Signature of Officer of the Authority

- (3) A signed copy of the audit report shall also be given to the registered person.

### CHAPTER III SPECIAL AUDIT

8. **Special audit.**— (1) The Authority may cause special audit under section 34 of the Act conducted by a special audit panel under the provisions of this Act read with the Chartered Accountants Ordinance, 1961 (X of 1961) and/or the Cost and Management

Accountants Act, 1966 (XIV of 1966)., of the records, invoices and monthly returns required to be maintained, issued or furnished by any registered person, or class or classes of registered persons under the Act.

**9. Scope of special audit.**— (1) The scope of the special audit shall be the expression of professional opinion with respect to the following:

- (i) whether the records, invoices and monthly returns have been maintained, issued or furnished correctly by the registered person; and
- (ii) whether the monthly returns furnished by the registered person correctly reflect that:
  - (a) all taxable services rendered in the tax period as revealed by the records and invoices; and
  - (b) all input tax, output tax, tax adjustments, and the net amount of tax payable or refundable are in accordance with the provisions of the Act and are duly substantiated by the records required to be maintained for the purpose.

**10. Form of special audit report.**— The special auditor team shall submit thier audit report in the form as may be specified in the terms of reference.

**11. Penalty.**— (1) In case of violation of this Chapter or any clause of the terms of reference, the payment of fee as specified therein shall be withheld forthwith, without prejudice to any other action, as may be taken under the provisions of the Chartered Accountant Ordinance, 1961 (X of 1961), the Cost and Management Accountants Act, 1966 (XIV of 1966).

- (2) In case the payment has already been made in full or part thereof, to the special auditor, the same shall be returned within one week of issuance of a demand note by the Authority in this regard.

#### CHAPTER IV MISCELLANEOUS

**12. Pre-audit desk review.**— Prior to the regular commencement of audit, all the data, information, documents and records as are available with the Authority shall be analyzed to understand in advance:

- (i) tax payments of the past period;
- (ii) details of the taxable and other business activities;
- (iii) trends of input-output ratios;
- (iv) exemptions availed;
- (v) details of major input suppliers and output buyers;
- (vi) information about imports and exports;
- (vii) results of previous audits;
- (viii) balance sheet and profit and loss account;

- (ix) overall tax performance vis-e-vis other comparable registered persons providing similar services; and
- (x) any other important aspect relevant to the intended audit.

**13. Contravention report.**— On the basis of audit report contravention report stating the details of omissions and commissions and relevant legal provisions to be quoted in the show cause notice shall be prepared.

**14. Voluntary payments during audit.**— The registered person shall be at liberty to make payments of tax amounts identified to be payable during the course of audit and all concessional benefits of default surcharge and penalties chargeable under the Act on such voluntary payments shall be allowed.

**15. Conversion of audit into inquiry or investigation.**— Where during the course of an audit any tax fraud has been observed, the Commissioner may convert such audit into an inquiry or investigation under section 33(2) of the Act and deal with the case accordingly.

**16. Follow-up of audit.**— The Commissioner shall ensure that audit reports are properly followed up through adjudication up to recovery of the tax amounts due from a registered person covered in the audit.

  
**CHAIRPERSON**  
**BALUCHISTAN REVENUE AUTHORITY**