

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NO. 17199/LHR/IT/2026

Dated: 27/09/2026 - HQ* Islamabad

Mr. Muhammad Ashraf,
673 - Main Shadbagh,
Lahore.

... Complainant

V e r s u s

The Secretary,
Revenue Division,
Islamabad.

... Respondent

Dealing Officer	: Mr. Khalid Javed, Advisor
Appraised by	: Mr. Muhammad Naseer Butt, Advisor
Authorized Representative	: Nemo
Departmental Representative	: Ms. Anam Ilyas, DCIR, RTO-I, Lahore (V/Link)
Date of hearing	: 08.10.2026

FINDINGS/RECOMMENDATIONS

This complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) regarding non-issuance and delay in processing of income tax refund claim of Rs. 4,067,590/- for tax year 2024. The complainant filed a revised income tax return u/s 114(6) on 06.12.2024, followed by an online refund application under Section 170 of the Income Tax Ordinance, 2001 on 10.07.2026. The refund arose due to tax deductions u/s 155, 236C, 236Y, and 151. However, despite the lapse of significant time period, the department failed to process or finalize the refund application, hence this complaint.

2. The complaint was referred to the Secretary, Revenue Division, Islamabad for comments under Section 10(4) of the FTO Ordinance read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response, parawise comments were submitted by the Commissioner Inland Revenue (Refunds Zone), RTO-I, Lahore vide letter No. 255 dated 07.10.2026. The department stated that in order to ascertain the admissibility of claimed exemptions of capital



gains, a notice under Section 170(4) of the Income Tax Ordinance, 2001 had been issued to the taxpayer requiring compliance by 16.10.2026, and the refund application shall be processed and disposed of in accordance with law upon completion of verification.

3. Hearing in this case was conducted on 08.10.2026. The DR of the department joined the proceedings but the Complainant/AR did not attend.

4. Perusal of the case record confirms that the complainant submitted the refund application u/s 170 on 10.07.2026. According to the provision of Section 170(4) of the Ordinance 2001, the department was legally obligated to dispose of refund claim, in either way, within the stipulated time period of 60 days. However, the department did not dispose of the matter till 07.10.2026 i.e date of filing of parawise comments. The above position manifests Departmental inaction, delay, ineptitude which constitutes maladministration in terms of provision of Section 2(3)(ii) of the FTO Ordinance, 2000.

RECOMMENDATIONS:

5. FBR to direct:

- (i) the CIR (Refund Zone), RTO-I, Lahore to dispose of the pending refund application of the complainant for Tax Year 2024 in accordance with law, after providing an opportunity of hearing; and
- (ii) report compliance within 30 days.
- (iii) the complainant is also advised to submit all requisite documents to the concerned Commissioner within 07 days of issuance of this order.

Dated: 13 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman