

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO. 17158/SGD/IT/2026

Dated: 26/09/2026 - HQ* Islamabad

Mr. Ghulam Fareed Khan,
Wanda Appr khel Kamar Mushani
Mianwali.

...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. Amna Niaz, DCIR RTO, Sargodha (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. 1,527,174/- for tax year 2025. The complainant filed an online refund application under Section 170 of the Income Tax Ordinance, 2001 on 05.06.2026. The refund claim arose due to advance tax deducted under Section 236K on purchase of property with financial support from his non-resident brother. The complainant submitted to the department the documentary evidence pertaining to tax deduction u/s 236K, CPR, property purchase documents, and passport copy etc. 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

*date of registration in FTO Sectt..



by the Commissioner Inland Revenue (Refunds Zone), RTO Sargodha vide letter No. 516 dated 05.10.2026 forwarding the report of Additional Commissioner (HQ), RTO Sargodha vide letter No. 1074 dated 06.10.2026.



3. The following preliminary objection have been raised by the department which are responded accordingly.

Objection	Rebuttal
<i>That FTO is debarred u/s 9(2)(b) from all matters relating to assessment of income or wealth, determination of liability of tax or duty, classification or valuation of goods, interpretation of law, rules and regulations relating to such assessment, determination, classification or valuation in respect of which legal remedies of appeal, review or revision are available under the Relevant Legislation.</i>	"None of the areas enlisted u/s 9(2)(b) will be adjudicated. However, administrative excesses & highhandedness, extra-legal coercive measures and unexplainable delays beyond statutory timelines shall be highlighted as these acts of maladministration are normally not touched by appellate fora." Moreover, Section 9(2)(b) purely relates to <i>assessment of income or wealth, determination of liability of tax or duty, interpretation of law, rules and regulations relating to such assessment, determination, classification or valuation in respect of which legal remedies of appeal, review or revision are available under the Relevant Legislation.</i> However, matters relating to refund have not been listed at section 9(2)(b) of FTO Ordinance, 2000. This exclusion is not an omission rather it reflects the intent of legislature which recognizes the sanctity of taxpayers' money. In view of this exclusion all refund related cases involving maladministration u/s 2(3)(i)(a)(b)(c)(d)(ii)(iii)(d)(iv) and (v) are out of the ambit of section 9(2)(b) of FTO Ordinance, 2000 meaning thereby Complaints in such cases can be legally entertained & adjudicated by this forum.
<i>That the matter of delay in disposal of refund beyond statutory timelines is an appealable matter u/s 170(5)(b). FTO doesn't hold jurisdiction because legal remedy is available.</i>	"In the cases of delay beyond statutory timelines the Taxpayer has been given to options: to file an appeal or lodge a Complaint because such delay has been categorized as an act of

	maladministration u/s 2(3(ii) of FTO Ordinance, 2000. Fundamental rights under the Constitution of Pakistan ensure that citizens are dealt with in accordance with law, and the state cannot compel a person to surrender a legal right unless authorized by an act of parliament. Therefore, FBR cannot force a citizen to abandon one lawful choice for another arbitrarily."
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On merits, it was stated that the taxpayer has not furnished requisite documents and the refund application will be disposed of on fulfillment of legal and codal formalities.



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

FINDINGS:

5. The record, refund application u/s 170 dated 05.06.2026, CPR of tax deduction u/s 236K, and departmental comments have been thoroughly examined. The failure of the department to pass a speaking order u/s 170(4) within the mandatory sixty (60) days' time period of filing of refund application clearly establishes administrative neglect, apathy, and delay. As settled by the Hon'ble Supreme Court of Pakistan (2012 PTD 309 / PLD 1998 SC 64 / Pfizer Labs) and guaranteed under Article 24(1) of the Constitution, genuine refunds due to a taxpayer cannot be delayed or denied on administrative excuses or technicalities as public money is a trust.

6. The respondent department has failed to discharge its statutory obligation in disposing of the refund application under Section 170(4) within the prescribed time limit as provided u/s 170(4), which is a manifestation of inaction, delay, and ineptitude on the part of the

department and the same tantamounts to maladministration in terms of Section 2(3)(ii) of the FTO Ordinance, 2000.

RECOMMENDATIONS:

7. FBR to direct:

- (i) the CIR (Refund Zone), RTO Sargodha to dispose of the pending refund application of the Complainant for Tax Year 2025 in accordance with law, after providing an opportunity of hearing; and
- (ii) report compliance within 30 days.

Dated: 13 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

