

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO. 16025/SKT/IT/2026

Dated: 03.09.2026* R.O, Sialkot

Mr. Azeem Ullah,

Through Mr. Naeem Ullah (Real Brother),
Al Sraw House, Mian Street Sabza Zar
Estate, Sambrial Sialkot.

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	:	Rana Hasan Akhtar, Advisor,
Appraised by	:	Mr. Muhammad Naseer Butt, Advisor
Authorized Representative	:	Mr. Muhammad Salman Yousaf, ITP
Departmental Representative	:	Mr. Anadil Khan, DCIR, RTO, Sialkot.
Date(s) of Hearing	:	29.09.2026 & 05.10.2026

FINDINGS

The complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance 2000 (FTO Ordinance) and the case was fixed for comments on 14.09.2026. The department filed parawise comments, which were examined and placed on file. Both the AR of the complainant and DR attended. Arguments were heard and record perused. The complaint is disposed of on the basis of available record as under.



2. Brief facts of the case as stated in the complaint are that the complainant (Overseas Pakistani) serves abroad and authorized his brother, Mr. Naeem Ullah Naeem, as his AR to manage his tax affairs in Pakistan. On May 29, 2026, the Complainant received a notice under Section 111(1) dated 22.05.2026, requiring compliance by 03.06.2026. Given the narrow window and overseas communication delays, the A.R. submitted a written application for adjournment on 02.06.2026 (duly acknowledged vide Diary No. 9175). Without deciding this request, the department passed an ex-

*Date of Registration in FTO Sectt.

parte Order under Section 111(1) on 09.06.2026, which was uploaded on IRIS but never formally served on the Complainant, thereby depriving him of timely knowledge and statutory remedies. The AR filed a second adjournment application on 15.06.2026 (duly acknowledged vide Diary No. 9735). Disregarding both pending requests, the department finalized an ex-parte assessment order under Section 121 on 17.06.2026, without affording a fair hearing or opportunity to present verifiable foreign income sources. The failure to decide acknowledged adjournment requests, non-service of statutory orders, and denial of a hearing constitute clear maladministration causing undue hardship, hence this complaint.



3. In response to the notice issued under Section 10(4) of the FTO Ordinance, read with Section 9(1) of Federal Ombudsmen Institutional Reforms Act, 2013, the department submitted parawise comments dated 18.09.2026, wherein it is contended that proceedings were initiated on the basis of information on record, reflecting an educational expenditure of Rs. 506,900, concluding in an order under Section 111(1)(c) dated 09.06.2026. A subsequent notice under Section 121 dated 09.06.2026, afforded the taxpayer a final opportunity to submit a written reply with documentary evidence or appear by 16.06.2026. As recorded in the assessment order dated 17.06.2026, the taxpayer failed to comply or submit supporting evidence despite electronic service via IRIS. In the absence of a return of income, wealth statement, or proof explaining the source of funds, the sum of Rs. 506,900 was treated as unexplained expenditure under Section 111(1)(c) and added to taxable income under "Income from Other Sources," creating a tax demand of Rs. 5,345/-. The assessment was lawfully finalized under Section 121 on the basis of available records after providing

statutory opportunity of hearing, contradicting the assertion that no opportunity was granted.

4. The learned AR attended the proceedings on 29.09.2026 & 05.10.2026 and filed details rebuttal on parawise comments that the department failed to address the written adjournment applications dated 02.06.2026 and 15.06.2026 (duly acknowledged vide Diary Nos. 9175 and 9735), which formed the primary grievance. The learned AR clarified that the Complainant only received the notice dated 22.05.2026 (served on May 29, 2026), and was never served with any subsequent notice or the Section 111(1)(c) order dated 09.06.2026, which was discovered on IRIS only after receiving the assessment order u/s 121 of the ITO, 2001 dated 17.06.2026. Arguing that uploading documents to IRIS without confirmation of actual receipt does not constitute valid service, the AR relied on 2021 PTD 2045 (FTO), 2025 PTD 883 (Peshawar High Court), and 2009 PTD 2219. He further cited FBR Board Circular Letter No. 7(2)DT-14/94 dated 01.02.1994, alongside 2012 PTD 964 (Lahore High Court) and 2012 PTD 565 (FTO) regarding mandatory principles of natural justice. Contending that unaddressed adjournments, defective service, and ex-parte finalization constituted maladministration, the Complainant requested the cancellation of the orders dated 09.06.2026 and 17.06.2026, and a direction for fresh proceedings. The DR attended and pleaded the case as per parawise comments. The DR asked the learned AR to visit the tax office with relevant documents and assured to consider the same on merit and to ascertain if the order can be amended rectified. The learned AR has shown his satisfaction on the assurance of the DR.

5. In view of the foregoing discussion and the assurance





extended by the DR, the complainant has expressed his satisfaction and his grievance stands redressed through the intervention of this office. The case is closed and file be consigned to record.

Dated: **13 OCT 2026**

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

