

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO. 17161/FSD/IT/2026

Dated: 26/09/2026 - HQ* Islamabad

Mr. Muhamad Yousaf,
Chak No. 219RB Talia Wala,
Near Darbar Faisalabad.

...Complainant

V e r s u s

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer
Appraised by
Authorized Representative
Departmental Representative
Date of hearing

Mr. Khalid Javed, Advisor
Mr. Muhammad Naseer Butt, Advisor
Rana Murtaza Naeem, Advocate (V/Link).
Rai Zulfiqar, DCIR, RTO, Faisalabad (V/Link)
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 claims aggregating to Rs. 2,257,495/- (Rs. 413,895/- for Tax Year 2024 and Rs. 1,843,600/- for Tax Year 2025). The complainant submitted that electronic refund applications under Section 170 of the Income Tax Ordinance, 2001 (the Ordinance) were filed on 24.03.2026 for both tax years (IRIS Barcode Nos. 100000273738537 and 100000273738440). The claims arose from advance tax deductions/collections under Sections 231AB, 236K, and 151. However, despite repeated requests and the lapse of significant time period, the department failed to process or finalize the refund applications, thus forcing the complainant to approach this forum.

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 Deputy Commissioner-IR, Refund Unit-01, Refund Zone, RTO

*date of registration in FTO Sectt..



Faisalabad vide letter No. 1569 dated 06.10.2026. The department stated that the refund applications for Tax Years 2024 and 2025 filed on 24.03.2026 were pending due to non-furnishing of original tax payment evidence by the taxpayer. It was further reported that notices under Section 170(4) dated 07.10.2026 have now been issued to the complainant requiring compliance by 22.10.2026, and the refund applications shall be processed as per law upon completion of verification process.

3. Hearing in this case was conducted on 08.10.2026, both the complainant's AR and DR of the Deptt joined the proceedings.

4. Perusal of the case record confirms that the complainant submitted the electronic refund applications u/s 170 for Tax Years 2024 and 2025 on 24.03.2026. According to the provision of Section 170(4) of the Ordinance, the department was legally obligated to dispose of the refund claims, in either way, within the stipulated statutory time period of 60 days. The department did not dispose of the matter within the above refund statutory time period. The departmental delay and failure to decide the applications within the prescribed statutory timeframe manifests administrative neglect and ineptitude, which constitute maladministration in terms of Section 2(3)(ii) of the FTO Ordinance, 2000.

RECOMMENDATIONS:

5. FBR to direct:

- (i) the CIR (Refund Zone), RTO Faisalabad to dispose of the pending refund applications of the complainant for Tax Years 2024 and 2025 in accordance with law, after providing an opportunity of hearing; and
- (ii) report compliance within 30 days.

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 13 OCT 2026

