

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

Complaint No.15881/KHI/Cust/2026

Dated: 01.09.2026¹ R.O. Karachi

Mr. Umair Khan S/o Raj Bahadur,

House No.226, Mujahid Colony Orangi town,
Sector 4/F, Karachi.

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	: Mr. Gul Rehman, Advisor
Authorized Representative	: Mr. Aqeel Ahmed Khan, Advocate
Departmental Representative	: Mr. Toufique Sheikh, DC Customs CoC, Enforcement, Karachi
Date of hearing(s)	: 23.09.2026

FINDINGS/RECOMMENDATIONS

The above mentioned complaint was filed on 01.09.2026 against the Collector, Collectorate of Customs (Enforcement), Karachi under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) alleging maladministration of non-implementation of Order-in-Original No.20/2026-27 dated 14.07.2026 by not releasing the vehicle to the Complainant discriminately on payment of 20% redemption fine and penalty of Rs.500,000/- in violation of department's own Customs General Order No.02 of 2024 dated 17.04.2024.

2. Precisely, the Complainant is the owner of a private passenger vehicle i.e Toyota Hilux Revo, Model 2020 registered with MRA Sindh through registration No.KZ-6015 ('vehicle') which was given on rent for passenger travelling within country. The vehicle was seized on 16.05.2024 by the Customs u/s 168 of the Customs Act, 1969 ('Act, 1969') and subsequently confiscated

¹ Date of registration with FTO Sectt:



outrightly u/s 179 of the Act, 1969 pursuant to an unserved Show Cause Notice dated 21.08.2024 alleging violation of Section 157 of the Act, 1969 for carrying foreign origin betel nuts within the country near Super Highway Customs Chock Point, Karachi. The case of the vehicle of the Complainant was adjudicated through Order-in-Original No.1911456/2023-24 dated 13.09.2024 and Order-in-Appeal No.2162/2025 dated 25.02.2025 which were modified by the Customs Appellate Tribunal, Karachi through order dated 05.03.2026 by giving an option to the Complainant to pay 20% fine and penalty of Rs.200,000/- for release of vehicle in terms of SRO. 499(i)/2009 subsequently amended on 20.08.2024 and 03.10.2024. The Tribunal's order was challenged before the High Court of Sindh in departmental SCRA No.69 of 2026 which was disposed of through order dated 19.05.2026, whereby, the case was remanded back to the Adjudicating Officer for fresh adjudication in accordance with the law. The Adjudicating Officer after fresh adjudication passed Order-in-Original No.20/2026-27 dated 14.07.2026 not challenged by the department, whereby, while exercising power and discretion u/s 181 of the Act, 1969 r/w SRO 499(i)/2009 an option has been given to the Complainant to get release of his vehicle on payment 20% redemption fine and penalty of Rs. 500,000/-. The Complainant through his Counsel approached to the concerned officer of the Respondent department vide duly acknowledged letter dated 17.07.2026 for redressal of grievance of compliance of Order-in-Original dated 14.07.2026 for release of vehicle without discrimination on payment of penalty of Rs.500,000/- and 20% redemption fine Rs.1,020,000/- of the fair value of the vehicle Rs.5,000,000/- already determined by P.A, Group-VII, Collectorate of Customs (West) while releasing similar vehicle of same model registration No.KY-7399 in compliance of Tribunal's order dated



13.10.2025 passed in identical case of Customs Appeal No.K-473/2025, but, the grievance of the Complainant not being redressed, hence, instant complaint has been filed.

3. The complaint was forwarded to the Secretary, Revenue Division, in accordance with Section 10(4) of the FTO Ordinance and Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response thereto, the Collectorate of Customs (Enforcement), Karachi submitted comments through letter dated 15.09.2026, wherein it was stated that the staff of the Anti-Smuggling Organization (ASO) of the Collectorate seized the impugned vehicle carrying 50 PP bags of Betel Nuts, each weighing 14 Kgs, total weight 700 Kgs. The case was adjudicated, and the Adjudicating Authority, through Order-in-Original No.1911456/2023-24 dated 13.09.2024, ordered the outright confiscation of the impugned goods along with vehicle. Being aggrieved by the said Order-in-Original, the claimant preferred an appeal before the Collector of Customs (Appeals) who through Order-in-Appeal No.2162/2025 dated 25.02.2025 upheld the decision of the Adjudication Authority. Being aggrieved, the claimant filed appeal before Customs Appellate Tribunal through Customs Appeal No.K-441/2025 which was allowed by the order dated 05.03.2026 by imposing a personal penalty of Rs 200,000/- and 20% Redemption Fine. Being aggrieved the department filed SCRA No.69/2026, where the Hon'ble Court through judgment dated 19.05.2026 set aside the impugned order and remanded the matter to the Adjudication Officer for fresh Adjudication. The Adjudication Authority through Order-in-Original No.20/2026-27 dated 14.07.2026 has adjudicated the matter and has given an option to redeem the said vehicle on payment of Redemption Fine equal to 20% of the Assessed Value and personal penalty of Rs.500,000/-.



The Collectorate is agreed to release the impugned vehicle upon payment of 20% Redemption Fine and personal penalty of Rs.500,000/- as imposed by the Adjudication Authority.

4. During the hearing on 23.09.2026, Mr. Aqeel Ahmed Khan, Advocate (AR) while reiterated on the contents of complaint has contended that the respondent-department in its para-wise comments has not confronted the allegations including the allegation of discrimination regarding valuation of vehicle for assessment of 20% redemption fine as mentioned in the complaint instead the Collectorate shown agreement for release of vehicle upon payment of penalty of Rs.500,000/- and 20% redemption fine in terms of Order-in-Original dated 14.07.2026. The AR also contended that the Collectorate committing maladministration by not following the certain directions already given by the FBR in CGO No.02 of 2024 dated 17.04.2024 issued u/s 223 of the Act, 1969 which compelled the Complainant to file this complaint. Mr. Toufique Sheikh, Deputy Collector (DR), on the other hand argued that the Collectorate is agreed to release the vehicle to the Complainant without discrimination alleged in the complaint on payment of 20% redemption fine and penalty of Rs.500,000/- in compliance of Order-in-Original dated 14.07.2026.

5. Heard both parties, facts of the case and file have been perused.

FINDINGS:-

6. On examination of contents of complaint and facts of the case, it has been observed that the Order-in-Original was passed on 14.07.2026 not challenged by the Collectorate to whom directions have already been given by the FBR in CGO No.02 of 2024 dated 17.04.2024 under which all officers of the FBR employed in the



execution of the Act, 1969 are bound to follow the orders, instruction and direction of the FBR in terms of Section 223 of the Act, 1969. In this case, the Order-in-Original passed by the adjudicating forum was being not given effect since 14.07.2026 in absence of any stay order from the next appellate forum, though, after filing of instant complaint on 31.08.2026 the Collectorate has agreed to release the vehicle without any alleged discrimination regarding valuation and redemption fine by giving effect to the order passed by the adjudicating forum u/s 179 of the Act, 1969.

RECOMMENDATIONS:-

7. FBR to:-

- (i) direct the Collector, Collectorate of Customs (Enforcement), Karachi to release the vehicle to the Complainant by giving effect to the Order-in-Original dated 14.07.2026 in accordance with law; and
- (ii) report compliance within thirty (30) days.



Dated: 14 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman