

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NO. 17248/SKT/IT/2026

Dated: 29/09/2026 - HQ* Islamabad

Mr. Babar Riaz,
Adan Street Opp Science College,
G.T Road, Gujrat.

... 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	: Mr. Babar Riaz.
Departmental Representative	: Ms. Khatija Saeed, DCIR, RTO, Sialkot (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. 1,952,217/- for Tax Year 2025. The complainant filed an online refund application under Section 170 of the Income Tax Ordinance, 2001 on 26.05.2026. The refund arose due to tax deductions under sections 236K (Rs. 1,946,100/-) u/s 231AB (Rs. 5,520/-), and u/s 236(1)(a) (Rs. 597/-). 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 Sialkot vide letter No. 572 dated 05.10.2026. The department stated that the refund application is under process, verification of documents u/s

*date of registration in FTO Sectt..



236K, 231AB & 236(1)(a) was underway, and there was no audit/rectification/revision proceedings pending. It was further contended that the case is under process and will be finalized upon completion of codal formalities.

3. Hearing in this case was conducted on 08.10.2026, both the complainant and DR of the Deptt attended the proceedings.

4. Perusal of the case record that the complainant submitted the refund application u/s 170 on 26.05.2026. 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 05.10.2026 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 Sialkot 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: 14 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman