

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO.16159/LHR/CUST/2026

Dated: 07.09.2026 * RO Lahore

Mr. Muhammad Sadiq,
Prop; Advance Cardiology System,
Lahore

... Complainant

Versus

The Secretary,
Revenue Division,
Islamabad

... Respondent

Dealing Officer	:	Ms. Adila Rehman, Advisor
Appraising Officer	:	Mr. Muhammad Saleem, Advisor
Authorized Representative	:	Mr. Muhammad Adnan Moton, Advocate
Departmental Representative	:	Ms. Sana Sarwar, D.C Customs
Date of Hearing(s)	:	24.09 .2026

FINDINGS/RECOMMENDATIONS

This Complaint was filed against the Collector, Collectorate of Customs, Jinnah International Airport, Karachi, in terms of Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000, for failure to release the goods provisionally by securing the differential amount of duty and taxes.

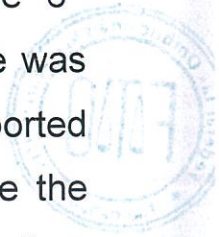
2. Precisely, facts of the case are that the Complaint was filed against the Collectorate of Customs, JIAP, AFU Airport, Karachi for failure to award, grant/allow provisional release in respect of subject consignment namely "(medical goods) non vascular guidewire" covered vide GD No.KPAF-HC-1225-06-07-2026 under the relevant provision of Section 81 of the Customs Act, 1969 read with relevant Customs Rules, 2001 notified vide SRO 450(1)/2001 dated 18.06.2001 sub-chapter (III) pertaining to procedure of imports through customs computerized system under Rule 439 which related to provisional release of imported goods. Subject to Rule 440, the imported goods may be provisionally cleared as follows provided

*Date of registration in FTO Sectt.



appropriate securities have been furnished in respect of disputes namely valuation, classification, exemptions and lab test and also failure to refer the matter to FBR for seeking clarification in connection with seeking benefit of the 6th Schedule of the Sales Tax Act, 1990 at Sr. No. 112 for the product in question namely "(medical goods) non vascular guidewire".

3. The Complainant cited FTO's Recommendations in Complaint No.3558/KHI/CUST/2023 issued on 24.08.2023 and Complaint No.3370/KHI/CUST/2023 issued on 06.07.2023 and also clarification dated 27.09.2023 issued by the FBR in compliance of the recommendations. It was further submitted that the Complainant had, time and again, requested the Collectorate for reconsideration of sales tax benefit sought under S.No.112 of the 6th Schedule to the Sales Tax Act, 1990 by stating that they had imported goods which were medical devices intended for angiography/interventional procedures. Hence guidewires were specifically covered under S.No.112 of the 6th Schedule to the Sales Tax Act, 1990, whereas the Collectorate was imposing sales tax and additional sales tax on the imported consignment of Guidewires under H.S code 9018.3990. Since the Complainant was a regular importer of the disputed item in question, they had also enclosed evidential Goods Declaration which was not been taken into consideration by the Collectorate. The distributor of the product in question, based in China, had also given a letter of declaration dated 21.07.2026. However, the Assessment Officer while assessing the goods had not taken into consideration the justification provided by the Complainant alongwith the relevant literature, brochure, certificate of analysis including product features. The assessment was finalized with the remarks that the instant item was to be used for endoscopy as it was a non-vascular guide wire.....as



confirmed by the catalogue as well....benefit under Serial 112 was not admissible as it was not used for angiography.

4. The Complainant had also approached the Collector of Customs, vide representation dated 21.08.2026, which was also marked to ADC Imports, AFU and Deputy Collector of Customs Imports with the request to allow provisional release of the subject consignment under Section 81 of the Customs Act, 1969 against submission of financial security i.e. pay order and in the meanwhile also referred the matter to the FBR for clarification with respect to benefit of sales tax under Serial No. 112 of the 6th Schedule to the Sales Tax Act, 1990. The Complainant had stated that the product in question was a disposable single use genuine medical device that had been duly evaluated, approved and registered by the Drug Regulatory Authority of Pakistan (DRAP). The commercial name "non-vascular guide wire" with the description "PTFE Coated" had already been approved by DRAP as above-mentioned category. It was further submitted that S.No.112 of the 6th Schedule simply used the term "guide wire" and did not distinguish between vascular guide wires and non-vascular guide wires. Had the legislature intended to restrict the exemption only to vascular guide wires, it would have expressly stated so. No such restriction existed in the statutory language. The Complainant prayed that the Collector be directed to consider his request for provisional release vide requisition dated 21.08.2026 by securing the differential amount of duty and taxes through a financial security namely bank guarantee or pay orders until the clarification was sought and issued by the FBR in the light of identical Complaint No.3558/KHI/CUST/2023 and Nos.3370, 3371 & 3357/KHI/CUST/2023 dated 19.09.2023.

5. It was further prayed that the Collectorate be directed to



immediately issue Delay & Detention Certificate from the date of IGM to date under Section 14A(2) of the Customs Act, 1969 for Waiver of storage charges at Shaheen Airport Services, Karachi. The Collectorate be further directed to issue a proper appealable assessment order by the concerned Deputy Collector of Customs Imports, AFU, Karachi which was appealable before the competent forum namely Collector of Customs (Appeals).

6. The Complaint was referred to Secretary Revenue Division for comments, in terms of Section 10(4) of the FTO Ordinance, read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response, the Collector, Collectorate of Customs, JIAP, Karachi, through letter dated 17.09.2026, submitted parawise comments, stating therein that the subject consignment covered under GD No.KPAF-HC-1225-06-07-2026 consisted of BrosMed Non-Vascular Guide Wires, declared under PCT 9018.3990, origin China. The examination report, manufacturer's labels, photographs and Certificate of Analysis consistently identify the imported goods as "Non-Vascular Guide Wires." The dispute was limited to the importer's claim of sales tax exemption under Serial No.112 of Table-1 to the Sixth Schedule to the Sales Tax Act, 1990. Serial No.112 did not provide a blanket exemption to all guide wires or all medical disposables. The guide wires specifically appearing therein were in the context of angioplasty, angiography and peripheral intervention equipment. The subject goods were non-vascular/endoscopic guide wires and had not been established to be PTCA guide wires, angiography guide wires or peripheral vascular intervention guide wires of the kind specifically covered under Serial No. 112. The Collectorate had therefore rightly declined the claimed exemption and assessed the applicable sales tax and additional sales tax in



accordance with law. The subject GD was processed on the basis of the examination report, documents on record and applicable statutory provisions. It was admitted that the importer claimed exemption under Serial No.112 of sixth schedule to Sales Tax Act, 1990. The claim was examined but found inadmissible because the imported goods were specifically described by the manufacturer as Non-Vascular Guide Wires and were not covered by the listed entries relating to angioplasty, angiography or peripheral interventions in the serial 112 of Sixth schedule to Sales Tax Act, 1990. The contention that the words "Guide Wires" appearing in Serial No. 112 automatically covered every type of guide wire was not tenable. The expression was to be read in the context of the specific categories under which it appeared. The subject goods were non-vascular in nature and intended for non-vascular/endoscopic use. The subsequent declaration relied upon by the Complainant, suggesting possible use in vascular procedures, did not override the contemporaneous evidence available on record. The manufacturer's labels, examination photographs and Certificate of Analysis consistently described the subject goods as Non-Vascular Guide Wires. The contention that DRAP registration entitled the goods to exemption was also not correct. DRAP registration concerns the regulatory status and importability of a medical device only, whereas fiscal exemption was governed independently by the specific wording of the Sixth Schedule to the Sales Tax Act, 1990. It was admitted that the importer filed an application seeking provisional release under Section 81 of the Customs Act, 1969 and requested referral of the matter to FBR. However, the Collectorate had already reached a clear and considered view that the claimed exemption was not available to the imported goods. Accordingly, the matter was not considered one requiring further factual determination merely because the importer



disagreed with the assessment. It was further submitted that the Collectorate was consistently applying the same treatment to all importers by declining the benefit of Serial No.112 of the Sixth Schedule to the Sales Tax Act, 1990 in respect of medical/endoscopy items which were not specifically enlisted therein. The treatment given to the present complainant was consistent with the assessment practice being followed by the Collectorate in respect of items not specifically covered under Serial No. 112, and no discriminatory or arbitrary treatment had been extended to the Complainant. Moreover, the importer had an adequate statutory remedy of appeal before the Collector (Appeals) under Section 193 of the Customs Act, 1969. The Complainant's reliance on earlier FTO complaints or previous clarifications could not automatically determine the present case unless the goods involved therein were identical in nature, intended use and statutory treatment. Each exemption claim was required to be examined with reference to the actual goods and the relevant statutory entry. The request for Delay Detention Certificate or other consequential relief was a separate matter and may only be considered strictly in accordance with the applicable law and prescribed conditions. Likewise, if the complainant remained aggrieved by the assessment, the statutory remedies available under the Customs Act, 1969 may be availed. The Department prayed for rejection of the Complaint.



7. Both the AR/DR attended the hearing on 24.09.2026 and reiterated what had been mentioned in the written complaint and parawise comments.

8. Arguments of both sides heard and available record perused.

FINDINGS:

9. Perusal of the record reveals that the Department has rejected the exemption, claimed by the importer, under Serial No.112 of Sixth Schedule to the Sales Tax Act, 1990, as found inadmissible because the imported goods are specifically described by the manufacturer as Non-Vascular Guide Wires and are not covered by the listed entries relating to angioplasty, angiography or peripheral interventions in the Serial 112. The record further reveals that the assessment was completed by the Assessment Officer on 09.07.2026, which was upheld by the Principal Appraiser and Deputy Collector of Customs. The Department contends that the Complainant has an adequate statutory remedy of appeal against the assessment order before the Collector of Customs (Appeals) under Section 193 of the Customs Act, 1969. According to the Complainant, the Deputy Collector of Customs has failed to provide a proper Appealable Assessment to enable him to file appeal before the Collector of Customs (Appeals). The Complainant also contends that the Department should dispose of his application dated 21.08.2026 submitted to the Collector regarding provisional release u/s 81 of the Customs Act, 1969 against submission of pay order as security and refer the case to the FBR for clarification in connection of benefit of the Sixth Schedule to the Sales Tax Act, 1990. During the hearing, the DR was questioned about the disposal of the application, she replied that the request was verbally declined but no written order was issued



10. In view of the above, no maladministration has been established on behalf of the Collectorate regarding completion of assessment and the FTO has no jurisdiction on the assessment related issues in terms of Section 9(2)(b) of the FTO Ordinance, 2000. Nevertheless, the Department is required to issue a proper Appealable Assessment

Order, if not already issued, to enable the Complainant to file appeal before the Collector of Customs (Appeals). The department is also required to dispose of the complainant's application regarding issuance of Delay & Detention Certificate on merits.

RECOMMENDATIONS

11. FBR to:-

- (i) direct Collector, Collectorate of Customs, Jinnah International Airport, Karachi, to ensure issuance of a proper appealable Assessment Order by the concerned officer to enable the Complainant to file appeal before the Collector of Customs (Appeals) and also decide Complainant's request regarding Delay & Detention Certificate on merits in accordance with law; and
- (ii) report compliance within thirty (30) days.

Dated:

15 OCT 2026


(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

