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THE FEDERAL TAX OMBUDSMAN ISLAMABAD

Complaint No.16601/ISB/Cust/2026

Dated: 14.09.2026 *R.O. Karachi

Mr. Gulfam Haider,

Suite # F3, 2nd Floor, 51C, Block-6, P.E.C.H.S, ... Complainant
Karachi.

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer

: Mr. Gul Rehman, Advisor

Authorized Representative

: Mr. Younus Haider

Departmental Representatives

: Ms. Sara Sarwar, DC Customs

CoC (JIAP), Karachi

Mr. Shaharyar Ahmed, AC Customs

CoC, Appraisement (East), Karachi

Date of hearing(s)

: 07.10.2026

FINDINGS

The above mentioned complaint was filed on 14.09.2026 against the Collectors, Collectorate of Customs, Appraisement (East) and Collectorate of Customs, (JIAP), Karachi under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) regarding unlawful denial of Sales Tax exemption and delay in clearance of imported Cancer Care Disposables through GD No.KPAF-HC-13996 dated 30-08-2026

2. In summary, the Complainant has agitated that they imported consignment through GD No.KPAF-HC-13996 dated 30-08-2026 comprising "Cancer Treatment Disposables", which are specifically exempt from Sales Tax under the Sixth Schedule to the Sales Tax Act, 1990, read with SRO No.9938(I)/2024. The Complainant duly uploaded the relevant SROs, supporting documents, and other necessary information on the WeBOC portal in support of claim for the applicable Sales Tax exemption. The GD was processed by



* Date of Registration with FTO Secretariat

Mr. Muhammad Nabeel, Appraising Officer (AO). Despite the documents and legal provisions supporting their claim, the AO refused to allow the benefit of the applicable SRO/exemption on the ground that the imported goods did not fall under the SRO based on their item description/name. During Complainant attempts to resolve the matter and explain the applicability of the exemption, the said officer allegedly behaved in an inappropriate and disrespectful manner with their representative on two occasions, including shouting at him. The GD was thereafter referred/upheld before the Principal Appraiser, Mr. Nisar, at AFU Karachi. Nevertheless, instead of independently examining the applicable law and supporting documents, the Principal Appraiser also maintained the same position and refused to allow the claimed exemption. Being aggrieved by the above decision, they filed a review/representation before the Deputy Collector of Customs (AFU). The matter was assigned to Ms. Sara Sarwar, Deputy Collector of Customs, AFU. The Complainant personally visited the AFU to explain the matter to the Deputy Collector. After waiting for approximately six hours, he was able to meet her. However, instead of deciding the matter on the basis of the applicable law and documents, he was advised to return to Mr. Muhammad Nabeel, AO and attempt to resolve the matter with him. He was also asked to leave the office immediately on Friday, 04.09.2026. On the following day, their Business Manager, Mr. Faisal Iqbal, again visited the AFU in an attempt to resolve the matter. But, despite waiting for a considerable period, the matter could not be resolved because the concerned Deputy Collector, Ms. Sara Sarwar, was not available in her office. This resulted in further delay in the clearance of the consignment and caused substantial storage charges and financial loss to the Complainant. On the following Monday, Mr. Faisal Iqbal again visited the airport/AFU for resolution of the matter. Nevertheless, the



concerned Deputy Collector, Ms. Sara Sarwar, was again unavailable, resulting in further delay in the clearance of the consignment. On Tuesday, Mr. Faisal Iqbal again visited the AFU and met Mr. Salman Javed, Deputy Collector of Customs. He explained the applicability of the relevant SROs and Sales Tax exemption to the imported goods and presented the supporting documents. Mr. Salman Javed called AO Muhammad Nabeel and discussed the matter with him. However, instead of independently examining the legal position and the documents submitted by the importer, the Deputy Collector supported the position taken by the subordinate officer and Sales Tax was imposed/demanded on the said consignment; hence the subject complaint.

3. The complaint was forwarded to the Secretary, Revenue Division for comments under 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, Appraisalment (East), Karachi submitted comments through letter dated 26.09.2026, wherein it was stated that the complainant submitted letter dated 03.09.2026 regarding justification for Sales Tax exemption on specialized Oncology and Urology medical devices and disposables, with reference to Serial No.112 of Table-I of the Sixth Schedule to the Sales Tax Act, 1990. The said letter was addressed to and received at the Collectorate of Customs, Jinnah International Airport (JIAP), Karachi. The complainant has not furnished any record showing involvement of the Collectorate of Customs Appraisalment (East), Karachi in the matter and the subject letter does not pertain to Collectorate. Comments on the letter dated 03.09.2026 may be treated as "NIL".

4. The Collectorate of Customs, JIAP, Karachi also submitted comments, wherein it was asserted that the complaint is barred in terms of Section 9(2)(b) of the FTO Ordinance as the matter



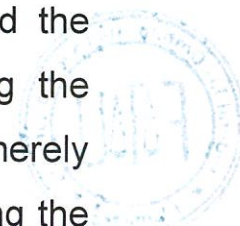
pertained to assessment. On merits of the case, it was stated that GD No.KPAF-HC-13996-30-08-2026 covers multiple medical products. Invoice No.20260002 dated 19.08.2026 contains twelve item lines with a total invoice value of USD 4,030. The claimed exemptions and other applicable concessions were extended to the items found eligible under the respective provisions. The dispute concerns two SKATER drainage catheter lines, ACCURA BLN and HAWKIN II BLN. The description of the entire consignment as cancer treatment disposables does not, by itself, establish sales tax exemption for every item. The exemption claims and supporting material presented by the importer were considered during assessment and the subsequent hearing. Uploading documents in WeBOC enables examination of the claim; admissibility remains dependent upon the actual nature and intended use of each product and the scope of the relevant exemption provision. The GD was processed by Appraising Officer Mr. Muhammad Nabeel. It is denied that exemptions were refused indiscriminately or merely on the basis of trade names. Eligible concessions were allowed item-wise. In particular, the supplied assessment pages show that PCT 9938.0000 was retained and customs duty remained zero on all four disputed lines, whereas exemption under Serial No.112 was not allowed and sales tax at 18% and additional sales tax at 3% were reflected in the assessment. The allegation of inappropriate or disrespectful conduct by the Appraising Officer is denied. According to the account furnished by the Appraising Officer, Mr. Faisal Iqbal, the importer's representative, met him and handed over his telephone so that Mr. Younas could explain the case. Upon the officer answering the call, Mr. Younas raised his voice and stated that the officer could do whatever he wished and that he would take the matter to the Supreme Court. The officer explained calmly that he was speaking to understand the importer's position and





requested a proper discussion. Mr. Younas continued with the same stance. According to the officer, Mr. Faisal Iqbal then apologized for Mr. Younas's conduct. The importer's right to seek a legal remedy was never disputed, and the assessment was determined on the merits of the exemption claim. The position maintained during the appraisal process concerned the statutory coverage of the disputed goods. The claim was subsequently considered by the Deputy Collector after hearing the importer's representative. The fact that officers reached the same conclusion on sales tax eligibility does not establish that the supporting material was ignored. The exemptions found admissible were extended. The submission of a representation seeking reconsideration of the exemption claim is acknowledged. The matter was subsequently considered by Deputy Collector Mr. Salman Javed during the absence on leave of Deputy Collector Ms. Sara Sarwar. The allegation that the importer was deliberately kept waiting or denied a hearing is denied. Deputy Collector (Group) Ms. Sara Sarwar was engaged in official duties and commenced hearings after attending to those duties. When the turn of Mr. Younas was due, he was not present. The matter could therefore not be heard in his presence at that time. The intervening waiting period did not arise from a deliberate refusal to consider the importer's claim. It was further stated that, on the following day, Mr. Faisal Iqbal appeared on behalf of the importer and informed the appraisal staff that Mr. Younas had travelled out of the country. Mr. Faisal Iqbal remained in contact with the appraising staff regarding processing of the GD and consideration of the exemption claim. During the subsequent period, Ms. Sara Sarwar was on leave and the GD required routing through the system to Deputy Collector Mr. Salman Javed. The time taken during Ms. Sara Sarwar's leave related to routing of the GD through the system to Deputy Collector Mr. Salman Javed. Mr. Faisal Iqbal continued to remain in contact

with the appraising staff. Upon assignment of the GD to Mr. Salman Javed, the appraising staff contacted Mr. Faisal Iqbal and arranged a hearing in the Deputy Collector's office. There was no deliberate refusal to hear the importer's representative. Mr. Faisal Iqbal was afforded a hearing in the office of Deputy Collector Mr. Salman Javed. After the GD was assigned to the Deputy Collector, the appraisal staff contacted the representative, who presented the importer's position and the supporting material concerning the claimed exemptions. It is denied that the Deputy Collector merely endorsed the subordinate officer's position without considering the merits. The importer's representative was heard, the nature of the products and the relevant exemption provisions were considered, and the benefits found admissible were extended. Customs duty relief under PCT 9938.0000 was retained on the disputed goods, while sales tax exemption under Serial No.112 was declined for the reasons explained below. The disputed SKATER products, bearing catalogue numbers 756610025 and 756612025 and comprising 100 and 20 units respectively, are all-purpose/nephrostomy drainage catheters. The manufacturer identifies their function as percutaneous drainage. Their drainage/nephrostomy function differ from the peripheral intervention products covered by the sales tax entry relied upon. The departmental position is that disposability and use in urology or the care of cancer patients do not, without coverage under a specified category of Serial No.112, establish entitlement to that exemption. Customs duty relief was nevertheless retained under the broader disposable-goods wording of PCT 9938.0000. It is reiterated that the supporting material was considered. ACCURA BLN, catalogue No.BLN2010, comprising 100 units, and HAWKIN II BLN, catalogue No.252125, comprising 150 units, are breast localization needles. The manufacturer identifies ACCURA as a non-repositionable localization needle and Hawkins





II as a repositionable localization needle. Their purpose is to mark breast lesions for surgical excision; they are not tissue-sampling biopsy needles. The departmental position is that their single-use nature and role in oncological surgery support the customs duty concession already allowed, but do not establish coverage under the specific sales tax categories, including the category for peripheral interventions. It is denied that the applicable exemptions were refused across the consignment. Eligible items received the relevant benefits. In respect of the four disputed lines, customs duty remained zero and sales tax exemption was declined on an item-wise examination of their nature and statutory coverage. The supplied assessment pages reflect sales tax of Rs.43,323 and additional sales tax of Rs.7,221, aggregating to Rs.50,544 on those four lines. The allegation that the assessment was arbitrary or unlawful is denied. The difference in treatment under PCT 9938.0000 and Serial No.112 arose from the different scope of the two provisions. The department's construction of the sales tax provision and its application to the particular goods constitute an assessment dispute, which the complainant may challenge through the remedy available under the relevant legislation. The allegation of deliberate or unjustified delay is denied.

5. During the hearing on 07.10.2026, Mr. Younus Haider (AR) stated that the goods under consideration are intended for use in oncology and are disposable in nature; therefore, exemption from Sales Tax under Serial No.112 of the Sixth Schedule to the Sales Tax Act is admissible. He further submitted that the Collectorate had already accepted the importer's stance regarding the disposable nature of the goods by extending the benefit under PCT 9938. Ms. Sara Sarwar, Deputy Collector (DR), on the other hand argued that the importer had already accepted the assessment and the GD has been gated out on 08.09.2026. Therefore, there is no provision for



reassessment of the GD retrospectively. Regarding the admissibility of the Sales Tax exemption, she submitted that the scope of Serial No.112 of the Sixth Schedule is restricted to the goods specifically enumerated therein, as the provision uses the expression "following", thereby limiting the exemption to the listed items. She further clarified that the benefit under PCT 9938, which pertains to Customs Duty, had been extended on the basis of the disposable nature of the goods. Nevertheless, such treatment does not, by itself, establish eligibility for exemption from Sales Tax under Serial No.112 of the Sixth Schedule of the Sales Tax Act, 1990 and the claimed Sales Tax exemption of Rs.50,544/- (Sales Tax Rs.43,323/- and Additional Sales Tax Rs.7,221/-) has been rightly denied. DR further elaborated that since the complaint relates to assessment of duty/taxes and admissibility of exemption of Sales Tax, and has also the remedy of filing appeal against the assessment order under Section 193 of the Customs Act, 1969 before the Collector of Customs (Appeals), the complaint is, therefore, not maintainable in terms of Section 9(2)(b) of the FTO Ordinance. The AR for the Complainant nevertheless could not substantiate the allegation of inappropriate behavior of the Assessing Officer.

6. In view of the above, since the jurisdiction of this Forum is barred in terms of Section 9(2)(b) of the FTO Ordinance, therefore, the proceedings are dropped. File consigned to record.

Dated: 15 OCT 2026



(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman