

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NO.17059/ISB/IT/2026

Dated:23.09.2026* HQ Islamabad

Syed Taimoor Shah,

(Registration No:6110196209401)

House No. 26, Street No. 1, Shah Allah Dita,
Islamabad.

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer : Mr. Muhammad Naseer Butt, Advisor
Authorized Representative : Complainant in person
Mr. Raza Wadood Qureshi, AHC
Departmental Representative : Ms. Sara Khan, DCIR, RTO, Rawalpindi
(Video Link Hearing)
Date of hearing : 14.10.2026

FINDINGS/RECOMMENDATIONS

The complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance 2000 (FTO Ordinance) against non-issuance of refund for tax year 2022. The case was fixed for calling comments on 08.10.2026. The comments were obtained from the department, which were examined and placed on file. The complainant along with his AR and DR attended. Arguments were heard and record perused and complaint is disposed of on the basis of available record as under.

2. The complainant stated that he is an individual and **Overseas Pakistani** who is aggrieved by delay in processing of refund for tax year 2022 amounting to Rs. 19,196,242/-. The complainant further stated that the department passed order u/s 121 of the Income Tax Ordinance, 2001 (the Ordinance) on 29.04.2024 by making addition 111(1)(b) on account of bank credit of Rs. 57,360,691/-. Being

* Date of registration with FTO Secretariat





aggrieved, the complainant filed appeal before the CIR(Appeals), who vide order dated 18.11.2024, remanded the case back to the assessing officer.

3. The complainant further stated that the department passed appeal effect order u/s 124/129 on 27.02.2026, in which Rs. 19,196,242/- became refundable. Accordingly, the complainant e-filed fresh refund application u/s 170 of the Ordinance on 16.04.2024, which is still pending with the department. **The complainant prayed** to direct the department to issue the refund without any further delay.

4. Perusal of complaint and record shows that the complainant came up before this forum to seek directions to the department to process his pending refund application for tax year 2022 amounting to Rs. 19,196,242/-.

5. The RTO, Rawalpindi filed written comments, which holds current jurisdiction over the case, wherein, they, responded the queries as under;

Sr.	Queries	Remarks
1	When was the proper refund application, as prescribed under the relevant rules has been filed by the Complainant?	Taxpayer filed refund application for tax year 2022 on 16.04.2026. The said application is not on prescribed format as per IT Rules 2002. The same is confronted to taxpayer as per notice u/s 170 of Ordinance dated 01.10.2026.
2	Had the limitation of 60 days from the filing of refund application expired?	Yes
3	Whether there is any outstanding current/arrear tax demand (Income Tax/Sales Tax/FED/Custom Duty), recoverable in the case of Complainant?	There is outstanding tax demand against penalty order u/s 182(2) amounting Rs. 40,000/- for any Tax Year 2022 as per the online record available with this office. Same is intimated to the taxpayer in refund notice issued.
4	Whether any tax demand created has been stayed by	As per record available with this office no Stay is pending.



	apex Tribunals / Courts in the case of Complainant?	
5	Whether for any Tax year wherein refund is being claimed, by the Complainant, any audit, rectification or revision proceedings are pending with the department?	No audit, rectification or revision proceedings are pending with the department as per the details available on IRIS for Income Tax affairs.
6	What is the nature of tax deductions which constitute the basis for refund claims, fully adjustable, final discharge, minimum tax or adjustable subject to certain preconditions?	Tax deduction which constitutes the basis for refund claims involve tax u/s 137 for demanded Income Tax which is adjustable as per appeal effect order.
7	Tax Deductions / CPRs claimed against refund are verifiable from FBR's internal portal or external verification is required?	Yes, Tax deduction is verifiable from the online portal no external verification is required.
8	Whether refund claim involves any contentious legal issue which is pending at apex courts, involving multiple taxpayers?	The refund claim does not involve any contentious legal issue which is pending at apex courts, involving multiple taxpayers.
9	Whether refund claims with identical facts and pattern of deductions have already been accepted & processed by the department for the previous years of Complainant or some other Tax year(s)?	No order for any tax year except for the Tax Year under consideration has been processed previously.
10	Whether claimed refund or portion of it has already been adjusted by the department?	No previous refund adjustment has been made by the department as per the data available with this office.
11	Whether the refund claim is based on an appeal effect or rectification order and whether the same has already been given within legal timelines or not?	Yes, the refund is based on appeal effect order passed u/s 124/129 of the Income Tax Ordinance, 2001.
12	Whether refund claim has already been adjudicated or it is pending?	The refund claim is pending.
13	Whether the taxpayer has been given proper hearing in terms of section 170(4) before adjudication?	The case is under process and taxpayer is given proper hearing in terms of refund notice u/s 170(4), issued on 01-10-2026 for compliance by 16-10-2026 for provision of required documents/explanation.



6. The information provided above shows that the tax office admitted that refund application was e-filed by the complainant on 16.04.2026 for tax year 2022, which is still pending with the department despite a lapse of statutory period of 60 days. The department has further reported an outstanding tax demand of Rs. 40,000/- arising from a penalty order issued u/s 182(2). However, the mere existence of an outstanding demand does not, in itself, absolve the department of its obligation to process and decide the complainant's refund application within the prescribed statutory period.

7. It is further admitted by the department that the pending refund claim does not involve any contentious legal issue pending before any court and that the claimed refund has not been adjusted against any other demand. In view of the stated facts, there appears no valid justification for delaying processing of pending refund claim.

8. Record further shows that the department passed order u/s 121 of the Ordinance on 29.04.2024 by making the addition u/s 111(1)(b) on account of bank credit of Rs. 57,360,691/- reflected in ABL account. Being aggrieved the complainant filed appeal before the CIR(Appeals), who vide order dated 18.11.2024 remanded back the case to the assessing officer with the direction to obtain and complete documentary evidence related to "un-explained income" in question, analyze the same and pass a speaking order as per law.

9. Record further shows that the department completed the remand back proceedings and passed order u/s 124/129 on 27.02.2026 for tax year 2022 amounting to Rs. 19,196,242/-. Consequently, the complainant filed refund application u/s 170 of

the Ordinance on 16.04.2026 claiming refund amounting to Rs. 19,196,242/-, which is still pending with the department.



10. It may be mentioned that the refund application has to be decided within 60 days in terms of section 170(4) of the Ordinance. Nevertheless, the application is still pending despite passage of prescribed time limit. This delay is manifestation of departmental neglect and inattention in discharge of its duties and the same is tantamount to maladministration in terms of section 2(3)(ii) of the FTO, Ordinance, 2000.

RECOMMENDATIONS:

11. FBR to:-

- (i) direct the CIR (Refund Zone), RTO, Rawalpindi to dispose of pending refund application of the complainant for tax year 2022 on merits and issue due refund; and
- (ii) report compliance within 20 days.

Dated: 16 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman



19 OCT 1958