

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NO.16846/KHI/IT/2026

Dated: 18.09.2026* R.O Karachi

Mr. Khalid Malik Chawla,
CNIC 4220130056477

...Complainant

Plot # 04, Timber Pond Market,
Kemari, Karachi

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	:	Mr. Badruddin Ahmad Quraishi, Advisor
Appraisal Officer	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Nisar Ahmed, FCA
Departmental Representative	:	Mr. Muhammad Ali Baig, OIR, CTO-1 Khi
Date of hearing	:	05.10.2026

FINDINGS/RECOMMENDATIONS

The above-mentioned complaint was filed against the Commissioner-IR, Refund Zone, RTO-II Karachi in terms of Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) for refund of Rs.12,243,069 allegedly recovered through attachment of the bank account of the complainant in compliance with ATIR, Karachi dated 07.07.2026 for tax year 2023.

2. Briefly, the Department issued an assessment order for Tax Year 2023, determining tax liability of Rs.59,546,710 on 02.04.2026 u/s 122(5A) of the Income Tax Ordinance 2001. Subsequently, the Deptt recovered Rs.12,243,069 through bank attachment u/s 140 of the Ordinance on 15.06.2026. The ATIR, vide order dated 07.07.2026, deleted the additions made in the impugned assessment order. The complainant requested the Deptt vide letters dated 13.07.2026, followed by a reminder dated 09.09.2026 but did not get



any response; hence, this complaint is filed to issue a refund of the recovered amount through bank attachment.

3. The complaints were referred to the 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 CIR Refund Zone, CTO-I Karachi submitted comments on 28.09.2026 and pointed out the FIFO principle to be followed in view of the Board's instruction dated 17.10.2024.

4. Argument heard, and record perused.

5. FINDINGS:

i. Board's notification dated 17.10.2024 itself excludes Court/FTO cases from the operations of said circular. Statutory timeline u/s 170(4) cannot be overturned/replaced through administrative instructions. This plea of FBR has already been dismissed by the Presidency in a large number of representations filed by FBR on this account. The matter has attained finality. Hence, the objection of FIFO principle is overruled.

ii. In view of the deletion of the additions made in the impugned assessment order dated 02.04.2026 by the learned ATIR, vide order dated 07.07.2026 for tax year 2023, the recovery of Rs. 12,243,069 from the Complainant's bank account becomes refundable immediately. The complainant has already filed an online application for refund on 13.07.2026. Failure to give an appeal effect order and subsequently a refund order in compliance with the ATIR order dated 07.07.2026 for tax year 2023 amounts to maladministration as defined under Section 2(3)(i)(a) & (ii) of the Federal Tax Ombudsman Ordinance, 2000.



RECOMMENDATIONS:

6. FBR to direct:

- i) the CIR, Zone-V CTO-I, Karachi to issue an appeal effect order allowing credit of the illegally recovered amount of Rs. 12,243,069 through bank attachment on 15.06.2026 for tax year 2023 immediately;
- ii) after the appeal effect order, the CIR refund Zone, CTO-1 Karachi to dispose of refund claim in accordance with law, and
- iii) report compliance within 30 days.

Dated:

19 OCT 2026


(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

