

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO.16589/KHI/IT/2026

Date: 14.09.2026* RO, Hyderabad*

**M/s. The Benazir Bhutto Shaheed
University of Technology & Skills Development
Khairpur Mir's.**

NTN: 9030654

Address: The Benazir Bhutto Shaheed,
University of Technology & Skills Development,
Khairpur Mir's. Khairpur,

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	: Mr. Sahibzada Abdul Mateen, Advisor
Appraising Officer	: Mr. Muhammad Tanvir Akhtar, Advisor.
Authorized Representative	: Mr. Munir Ahmed Mahar, Advocate.
Departmental Representative	: Mr. Ghulam Mustafa Noor Jahania, ACIR RTO, Sukkur
Date of Hearings	: 29.09.2026 & 01.10.2026

FINDINGS / RECOMMENDATIONS

The above-mentioned complaint has been filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against the non-issuance of Exemption Certificate within due date i.e. 15 days of the filing of the application by the Commissioner IR Sukkur Zone.

2. Briefly stated the facts are that the complainant is a public sector university solely established for education purposes and not for profit. The income of the university is exempt under Clause (126) of the Part-I of the Second Schedule to the Income Tax Ordinance 2001. Application dated 07-07-2026 was filed for issuance of Exemption Certificates under Section 151 and 153 read with Section 159 of the Income Tax Ordinance, 2001. First Proviso to Sub-Section (1) of



* Date of Registration in FTO Sectt:

Section 159 of the Income Tax Ordinance 2001, makes it mandatory for the Commissioner IR to issue Exemption Certificate within 15 days of the filing of the application. iv. Despite of lapse of more than two months, the learned Commissioner IR Sukkur Zone/department has failed to issue exemption certificates. The Exemption Certificates previously issued by the learned Commissioner IR Sukkur Zone are enclosed for kind perusal. Hence this complaint filed.



3. The complaint was referred to the Secretary Revenue Division, Government of Pakistan for comments and hearing by the Departmental Representative (D.R.), in terms of Section 10(4) of the FTO Ordinance read with section 9(1) of the Federal Tax Ombudsman Institutional Reforms Act, 2013.

4. The Additional Commissioner-IR, Sukkur Zone in their para-wise comments dated 28.09.2026 raised preliminary objections that the instant complaint is premature, and legally unsustainable before this Honorable Forum as the complainant failed to identify any instance of "maladministration" under Section 2(3) of the Federal Tax Ombudsman Ordinance, 2000.

The department further contended that no maladministration has been committed in the matter of exemption as such matters require utmost care and due diligence. The taxpayer was required to furnish certain records, documents, and clarifications for proper verification and ascertainment of eligibility for the claimed exemption. Upon completion of the necessary verification and fulfillment of the relevant requirements, the request shall be disposed of promptly as per law on the touchstone of relevant legal provisions.

On merits it was contended that two online applications submitted on 07-Jul-2026 for Tax Year 2027 which were found to be incomplete;

- a. *The application for Section 151 (Profit on Debt) entirely lacked specific bank accounts, bank names, and branch details.*
- b. *The application for Section 153 contained contradictory text relating to securities and royalties whereas it was not clear why the complainant required exemption u/s 153(i)(a) of the ordinance as it does not provide any goods.*



Upon scrutiny of the flawed applications, the Commissioner-IR promptly issued further clarification on 15-Jul-2026. Regarding section 153 application, the Commissioner-IR pointed out the contradiction regarding "profits on securities" and requested specific supplies/suppliers. For Section 151, the Commissioner explicitly directed the Complainant to provide the necessary bank account details so the application could be processed. The Complainant provided clarifications on 16-Jul-2026. Thus, for section 151 application, the Complainant furnished the requisite bank accounts list.

For section 153 application, the Complainant submitted a specific list of institutions from which they expected to receive training and skill development funds, including Sukkur IBA University, Mari Energies Limited, BSHRRDB, and NAVTTC. This response necessitated further due diligence and critical review by the Department to carefully verify the nature of these declared contracts and ensure that all statutory conditions for the exemption were strictly satisfied prior to final disposal.

5. The Complainant's assertion that the Commissioner is bound to issue an exemption within 15 days of the initial filing date (07-Jul-2026), regardless of the application's flaws, is a gross misinterpretation of law. The prescribed timeframe applies to complete and accurate applications. The Complainant's failure to provide specific bank accounts and accurate statutory grounds at the time of filing rendered the initial application defective, meaning the statutory timeframe could only commence once these critical omissions were rectified, in view of



the documentary evidence demonstrating that the Complainant filed incomplete initial applications that necessitated further statutory clarifications, the Department acted lawfully and diligently to process the case while protecting the exchequer, in view of the foregoing, it is submitted that there is no refusal of the exemption claim on the part of this office. The matter is pending completion of the requisite documentation and clarification required for determination of eligibility. Upon furnishing of the required documents and completion of all legal requirements, the claim shall be examined on merits and, subject to satisfaction of the undersigned/competent authority, the requisite exemption certificate(s) shall be issued in accordance with law.

FINDINGS:

6. Both the AR of the complainant and the Departmental Representative attended the hearing online, their submissions were heard and record perused. Main controversy involved is the delay in the issuance of exemption certificate within the limit prescribed by law. The AR of the complainant placing reliance on the provisions of Clause (126) of the Part-I of the Second Schedule to the Income Tax Ordinance 2001 granting exemption to the complainant taxpayer being public sector University filed application on 07-07-2026 for issuance of Exemption Certificates under Section 151 and 153 read with Section 159 of the Income Tax Ordinance, 2001. The AR contended that as per proviso to Sub-Section (1) of Section 159 of the Income Tax Ordinance 2001 it is mandatory for the Commissioner IR to issue Exemption Certificate within 15 days of the filing of the application but the same has not been issued despite the lapse of more than two months.

7. Whereas the department has not challenged the legality of the exemption certificates but contended that the complainant taxpayer was required to furnish certain records, documents, and clarifications for

proper verification and ascertainment of eligibility for the claimed exemption. Upon completion of the necessary verification and fulfillment of the relevant requirements, the department intimated that the request shall be disposed of promptly as per law on the touchstone of relevant legal provisions.

8. During the hearing, the DR was asked as to what specific records, documents, and clarifications were required from the complainant taxpayer in connection with the issuance of exemption certificates, the DR simply repeated the contention taken in the para wise comments without pointing out any specific details and requirements. The department has further narrated in their comments that in order to seek further details and clarifications, the Commissioner concerned has issued further clarification on 15-Jul-2026 which were provided on 16-Jul-2026 by the complainant. It has also been noted that the department has previously issued such exemption certificates. The delay in the issuance of the said exemption certificates constitute mal administration u/s 2(3)(ii) of FTO Ordinance 2000.

RECOMMENDATIONS:

9. FBR to direct;
 - (i) the Commissioner Sukkur Zone RTO Sukkur to dispose of the request for exemption certificates u/s 151 and 153 of the Income Tax Ordinance 2001 in accordance with law and after affording opportunity of being heard to the complainant taxpayer.
 - (ii) report compliance within 15 days.

Dated:

19 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

