

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NO. 17349/FSD/IT/2026

Dated: 01/10/2026 - HQ* Islamabad

Mr. Haider Ali Khan,
House No, 17-X, Gas Wali Gali,
Tariq Bin Ziad Colony,
Sahiwal.

...Complainant

V e r s u s

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer
Appraised by
Authorized Representative
Departmental Representative
Date of hearing

: Mr. Khalid Javed, Advisor
: Mr. Muhammad Naseer Butt, Advisor
: Nemo
: Malik Riaz, ACIR, RTO, Sahiwal (V/Link)
: 13.10.2026

FINDINGS/RECOMMENDATIONS

This complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against non-issuance and delay in processing of income tax refund claims aggregating to Rs. 1,551,895/- for tax years 2021 and 2024 (Rs. 118,725/- for tax year 2021 and Rs. 1,433,170/- for tax year 2024). The Complainant filed income tax returns, followed by online refund applications under Section 170 of the Income Tax Ordinance, 2001 on 06.09.2022 for tax year 2021 and on 28.09.2026 for tax year 2024. The refunds arose due to tax deductions/collections under various heads. However, the department failed to process or finalize the refund applications, hence this complaint.

2. The complaint was referred to the Secretary, Revenue Division, Islamabad for comments under Section 10(4) of the FTO Ordinance read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response, parawise comments were submitted by the Assistant Commissioner IR, Refund Unit,

*date of registration in FTO Sectt..



Sahiwal Refund Zone, RTO Sahiwal vide letter No. 131 dated 12.10.2026, forwarded by the Commissioner IR, Refund Zone, RTO Sahiwal vide letter No. 305 dated 12.10.2026. The department stated that for tax year 2021, notice u/s 170(4) had been issued on 06.09.2026 and that the refund application shall be finalized after examination of available records. For tax year 2024, the department contended that the refund application was filed on 28.09.2026 and the complaint was registered on 01.10.2026 which is premature as the statutory period of 60 days has not expired; however, notice u/s 170(4) dated 09.10.2026 has been issued for compliance.

3. Hearing in this case was conducted on 13.10.2026. The DR of the Deptt joined the proceedings but complainant/AR did not attend.

4. Perusal of the case record reveals that the complainant submitted the electronic refund application u/s 170 for tax year 2021 on 06.09.2022. According to the provision of Section 170(4) of the Income Tax Ordinance, 2001, the department was legally obligated to dispose of refund claims, in either way, within the stipulated time period of 60 days. The Deptt did not dispose of the matter till 12.10.2026 i.e., date of filing of parawise comments. As regarding the refund application for tax year 2024 filed on 28.09.2026, the statutory timeframe of 60 days u/s 170(4) has not yet elapsed. Therefore, the complaint to the extent of tax year 2024 is premature; however, the Department is bound to finalize the same within the statutory period of 60 days in accordance with law. The above position manifests departmental inaction, delay, ineptitude regarding refund application for the tax year 2021 which constitutes maladministration in terms of provision of Section 2(3)(ii) of the FTO Ordinance, 2000.



RECOMMENDATIONS:

5. FBR to direct:

- (i) the CIR (Refund Zone), RTO Sahiwal to dispose of the pending refund application of the complainant for tax year 2021 in accordance with law, after providing an opportunity of hearing; and
- (ii) report compliance within 30 days.
- (iii) the CIR (Refund Zone) RTO, Sahiwal also advised to dispose of the refund application for the tax year 2024 within the statutory time period as provided u/s 170(4) of the Ordinance 2001, as per law and after providing an opportunity of hearing to the complainant.



Dated: 20 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman