

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

C.NO.17254/PWR/IT/2026

Dated: 29.09.2026 HQ* Islamabad

Mr. Mansoor Ahmad Awan

House No, 75. Sector k-4, Street 2,
Phase III, Hayatabad,
Peshawar

...Complainant

V e r s u s

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	: Mr. Shaukat Mahmood, Advisor
Authorized Representative	: Complainant (online)
Departmental Representative	: Mr. Muhammad Ali, DCIR, RTO, Peshawar (online)
Date of hearing	: 15.10.2026

FINDINGS/RECOMMENDATIONS

This complaint has been filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 regarding unjustified delay in processing and release of income tax refund amounting to Rs. 497,954/- for Tax Year 2024 by Regional Tax Office, Peshawar, Federal Board of Revenue (FBR).

2. Main facts of the case are that the Complainant e-filed his income tax return for Tax Year 2024 claiming a refund of Rs. 497,954/- arising on account of excess tax deducted at the import stage under Section 148 of the Income Tax Ordinance, 2001, where tax was purportedly deducted at the non-filer rate of 12% instead of the applicable filer rate of 6%. Despite submitting the refund application and relevant GD details, the Department failed to process and dispose of the refund application under Section 170(4) of the Ordinance within the prescribed statutory timeframe of sixty days. Hence, filing the instant complaint.



3. The complaint was sent for comments to the Secretary, Revenue Division, Islamabad in terms of Section 10(4) of the FTO Ordinance read with Section 9(1) of Federal Ombudsmen Institutional Reforms Act, 2013. In response thereto, the Additional Commissioner-IR (HQs), RTO Peshawar forwarded parawise comments of the Commissioner-IR (Refund Zone) vide letter dated 13.10.2026, wherein it was contended that:

"the complaint is composite in nature and involves two issues, where the taxpayer claimed a refund for Tax Year 2024 amounting to Rs. 497,954/- under Section 148, but upon examination of the return, a technical issue exists as the tax deduction at 6% is not appearing against the relevant adjustable tax row, and total adjustable tax amounts reflect a discrepancy. It was further maintained that the taxpayer has already raised this technical issue with PRAL under grievance No. 2, and as soon as the issue is resolved by PRAL and correctly reflected in the system, the refund application shall be processed and disposed of in accordance with law."

4. Case was fixed for hearing on 15.10.2026. The Complainant and Department Representative attended the hearing online and reiterated their respective positions.



5. During review of the case record, it was observed that the refund application and explanations under Section 170(4) were duly submitted along with supporting GD details, but no refund order had been finalized by the Department due to internal system/PRAL reflection issues. The Department cannot withhold or delay the adjudication of a statutory refund claim merely on account of internal technical glitches or pending PRAL rectifications. Nevertheless, the Department was required to resolve any technical discrepancies and dispose of the refund application within sixty days under the law but failed to do so.

FINDINGS:

6. In the light of Para-5 supra, this delay is **manifestation of Departmental neglect, inattention and ineptitude 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:

7. FBR to direct:

- (i) the Commissioner-IR (Refund Zone), RTO, Peshawar in coordination with PRAL to immediately resolve the technical/system reflection issues and process and finalize the refund claim of the Complainant for Tax Year 2024 in accordance with law, after providing adequate opportunity of being heard; and
- (ii) report compliance within 30 days.

Dated: 21 OCT 2026


(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

