

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

C.NOS. 17265, 17289, 17294, 17291, 17290, 17295, 17185, 17139,
17410, 17203, 17129, 17245, 17209, 17155, 17256, 17278, 17279,
17280, 17281, 17147, 17407, 17284, 17202, 17157, 17230, 17224,
17293, 17341/SGD/IT/2026 & 17170/FSD/IT/2026

Dated: 29.09.2026 & others - HQ* Islamabad

Mr. Muhammad Arshad
GHS AMBALA MUSLIM SGD,
Sargodha
(C.No.17265/SGD/IT/2026)

...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. Zaheer Minhas, IR Officer, RTO, Sargodha (online)
Date of hearing	: 15.10.2026

FINDINGS/RECOMMENDATIONS

This complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 regarding the non-payment of 25% teacher's income tax rebate and the resulting delay in processing the complainant's income tax refund for Tax Year 2025 amounting to Rs.25,629/-. The complainant, serving as SST, submitted that income tax was excessively deducted from his salary during the months of May and June, 2025. Online refund application under Section 170 of the Income Tax Ordinance, 2001 was duly filed on 30.01.2026. Despite complete submission, the department failed to process the claim or grant the statutory rebate, prompting this complaint.

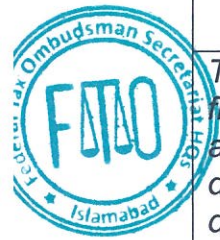
2. The complaint was sent for comments to the Secretary, Revenue Division, Islamabad in terms of Section 10(4) of the FTO Ordinance read with Section 9(1) of Federal Ombudsmen Institutional Reforms Act, 2013. In response thereto, the Additional Commissioner (HQ), RTO

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Sargodha forwarded parawise comments of the Commissioner-IR (Refunds) vide letter No. RTO/CIR-REFUND/2026-2027/516 dated 05.09.2026.

3. Preliminary objections have been raised by the department is as under:-

Objections	Rebuttal
That FTO is debarred u/s 9(2)(b) from all matters relating to assessment of income or wealth, determination of liability of tax or duty, classification or valuation of goods, interpretation of law, rules and regulations relating to such assessment, determination, classification or valuation in respect of which legal remedies of appeal, review or revision are available under the Relevant Legislation.	"None of the areas enlisted u/s 9(2)(b) will be adjudicated. However, administrative excesses & highhandedness, extra-legal coercive measures and unexplainable delays beyond statutory timelines shall be highlighted as these acts of maladministration are normally not touched by appellate fora." Section 9(2)(b) neither relates to assessment of income or wealth nor to determination of liability of tax or duty, in respect of which legal remedies are available under the Relevant Legislation. Therefore, matters relating to refund have not been listed at section 9(2)(b) of FTO Ordinance, 2000. This exclusion is not an omission rather it reflects the intent of legislature which recognizes the sanctity of taxpayers' money. In view of this exclusion all refund related cases involving maladministration u/s 2(3)(i)(a)(b)(c)(d)(ii)(iii)(d)(iv) and (v) are out of the ambit of section 9(2)(b) of FTO Ordinance, 2000 meaning thereby Complaints in such cases can be legally entertained & adjudicated by this forum.
That the matter of delay in disposal of refund beyond statutory timelines is an appealable matter u/s 170(5)(b). FTO doesn't hold jurisdiction because legal remedy is available.	"In the cases of delay beyond statutory timelines the Taxpayer has been given to options: to file an appeal or lodge a Complaint because such delay has been categorized as an act of maladministration u/s 2(3)(ii) of FTO Ordinance, 2000. Fundamental rights under the Constitution of Pakistan ensure that citizens are dealt with in accordance with law, and the state cannot compel a person to surrender a legal right unless authorized by an act of parliament. Therefore, FBR cannot force a citizen to abandon one lawful choice for another arbitrarily."



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In view of the above factual and legal position, the preliminary objection regarding bar of jurisdiction being misconceived stands overruled.

4. On merit, the department in its report dated 05.09.2026 contended that refund application for Tax Year 2025 could not be processed as evidence of tax deductions were not provided by the complainant. As soon as, the complainant submits original documents and verification was completed, refund application for Tax Year 2025 would be disposed of as per law.



OBJECTION	REBUTTAL
That tax deductions are unverified.	Verification is department's responsibility. Unless the withholding agent is untraceable or tax deductions are denied by the withholding agent the taxpayer cannot be punished for departmental failure on account of non-verification.

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

6. Case was examined on merits. Record shows that the refund application was e-filed on 30.01.2026 along with requisite details, but no refund order had been issued by the Department till date. Nevertheless, the Department was required to dispose of the refund application within sixty days under the law but failed to do so.

FINDINGS:

7. In the light of Para-6 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.**

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8. The issues involved in complaints as detailed in Annexure-A are identical, i.e. deductions of income tax u/s 236K/C and other sections of ITO Ordinance, 2001 alleging delay in processing of refund applications beyond statutory time period of 60 days, as discussed in this complaint. All these cases/complaints also fall within the jurisdiction of CIR-Refund Zone, RTO, Sargodha. In the complaints by Teachers / Associate Professors / Professors / Researchers regarding excess deduction of income tax u/s 149 of the ITO 2001 during the months of May and June 2025 on account of recovery of rebate allowed to the teachers in the past, the refund claims be processed under the law.

RECOMMENDATIONS:

9. FBR to direct:

- (i) the Commissioner-IR (Refund Zone) RTO, Sargodha to process the refund claim of the Complainant for Tax Year 2025 in accordance with law, after providing adequate opportunity of being heard; and
- (ii) report compliance within 30 days.

10. In view of above, findings/recommendations supra shall, *mutatis mutandis*, apply to all the complaints as given in **Annexure-A**.

11. Annexure A (page- 5) forms the integral part of this order.

Dated: 21 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

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Annexure-A

Sr#	Complaint No	Complainant Name
1.	17289/SGD/IT/2026	HAFIZ MUHAMMAD ASAD
2.	17294/SGD/IT/2026	MUHAMMAD IMRAN
3.	17291/SGD/IT/2026	MUHAMMAD JAVED AMJAD
4.	17290/SGD/IT/2026	MUHAMMAD NAVEED
5.	17295/SGD/IT/2026	MUHAMMAD SAQLAIN NAWAZ
6.	17185/SGD/IT/2026	ZAITOON AKHTAR
7.	17139/SGD/IT/2026	SHAHIDA YASMEEN
8.	17410/SGD/IT/2026	NASIR ALI
9.	17203/SGD/IT/2026	AHMED SHER
10.	17129/SGD/IT/2026	ABDUL QADEER
11.	17245/SGD/IT/2026	ARSHAD AZIZ
12.	17209/SGD/IT/2026	AYESHA GULZAR
13.	17155/SGD/IT/2026	FAKHRA NAWAZ
14.	17256/SGD/IT/2026	FASIH SHAH
15.	17278/SGD/IT/2026	FAZ UL HASSAN
16.	17279/SGD/IT/2026	FAZ UL HASSAN
17.	17280/SGD/IT/2026	FAZ UL HASSAN
18.	17281/SGD/IT/2026	FAZ UL HASSAN
19.	17147/SGD/IT/2026	MUHAMMAD HABIB
20.	17407/SGD/IT/2026	MUHAMMAD IQBAL
21.	17284/SGD/IT/2026	MUHAMMAD SAQIB NASEER
22.	17202/SGD/IT/2026	MUHAMMAD WAQAR HASSAN KHAN
23.	17157/SGD/IT/2026	RASUL KHAN
24.	17230/SGD/IT/2026	RUKHSANA KOSAR
25.	17224/SGD/IT/2026	SHABANA KOSAR
26.	17293/SGD/IT/2026	SURRAYA YASMIN
27.	17341/SGD/IT/2026	WAHEED AFZAL
28.	17170/FSD/IT/2026	RANI BUSHRA REHMAN

