

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NO.16884/ISB/IT/2026

Dated: 11.09.2026* HQ, Islamabad

Mr. Khurram Shehzad Khan,
Mohallah Chitti Dheri,
Mansehra.

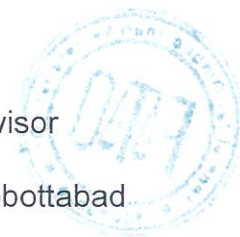
...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	:	Mr. Khalid Javed, Advisor
Appraising Officer	:	Mr. Muhammad Naseer Butt, Advisor
Authorized Representative	:	Mr. Sarmad Bashir, Advocate
Departmental Representative	:	Mr. Umar Khalid, DCIR, RTO, Abbottabad
Date of Hearing	:	08.10.2026



FINDINGS/ RECOMMENDATIONS

The complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance 2000 (FTO Ordinance) against non-issuance of refund for Tax Year-2025, by Regional Tax Office (RTO) Abbottabad, Federal Board of Revenue (FBR).

2. Precisely, the complainant is an existing taxpayer bearing Registration No. 13503-9099249-3. He filed his return of income for Tax Year 2025, claiming a refund of Rs.800,040/- on account of tax collected under Section 236C & 236K of the Income Tax Ordinance, 2001, on the Purchase & sale proceeds of a plot. An online refund application was filed on 18.12.2025, supported by CPRs No. IT-20250526-0101-1657838 & IT-20241112-0101-1266649. The complainant alleged that despite a lapse of considerable time, the refund had neither been issued nor the claim disposed of.

3. The complaint was referred for comments to the Secretary, Revenue Division, in terms of Section 10(4) of the FTO Ordinance, read with Section 9(1) of the Federal Ombudsmen Institutional

Reforms Act, 2013 (FOIR Act). The department admitted that the complainant had filed a refund application on 18.12.2025. It submitted that, according to the return of income and Wealth Reconciliation Statement for Tax Year 2025, the complainant had declared Rs.27,600,000/- as exempt income under the head "Income/(Loss) from Other Sources" and simultaneously shown the same amount as "Adjustments in Inflows," with the explanation that inherited land had been sold during Tax Year 2025. The department stated that the nature, source and correct tax treatment of the amount required verification and that the complainant was required to substantiate his claim through relevant documents. It further reported that the authenticity and admissibility of the refund claim were under verification and that the application would be processed in accordance with law after necessary verification.



4. Hearing in this case was fixed for 08.10.2026 vide notice issued under Section 9(2) of the FOIR Act, 2013. Mr. Umar Khalid DCIR, IRO, RTO Abbottabad, attended on behalf of the Department, while Mr. Sarmad Bashir, Advocate, attended as Authorized Representative of the Complainant. Both the AR and DR were heard in detail.



FINDINGS: -

5. Application under Section 170 was submitted on 18-12-2025. The department was legally obligated to dispose of the refund application, as per law within the statutory time period of sixty days. The refund authority has no mandate to probe sources of investment. The mandate of the refund officer is only restricted to verification of tax deduction. Even otherwise, the concerned tax officer of the assessment zone has had enough time since receipt of tax return to

probe sources of investment. Therefore, refund proceeding cannot be held hostage to inaction of the tax officer. The delay in processing application of the complainant for refund relevant to tax year 2025 is manifestation of neglect, inattention, and delay on part of responding department in discharge of its statutory obligations and the same is tantamount to Maladministration in terms of section 2(3)(ii) of the FTO Ordinance, 2000.

RECOMMENDATIONS:

6. FBR to –

- (i) direct the Commissioner-IR (Refund Zone) RTO Abbottabad to complete the process of verification and dispose of the complainant for Tax Year 2025 as per law; and
- (ii) report compliance within 30 days.

Dated: 23 OCT 2026


(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

