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**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

Complaint No.16748/PWR/CUST/2026

Dated: 17.09.2026 *R.O. Peshawar

Mr. Muhammad Tahir,
Gari Nohbat Khan Baghbanan Tehsil,
Peshawar.

... Complainant

V e r s u s

The Secretary
Revenue Division
Islamabad.

... Respondent

Dealing Officer	:	Mr. Sardar Ali Khawaja, Advisor
Authorized Representative	:	Mr. Muhammad Tahir, Complainant
Departmental Representative	:	Ms. Mahrukh Chohan, Assistant Collector (Appraisalment) Peshawar
Date of Hearing(s)	:	06.10.2026 & 22.10.2026

FINDINGS/RECOMMENDATIONS

The complaint has been filed in terms of Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against the Collector, Collectorate of Customs (Appraisalment), Peshawar for not disposing of the goods seized in 2016 alongwith the container, despite the fact that the Customs authorities were empowered to auction such goods even if the case was pending for adjudication.

2. Brief facts of the case reveals that original complaint bearing no. 6743/PWR/CUST/2026 was filed as on 15.04.2026 against the Collector of Custom (Appraisalment) Peshawar for not allowing refund of the sale proceeds of the goods sold through auction on 06.05.2016. The case was processed and this office vide order dated 29.06.2026 issued the following recommendations:-

"FBR to-

- (i) *The collector of Customs (Appraisalment), Peshawar to afford an opportunity of personal hearing to the lawful*



owner of the goods and to decide the refund matter on merits as per law and procedure within thirty (30) days; and

(ii) report compliance within forty five (45) days.”

3. In compliance to the above directions, the Collectorate of Customs (Appraisement) Peshawar ordered for refund of Rs.829,066/- only on account of sales proceeds of the perishable goods, auctioned by the Collectorate on 06.05.2016.



4. Being aggrieved, the taxpayer again filed the subject complaint stating that the Collectorate has issued him refund of the Sales Proceeds on account of few items which were auctioned in 2016, whereas rest of the goods alongwith the container are still lying in the Collectorate for proper disposal/auction. Contents of the complaint are reproduced as under:

- (1) I am pleased to inform with great thanks that the Collectorate of Customs Appraisement, Peshawar has issued cheque amounting to Rs.826,066/- in respect of goods appearing at S.No.3 and 5 to Table-I of the Hon'ble Customs Appellate Tribunal, Peshawar judgement in Appeal No.Cus/93/PB/2016 while rest of the goods along with container are still lying in the Collectorate whose disposal is still pending. The goods have been devalued due to non-disposal in time by the Collectorate, despite the fact there was no stay from any court and in the light of Section 82(2) read with Section 201 of the Customs Act, 1969. They are empowered to Auction such goods even if the case are pending before any court of law.
- (2) The Collectorate may kindly be asked to shift the goods and container to its SWH for further disposal either through auction or otherwise and the due amount may be refunded to us. It is further submitted that redemption fine on vehicles paid at the time of release of 02-vehicles @20% of Customs Value has also not been refunded by the Collectorate for which Collectorate may kindly be directed.

5. The complaint was referred to the Secretary Revenue Division, Islamabad for departmental reply/comments in terms of Section 10(4) of the FTO Ordinance, 2000, read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act (FOIRA), 2013. In response, the Collector, Collectorate of Customs (Appraisement), Peshawar, submitted comments vide letter dated 24.09.2026, stating that the goods under the law were not liable to be put to auction and the complainant is at liberty to approach the Collector of Customs for release of the consignment in accordance with the order of the CAT dated 30.09.2024. For easy reference contents of the report submitted by the Collector, Collectorate of Customs (Appraisement), Peshawar is reproduced as under:



- The complainant has filed a complaint regarding the non-disposal of the imported goods through auction. It is submitted that the goods were imported vide GD No.PCSI-HC-3877-14-05-2015, which was pointed out by Directorate of I&I Peshawar on account of replacement/pilferage and was adjudicated vide Order-in-Original (ONO No.43/2016 dated 06.04.2016 (Annex-A). The matter remained subjudice, and the Hon'ble Custom Appellate Tribunal, vide its order dated 30.09.2024 passed in Appeal No.158/PB/2016, ordered the un-conditional release of the aforementioned consignment (Annex-B). Since the goods remained subjudice during the relevant period and, in compliance with the order of the Hon'ble CAT, were required to be released to the importer, the same were not liable to be put to auction and were available for release to the importer against payment of the applicable duties and taxes. It is further submitted that, during the entire period, the importer never surrendered the goods for auction. Only such goods as were auctioned were those which were liable to disposal on account of their perishable nature. The onus of taking steps for disposal, i.e. getting the consignment released in terms of the order of the Hon'ble CAT, rests upon the importer. The importer may, therefore, be advised to approach the concerned Collectorate for release of the consignment in accordance with the said order and upon fulfillment of the applicable legal requirements.

- Furthermore, with respect to the vehicle, the same was released against payment of redemption fine in terms of ONO No.43/2016 dated 06.04.2016, on account of owner's disassociation from the goods. Thus, the owner of the goods is not the owner of the vehicle. Consequently, the complainant, being the owner/importer of the goods, cannot claim refund of the redemption fine, particularly when the said fine was not paid by the importer in the first instance."

6. The case was fixed for hearing. The DR Ms. Mahrukh Chohan, and the complainant Mr. Muhammad Tahir, was heard online and the case was discussed as per written arguments. The complainant stated that although he has got refund of the sale proceeds amounting to Rs.829,066/- on account of auction of the perishable items in compliance to this office recommendation in complaint No. 6743/PWR/CUST/2026 dated 29.06.2026, yet rest of the non-perishable goods alongwith the container are still lying in the Collectorate for disposal despite the fact that the CAT has already ordered on 30.09.2024 for the un-conditional release of the aforementioned consignment. It was further stated that many visits were made to the Collectorate, yet neither the goods were released nor auctioned, which tantamount to "Maladministration".

The D/R rebutted plea of the complainant stating that the goods remained subjudice for many years. During the entire period, the importer never asked for release of the goods on payment of the due taxes nor surrendered same for the auction. Hence, the responsibility for devaluation of the goods cannot be shifted to the Collectorate. The D/R advised the complainant to visit the Collectorate for release of the consignment upon fulfillment of the legal requirements.

FINDINGS:

7. The A/R and D/R heard and record perused. In view of the reply received from the Collector Customs (Appraisement), Peshawar, no "Maladministration" is established at this stage. The matter remained



pending for adjudication before the CAT till 30.09.2024. The judgement of the CAT being in favour, the complainant should have taken steps for getting the consignment released by submitting an application to the relevant Collector which has not been done.



RECOMMENDATIONS:

8. In view of the position stated at preceding paras, FBR to direct:
- (i) the Collector of Customs (Appraisement) Peshawar to ensure release of the consignment in accordance with the directions of the CAT vide its order dated 30.09.2024, within twenty five (25) days, after filing of proper application by the lawful owners; and
 - (ii) report compliance within thirty (30) days.

Dated: 27 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman