

**BEFORE
THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

0002/OM/2022

Dated: 14.01.2022* HQ, Islamabad

Moore Shekha Mufti,
Chartered Accountants,
C-253, PECHS, Block-6
Karachi.

...Petitioner

Versus

The Secretary,
Revenue Division,
Islamabad.

... Respondent

Dealing Officer

: Mr. Muhammad Tanvir Akhtar, Advisor

Informal Resolution Of Disputes
(Section-33)

The above-mentioned petition was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance), seeking appointment for redressal of a systemic hardship whereby uploading of CREDIT NOTES, in terms of section 9 of Sales Tax Act, 1990, read with Rules 19-22 of the Sales Tax Rules, 2006 have reportedly been denied through generic messages generated by FBR's portal. The said section reads as under;

9. Debit and credit note. – Where a registered person has issued a tax invoice in respect of a supply made by him and as a result of cancellation of supply or return of goods or a change in the nature of supply or change in the value of the supply or some such event the amount shown in the tax invoice or the return needs to be modified, the registered person may, subject to such conditions and limitations as the Board may impose, issue a debit or credit note and make corresponding adjustment against output tax in the return.

2. Precisely, the petitioner has agitated that while aforesaid legal and regulatory provisions categorically allow uploading of Debit/Credit Notes “illegal and unlawful check placed on FBR Web

Portal, the registered persons are not able to reverse the effect of sales tax on sales returned by their unregistered buyers while they pay back the component of sales tax to such buyers."

3. After authorization of OM investigation it was observed that the issue raised revolves around some technical hiccups therefore instead of resorting to formal investigation proceedings under FTO Ordinance, 2000, provisions of Section 33 have been invoked for instant resolution & relief. This section provides an alternate mode of redressal of the problems faced by the taxpayers. It reads;

33. Informal resolution of disputes.- (1) Notwithstanding anything contained in this Ordinance, the Federal Tax Ombudsman and authorized Staff Members shall have the authority to informally conciliate, amicably resolve, stipulate, settle or ameliorate any grievance without written memorandum and without the necessity of docketing any complaint or issuing any official notice.

4. In view of above FTO Secretariat immediately contacted both the petitioner and the concerned DBAs at Karachi and through telephonic discussions the matter was resolved before the closing of office hours. The petitioner Chartered Accountant Company confirmed that issue stands resolved and appreciated the quick & informal mechanism adopted by FTO Secretariat which by-passes lengthy investigation proceedings.

5. As the issue stands resolved, therefore, file is consigned to record.

(Dr. Asif Mahmood Jah)
(Hilal-i-Imtiaz) (Sitara-i-Imtiaz)
Federal Tax Ombudsman

Dated: 19/11 2022
U.f

Certified to be True Copy

Registrar
FTO Secretariat
Islamabad