

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

OM NO.02/OM/2024

Dated: 13.02.2024* HQs, Islamabad

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	:	Dr. Arslan Subuctageen, Advisor
Appraising Officer	:	Mr. Muhammad Nazim Saleem, Advisor
Departmental Representatives	:	Ms. Aisha Bashir Wani, Chief (F&C), FBR Mr. Ubaid Ullah, Secretary (Cus.Jud/ADRC) FBR Syed Jalal Zaidi, Dy. Director I&I-Customs

FINDINGS/RECOMMENDATIONS

This is an own motion investigation initiated through exercise of jurisdiction, conferred under Section 9(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) regarding large quantities of goods (like Currency, Gold, Silver, Precious Stones, Antiques, Arms & Ammunition, Fire Crackers Narcotics, Cigarettes, liquor, banned Drugs, acetic anhydride, Medicines, Chemicals, Obscene Films and Literature and other goods which are health/environmental or social hazards or unfit for human consumption and are lying undisposed of country wide in various Customs State Warehouses. Sr. Nos.34, 36 & 36A of the Customs General Order (CGO) 12/2002 dated 15.06.2002, provide for expeditious disposal of all such goods, the Customs authorities on one hand are not disposing these goods under the relevant provisions of laws and rules thus leading to their pilferage and replacement. Moreover, the Customs authorities are not disposing of these goods as required under the law, due to neglect, inattention and inefficiency, contrary to law and falls within the ambit of maladministration as defined under Section 2(3) of the FTO Ordinance, 2000.

* Date of registration in FTO Sectt:

2. In response to the notice issued 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, the Director (HQs), Directorate General of I&I-Customs, Islamabad and Secretary (Cus.Jud/ADRC), FBR, Islamabad, submitted formation wise data of stuck up goods pending disposal, vide letters dated 19.03.2024, 30.04.2024 and 29.05.2024. Director (HQs), Directorate General of I&I-Customs, Islamabad, vide letter dated 19.03.2024, submitted complete data, which was examined and analyzed as under:

Sr. No.	Directorate of I&I-Customs	Under Litigation	Pending for Disposal
01.	Peshawar	-	261
02.	Multan	-	14
03.	Faisalabad	-	08
04.	Hyderabad	-	96
05.	Sukkur	-	94
06.	Quetta	-	113
07.	Karachi	-	71
08.	Lahore	10	10
09.	Rawalpindi	09	03
Total		19	670

Secretary (Cus.Jud/ADRC), FBR, Islamabad, vide letter dated 30.05.2024 and 29.05.2024, submitted the required data, which was examined and analyzed as under:

Sr. No.	Collectorate of Customs	Under Litigation	Pending for Disposal
01.	Karachi JIAP	-	11
02.	Karachi Enforcement	-	1064
03.	D. I. Khan Enforcement	-	228
04.	Khuzdar Enforcement	89	-
05.	Gilgit	18	60
06.	Multan Enforcement	17	24
07.	Khuzdar Enforcement	89	-
08.	Gwadar	104	09
09.	Peshawar Enforcement	-	99
10.	Peshawar Appraisement	-	34
11.	Nowshera Enforcement	-	382
12.	Abbottabad Enforcement	01	-
13.	Islamabad IIAP	28	71
14.	Islamabad	14	18

15.	Sargodha Enforcement	66	92
16.	Sambrial, Sialkot	12	02
17.	Lahore AllAP	24	11
18.	Lahore Enforcement	50	06
19.	Hyderabad	06	92
20.	Multan Enforcement	18	23
Total		536	2226

An abstract of the above data analysis indicates the following status:

	Directorates	Collectorates	Total
Under Litigation	536	19	555
Lots pending for disposal	2226	670	2896
Total	2762	689	3451

The above data reveals that out of a total number of 3451 lots pending un-disposed of at this point in time and according to the reasons intimated by FBR, 555 lots are pending being under litigation at different legal/qusai judicial foras. This alarming pendency in cases of delay in disposal of lots or confiscated goods awaiting destruction leads to clogging and congestion at the port areas as well as at Customs State warehouses. Para/Sr. Nos.34, 36 and 36A of CGO 12/2002 dated 15.06.2002 clearly provides a precise, established and comprehensive mechanism for disposal of seized/confiscated goods, narcotic and other items seized/confiscated by the Customs department and other agencies.

3. It is also observed that the Economic Coordination Committee (ECC)'s decision in Case No.44/3/2006 dated 03.03.2006 materialized in the shape of CGO 05/2018 dated 24.05.2018 but in its eligibility criteria at para 2, the said CGO is silent about the disposal of confiscated ambulances/suitable vehicles with cut and welded or tampered chassis number to the leading registered philanthropic organizations. This matter needs to be taken up by FBR before the ECC for necessary review/modification by submitting this proposal as per SOPs to the ECC for consideration.

Findings:

4. In view of supra, it is evident that non-application of the above mentioned provisions of Customs laws, procedures and CGOs is causing unnecessary delay in disposal of confiscated goods and reflects negligence and inefficiency on part of the Customs Deptt, Directorate General of I&I-Customs and FBR and is tantamount to maladministration under Section 2(3)(i)(a)&(ii) of the FTO Ordinance, 2000.

Recommendations:

5. FBR to direct:

- (i) the Member Customs (Ops) and Director General I&I-Customs, FBR to initiate necessary processing of directions given above in para 3 and issue immediate directions to the Collectors/Directors concerned to completely eliminate this huge pendency and dispose of or destroy such goods ripe for disposal/destruction as the case may be, under the relevant provisions of law discussed above, within 60 days;
- (ii) the Member Legal (Customs), FBR to take immediate steps within 30 days for fixation of early hearings leading to decisions in cases pending before different judicial and quasi-judicial fora to expedite disposal of stuck-up confiscated goods at different Collectorates/Directorates; and
- (iii) compliance be reported within 90 days.

Dated: 21:6'2024
MR/gq

Approved for reporting


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