

**BEFORE
THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO.0152/KHI/IT/2022

Dated 17.01.2022 * R.O. Karachi

M/s. Globe Residency REIT,
Office at Arif Habib Centre, 23
M. T. Khan Road,
Karachi.

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

....Respondent

Dealing Officer
Appraisal Officer
Authorized Representatives
Departmental Representative

: Mr. Badruddin Ahmad Quraishi Advisor
: Mr. Muhammad Tanvir Akhtar, Advisor
: Mr. Abdul Ghaffar, Advocate,
Mr. Taufiq, Accountant
: Mr. Baqir Ali, DCIR, CTO, Karachi

FINDINGS/RECOMMENDATION

The above mentioned complaint was filed in terms of Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against Incorrect allocation of jurisdiction by FBR web portal 'IRIS' in violation of FBR jurisdiction order F. No. 57(2)Jurisdiction/2017/145343-R dated 01.09.2020.

2. The Complainant, a 'Real Estate Investment Trust' (REIT) got registered itself on 29.12.2021 in Karachi. But the IRIS system had placed the Complainant's case in the jurisdiction of RTO-1 Karachi instead of CTO Karachi in violation of FBR jurisdiction order F. No. 57(2) Jurisdiction/2017/145343-R dated 01.09.2020. The

Date of registration in FTO Secretariat

Complainant submitted applications to RTO-1 and CTO Karachi on 04.01.2022 to grant NOC so that the Board could transfer the jurisdiction from RTO 1 to CTO Karachi. However, the department (Deptt) failed to transfer his jurisdiction to CTO Karachi, hence this complaint.

3. The complaint was referred to the Secretary, Revenue Division for comments, in terms of Section 10(4) of the FTO Ordinance read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response thereto, the Additional Commissioner-IR (HQs) CTO Karachi vide letter dated 04.02.2022 instead of examining the issue & contents of the complaint stated that the said complaint pertained to RTO-1 Karachi on the point of jurisdiction.

4. Both the parties heard and record perused.

5. Evidently, as per FBR jurisdiction order F. No. 57(2) Jurisdiction/2017/145343-R dated 01.09.2020, the jurisdiction of all REIT cases whose place of business is situated in the areas falling within limits of Karachi lie with CTO Karachi. The Complainant, a 'Real Estate Investment Trust' (REIT) whose place of business is in Karachi got registered itself with FBR on 29.12.2021. As per 'Taxpayer Profile Inquiry' extracted on 08.02.2022 from FBR web portal, the jurisdiction of the Complainant has been placed with RTO-1 Karachi. This shows that the IRIS system of FBR web portal had placed the Complainant's case erroneously in the jurisdiction of RTO-1 Karachi instead of CTO Karachi in violation of FBR jurisdiction order F. No. 57(2) Jurisdiction/2017/145343-R dated 01.09.2020.

This is a '**system error**' which needs correction in 'Registration Process' of IRIS, FBR web portal. The registration process must strictly follow jurisdiction orders of FBR. Thus allotting wrong jurisdiction to the complainant specially in REIT cases during registration process in IRIS web portal contrary to FBR jurisdiction order F. No. 57(2) Jurisdiction/2017/145343-R dated 01.09.2020 is evident.

6, As regards the case of this Complainant who had applied for change of jurisdiction having discovered himself in wrong jurisdiction of RTO-1; FBR vide notification dated 17.12.2019 has delegated powers & functions for correction and transfer of jurisdiction. The relevant portion of the procedure is reproduced below;

"(i) The taxpayer having any problem with present jurisdiction shall submit an application to the Chief Commissioner IR having current jurisdiction for change of his / her jurisdiction wherein the taxpayer shall give the reasons for transfer of his / her jurisdiction;

(ii) The Chief Commissioner IR, within 30 days from the date of receipt of such application, shall examine the request and if found reasonable forward to the Chief Commissioner IR to whom the taxpayer intends to transfer his / her jurisdiction, for issuance of NOC. Upon receipt of such NOC, the CCIR having jurisdiction over, shall transfer the jurisdiction accordingly.

(iii) If the request of taxpayer is found not well grounded, the Chief Commissioner IR shall reject such request in writing giving therein the reasons for such rejection."

However, it has been learnt that the requisite access for change of jurisdiction by respective Chief Commissioner in IRIS portal of FBR, has been disabled by FBR (Hq). Now practically, the Secretary (IR-Jurisdiction) FBR is transferring the jurisdiction after obtaining NOC from the respective Chief Commissioners. CTO Karachi vide letter dated 25.01.2022 addressed to Secretary (Jurisdiction), FBR already

issued NOC for transfer of jurisdiction from RTO-1 Karachi to CTO Karachi.

FINDINGS:

7. Allotting wrong jurisdiction to the complainant specially in REIT cases during registration process in IRIS web portal contrary to FBR jurisdiction order F. No. 57(2)Jurisdiction/2017/145343-R dated 01.09.2020 is tantamount to maladministration in terms of Section 2(3)(i)(a) & (ii) of the FTO Ordinance.

RECOMMENDATIONS:

8. FBR to direct-

- (i) the Member (IT) for necessary correction in 'Registration Process' of IRIS FBR web portal so that all new registration cases automatically fall in correct jurisdiction in terms of FBR jurisdiction orders;
- (ii) direct the Secretary (IR-Jurisdiction) FBR Islamabad, to transfer the Complainant's jurisdiction from RTO-1 Karachi to CTO Karachi in terms of FBR jurisdiction order F. No. 57(2)Jurisdiction/2017/145343-R dated 01.09.2020; and
- (iii) report compliance within 45 days

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

Dated: 23-02-2022

U.f

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