THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

COMPLAINT NO.01803/FSD/IT/2026

Dated: 27.01.2026* R.O, Faisalabad

Syeda Maria Ashfaq
P-117. Saeed Colony No. 01, Faisalabad. ...Complainant

Versus

The Secretary
Revenue Division
Islamabad ... Respondent

Dealing Officer	: Dr. Muhammad Akram Khan, Advisor
Appraising Officer	: Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	: Mr. M Hassan Askari, Advocate
Departmental Representative	: Mr. Zulfiqar Ali, DCIR, RTO, Faisalabad

FINDINGS/RECOMMENDATIONS

The above-mentioned complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against non-issuance of refund of Rs.4.506 million for Tax Year 2024.

2. Briefly, the Complainant (having CNIC# 3630302876988) filed return of income for Tax Year 2024 under Section 114(1) of the Income Tax Ordinance, 2001 claiming refund of Rs.4.506 million. According to the Complainant, refund application for Tax Year 2024 was e-filed on 13.08.2025 followed by reminder dated 17.12.2025 & 06.01.2026. Despite repeated efforts, Deptt failed to dispose of refund application u/s 170(4) of the Income Tax Ordinance, 2001 within stipulated time.

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

* Date of registration in FTO Sectt.

Institutional Reforms Act 2013. In response thereto, the Chief Commissioner IR, Regional Tax Office, Faisalabad forwarded comments of Commissioner IR, Refund Zone, RTO, Faisalabad vide letter dated 27.02.2026. On merits, it was contended that refund application for Tax Year 2024 could not be processed as evidence of tax payments were not provided by the Complainant. Notice u/s 170(4) of the Income Tax Ordinance, 2001 had been issued to the Complainant to furnish requisite documents. As soon as, the Complainant submitted requisite documents, refund application for Tax Year 2024 would be disposed of, as per law.

4. Both parties heard and record perused.

5. During hearing, AR of the Complainant revealed that Deptt passed order u/s 4C of the Income Tax Ordinance, 2001 on 11.02.2026 for Tax Year 2024 resulting in tax demand of Rs.1.548 million. To avoid coercive measures, Complainant requested to issue refund for Tax Year 2024 after adjustment of refund claimed against the demand created through passing order u/s 4C of the Ordinance. DR informed that department was pursuing an unofficial policy to collect tax demand created u/s 4C of the Ordinance without allowing adjustment of refund. However, he failed to give any explanation or any legal basis. On the whole, Complainant's taxpayer offer to adjust refund of the same tax period against the demand of the same period was fair. Departmental insistence on cash collection in the presence of refund claim of the same period amounts to coercion and harassment.

FINDINGS

6. The delay in processing of refund application for Tax Year 2024 is manifestation of departmental neglect, inattention and ineptitude in discharge of its duties and is tantamount to

maladministration in terms of Section 2(3)(ii) of the FTO Ordinance, 2000. Moreover, department's reluctance in ***adjustment of pending refund against tax demand created u/s 4C (super Tax) and instead its insistence on cash payment of said demand*** is completely perverse, arbitrary and discriminatory in terms of section 2(3)(i)(b) of FTO Ordinance, 2000.

RECOMMENDATIONS

7. FBR to-

   i. Issue instructions to all IR field formations, ensuring that recovery of super tax is made only after adjustment of pending refund claims;

   ii. direct the CIR, Refund Zone, RTO, Faisalabad to dispose of Complainant's refund application for Tax Year 2024 as per law and after giving proper hearing; and

   iii. report compliance within 45 days.

Federal Tax Ombudsman Secretariat HQs Islamabad FTO

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 11 MAR 2026

Approved for reporting