

THE FEDERAL TAX OMBUDSMAN
Islamabad

C.No.0197/MLN/CUST/2023

Dated: 12.01.2023* R.O. Multan

Mr. Musa Bin Masood,
Safia House 102, Cantt Avenue,
Askari Bypass, Multan. ... Complainant.

V e r s u s

The Secretary,
Revenue Division,
Islamabad. ... Respondent.

Dealing Officer	:	Dr. Khalil Ahmad, Advisor
Appraised by	:	Dr. Arslan Subuctageen, Advisor
Authorized Representative	:	Complainant in person
Departmental Representative	:	Mr. Ali Hassan, AC Port MBQ, Karachi

FINDINGS/RECOMMENDATION

The complaint was filed in terms of Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against undue delay in issuance of refund / rebate claims by the Customs authorities.

2. Facts of the case in brief are that the Complainant is an exporter of handmade leather for footwear based in Multan. Since first export in 2019, the Complainant has not received rebate claims as per the GD in WeBOC/PSW after lapse of more than four years. The Complainant also filed complaints on WeBOC complaint management and traders facilitation system. Only one complaint No.0514-14092022 dated 14.09.2022 was responded – Status as Not Related dated 29.09.2022. The Complainant contacted the WeBOC support email regarding this issue but received a reply that all claims are under process. The Complainant has prayed for issuance of rebate claims amounting to Rs.3,269,860 as mentioned in following export GDs:

* Date of registration in FTO Sectt

GDs No.	Amount
KPEX-SB-61768-13-11-2019	66702
KPEX-SB-77131-12-12-2019	17840
KPEX-SB-115850-19-02-2020	47747
KPEX-SB-127530-11-03-2020	28986
KPEX-SB-161208-17-06-2020	57801
KPEX-SB-58737-03-11-2020	114719
LPAE-SB-55102-08-12-2020	1397
KPEX-SB-78006-10-12-2020	123935
KPEX-SB-123008-22-02-2021	378911
IPAE-SB-23136-23-03-2021	49166
IPAE-SB-26530-23-04-2021	9217
IPAE-SB-26532-23-04-2021	66013
LPAE-SB-101509-01-05-2021	6900
IPAE-SB-32546-22-06-2021	112516
KPEX-SB-45505-04-10-2021	464398
KPEX-SB-96365-10-01-2022	485199
KPEX-SB-97907-13-01-2022	11611
IPAE-SB-34955-03-06-2022	182085
KPEX-SB-9363-27-07-2022	618375
KPPE-SB-123136-13-12-2022	426342

3. The complaint was sent for comments to the Secretary Revenue Division and relevant field formation 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 Collector Customs (Export), PMBQ, Karachi submitted para-wise comments vide letter dated 24.01.2023 stating therein that out of 20 rebate claims only (01) rebate claim vide GD No.KPPE-SB-123136-13.12.2022 relates to this Collectorate which is still showing status "consignment shipped" rather than "marked to rebate compliance officer". This could be due to the reasons that BCA have not yet been fed in the WeBOC System by the bank or some issue with PSW System. At present no rebate claim of exporter / complainant is pending with his Collectorate.

4. On fixed date of hearing, Mr. Ali Hassan, Assistant Collector, Collectorate of Customs PMBQ, Karachi attended on behalf of the Respondent and Complainant attended in person. The DR explained that only one rebate claim is related to his Collectorate and all other rebate claims are pending at the level of other Collectorates.

5. After the hearing, the complaint was sent for comments to the Collectorate of Customs (Export) Karachi, Collectorate of Customs (AIIA), Lahore, Collectorate of Customs, Islamabad Airport, Islamabad and the Manager, Foreign Exchange Division, State Bank of Pakistan, Multan vide letter dated 10.02.2023.
6. In response thereto, the Collectorate of Customs (AIIA), Lahore vide letter dated 15.02.2023 informed that after due scrutiny claims against GD NO.LPAE-SB-55102 dated 08.12.2020 and LPAE-SB-101509 dated 01.05.2021 amounting to Rs.1397/- & Rs.5900/- respectively have been sanctioned and the cheque credited in the account of trader through folder of Chief Accounts Officer as per WeBOC record.
7. The Assistant Director, Foreign Exchange Operations Department, Multan vide e-mail dated 16.02.2023 contended that the matter was taken up with ABL Multan and it has come to light that matter of non-payment of rebate pertains to Pakistan Customs and is not related to ABL.
8. The Collectorate of Customs Islamabad International Airport, Islamabad vide letter dated 16.02.2023 responded that detailed scrutiny has been made regarding GDs relevant to it as per following details:

S. No.	Shipping Bill No.	Status
1	34955	This Collectorate received the case for rebate on 10.02.2023 in the System. The said claim is under scrutiny for process.
2	27496	The exporter has not declared the item under rebate, hence case is not admissible for rebate.
3	32546	The said claim is pending at State Bank of Pakistan for issuance of claim amount's cheque. No further action is pending at the end of Customs.
4	26532	As per law, necessary documents such as BCA, Invoice, Airway bill, backing list, have been called by Rebate Officer on 01.06.2021, however the exporter has yet not submitted the required documents.

5	26530	As per law, necessary documents such as BCA, Invoice, Airway bill, backing list, have been called by Rebate Officer on 01.06.2021, however the exporter has yet not submitted the required documents.
6	23136	The case has been reviewed and will be processed within fortnight subject to the provision of necessary documents.

9. The Collectorate of Customs Exports, Karachi vide letter dated 17.02.2023 informed that following GDs pertain to export routed through this Collectorate. The duty drawback claims thereon have been processed and sanctioned. The status of each GD is given below:

S. No.	GD No. & Dated	Status
1	KPEX-SB-9363-27-07-2022	BCA required, exporter was asked to submit BCA but no reply received.
2	KPEX-SB-96365-10-01-2022	Consignment shipped. Exporter did not upload BCA electronically.
3	KPEX-SB-45505-04-10-2021	Consignment shipped. Exporter did not upload BCA electronically.
4	KPEX-SB-123008-22-12-2021	Under process
5	KPEX-SB-78006-10-12-2020	Online payment
6	KPEX-SB-58737-03-11-2020	Online payment
7	KPEX-SB-115850-19-02-2020	Cheque No.LE1041747 dated 16.07.2021
8	KPEX-SB-77131-12-12-2019	Cheque No.LE1041747 dated 16.07.2021
9	KPEX-SB-61768-13-11-2019	Cheque No.LE1041747 dated 16.07.2021

The remaining claims pertain to the Collectorate of Customs (AFU), Jinnah International Airport, Karachi.

10. On next date of hearing the Complainant submitted latest GD wise status of export rebate claim as available on WeBOC:

S. No.	GD No. & Dated	Status
1	KPPE-SB-123136-13-12-2022	Consignment Shipped
2	KPEX-SB-9363-27-07-2022	GD Assigned to Rebate Compliance Officer For Verification
3	IPAE-SB-34955-03-06-2022	Consignment Shipped
4	IPAE-SB-27496-25-03-2022	Consignment Shipped

5	KPEX-SB-97907-13-01-2022	GD Assigned to Rebate Compliance Officer For Verification
6	KPEX-SB-96365-10-01-2022	Consignment Shipped
7	KPEX-SB-45505-04-10-2021	Consignment Shipped
8	IPAE-SB-32546-22-06-2021	Rebate Auto Submitted to SBP
9	LPAE-SB-101509-01-05-2021	GD Assigned to Rebate Compliance Officer For Verification
10	IPAE-SB-26532-23-04-2021	Documents Not Submitted by Trader
11	IPAE-SB-26530-23-04-2021	Documents Not Submitted by Trader
12	IPAE-SB-23136-23-03-2021	GD Assigned to Rebate Compliance Officer For Verification
13	KPEX-SB-123008-22-02-2021	Opened by ADC Rebate For Rebate Verification
14	KPEX-SB-78006-10-12-2020	Rebate Auto Submitted to SBP
15	LPAE-SB-55102-08-12-2020	Assigned to AO For Rebate Verification
16	KPEX-SB-58737-03-11-2020	Rebate Auto Submitted to SBP
17	KPEX-SB-161208-17-06-2020	Rebate Auto Submitted to SBP
18	KPEX-SB-127530-11-03-2020	Cheque printed
19	KPEX-SB-115850-19-02-2020	Cheque printed
20	KPEX-SB-77131-12-12-2019	Cheque printed
21	KPEX-SB-61768-13-11-2019	Cheque printed

11. It is observed that the Complainant is a manufacturer cum exporter of footwear and his claims of export rebate lodged on WeBOC are pending since 2019. He kept on pursuing for the export rebate on the portal time and again but of no avail. Overall pendency of export rebate on 21GDs is involved and the latest status as available on the WeBOC shows that not a single claim of rebate has been credited in his bank account. The said claims are pending due to various reasons as mentioned in Para 9 for each GD.

12. It is abundantly clear from the above discussion that the Complainant is suffering due to various glitches in the WeBOC and has been denied his right of export claim which is again defeating the spirit of expeditious disposal of export rebate claims being an incentive for promotion of export. The element of maladministration is evident in terms of section 9(2)(ii) of the FTO Ordinance.

FINDINGS:

13. Delay in disposal of export rebate claims by the Customs authorities since 2019 is tantamount to maladministration, in terms of Section 2(3)(ii) of the FTO Ordinance.

RECOMMENDATIONS:

14. FBR to -

- (i) direct the Collectors, Collectorates of Customs, (Export) Karachi, Allama Iqbal International Airport, Lahore & Islamabad Airport, Islamabad to dispose of pending export rebates expeditiously by completing the necessary verification as per law, within 30 days;
- (ii) the Assistant Director, Foreign Exchange Operations Department, State Bank of Pakistan Multan / Manager ABL, Nawan Shehr Branch Multan to keep track of the completion of verification process in the WeBOC in order to ensure timely credit of export rebate to the Complainant;
- (iii) the Complainant to ensure submission of required documents in cases of certain GDs as shown in the WeBOC enabling the Deptt to complete the verification process; and
- (iv) report compliance within 45 days.

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

Dated: 14 : 03 : 2023
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Approved for reporting


Director
FTO Secretariat
Islamabad