

THE FEDERAL TAX OMBUDSMAN
Islamabad

Complaint Nos.432, 452, 486, 493, 497 & 499/Infrml/2022

Dated: 06.09.2022* R.O. Faisalabad

Bank of Punjab

Retail Finance Division (RFD), M.M Tower ... Complainant
(3rd Floor) 28-A, Block-K, Gulberg II,
Lahore.

(Reference clients:

- i. Mr. Muhammad Nasir Tabasum, Kot Badar Deen, P.O. Pindi Bhattian District Hafizabad.
- ii. Mr. Abid Hussain, Faisalabad Road, Muhallah Chak Warraich Abdul Hakim Tehsil Kabirwala.
- iii. Mr. M. Tehreem Aslam, House No.9/4C Mohallah Housing Colony Shorkot, District Jhang.
- iv. Mr. Muhammad Anwar, House No.101-B Sheikh Colony Jhang Road, Faisalabad.
- v. Mr. Ansar Abbas, PO Thatti Bhelol Pur Chani Rehmat Khan Tehsil Pindi Bhattian, Hafizabad.
- vi. Mr. Munawar Hussain, Grid Road, Mohallah Nizamabad, Abdul Hakim, Kabirwala.

V e r s u s

The Secretary,
Revenue Division,
Islamabad.

... Respondent

Dealing Officer : Dr. Muhammad Akram Khan, Advisor
Appraisal Officer : Dr. Arslan Subuctageen, Advisor

Informal Resolution of Disputes
(Section-33)

The above-mentioned complaints were filed under Section 33 of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance), by the Bank of Punjab (BOP) alongwith copy of NOC from the Complainant/Buyer of Suzuki cars through lease from the BOP. The BOP filed complaints on behalf of the buyers seeking relief against charging of higher rate of sales Tax in respect of these cars purchased by the Complainant from M/s Pak Suzuki Motor Company Limited.

2. Briefly, the **Bank of Punjab** (FTN 0800543-5), (**IBAN # PK80BPUN6490055661900446**) booked these cars when the rate of sales tax was 17 percent. Meanwhile, the rate of sales tax on cars upto 1000CC was reduced to 12.5 percent, while federal excise duty (FED)

* Date of registration in FTO Sectt.

was waived off through the Finance Act, 2021, effective from 01.07.2021.

The cars were delivered to the Complainant as detailed below:

| S. No. | Name of Vehicle | Booking date | Invoice Number | Invoice date |
|--------|-----------------|--------------|----------------|--------------|
| 1 | WagonR | 24.05.2021 | VI-21055522 | 15.07.2021 |
| 2 | Cultus | 19.04.2021 | VI-21054565 | 15.07.2021 |
| 3 | Cultus | 24.05.2021 | VI-21054893 | 15.07.2021 |
| 4 | Cultus | 26.03.2021 | VI-21058282 | 16.07.2021 |
| 5 | Cultus | 15.04.2021 | VI-21055035 | 15.07.2021 |
| 6 | WagonR | 02.06.2021 | VI-21055535 | 15.07.2021 |

Though M/s Pak Suzuki Company Limited waived off FED yet it charged sales tax at the rate (17%) applicable at the time of booking, rather than invoice/delivery date depriving the Complainant benefit of reduced tax burden. The bank has now filed application to refund the differential amount of sales tax, as per the rate applicable on the date of delivery of the vehicle on behalf of buyers.

3 The complaints were referred to the Bank of Punjab for provision of following documents / information:

- (i) copy of Provisional Booking Order
- (ii) copy of invoice
- (iii) copy of sales Certificate
- (iv) IBAN of the BOP

In response thereto, the BOP submitted copy of the sales invoices, CNIC and NOC signed by the buyers.

4. Since these vehicles have been leased to the Complainants by BOP, who has lodged the complaints for refund of excess sales tax deducted. In order to ensure that the excess amount is duly passed on to the end users, BOP was requested vide this office letter dated 08.12.2022 to furnish an undertaking that effect of sales tax refund would be passed on to end users. The BOP in its response vide letter dated 12.12.2022 affirmed that the same would be done accordingly

5. After authorization of OM investigation u/s 33 it was observed that

the issue raised in the instant petition has already been raised, investigated and concluded in a number of identical cases vide Complaint Nos. 1757/LHR/ST/2021, 1628/ISB/ST/2021, 1539/ISB/ST/2021, 1528/GWL/ST/2021, 1911/LHR/ST/2021, 1954/LHR/ST/2021, 1631/ISB/ST/2021, 2016/LHR/ST/2021, 1865/LHR/ST/2021, 1980/LHR/ST/2021, 1660/ISB/ST/2021, 1752/KHI/IT/2021, 2082/ISB/ST/2021, 2082/ISB/ST/2021, 1996/KHI/ST/2021, 2136/ISB/ST/2021, 1774/LHR/ST/2021, 2036/ST/2021, 2129/ISB/ST/2021, 1964/FSD/ST/2021, 1880/FSD/ST/2021 and 1881/FSD/ST/2021, wherein relief provided by this office has already been upheld by the Hon'ble President of Pakistan vide Order Nos. 98, 100, 104, 106, 107, 111, 112, 113, 114, 115, 116, 117, 126, 127, 159, 128, 129, 134, 135, 155, 154, 156, 157 and 158/FTO/2021. All such cases are currently under implementation at Karachi. FTO's Regional office Karachi in close liaison with LTO Karachi and Pak Suzuki Motor Company Limited has worked out an efficient implementation strategy. Being 100% parallel case no further investigation is warranted as the petitioner is entitled to the relief sought by him, and granted by the competent authority in other similar cases.

6. In view of above LTO Karachi is directed to extend relief, in line with above-referred cases, to the bank of Punjab on submission of an undertaking to LTO Karachi that the benefit of refund of extra paid Sales Tax will be duly shared with the end customers/client.

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

Dated: 16/11/2022

RS

Approved for reporting