THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

COMPLAINT NO.09191/ISB/IT/2026

Dated:14.05.2026* HQ Islamabad

Ms. Fozia Sharif, ...Complainant
(Registration No:3460207035060)
Flat No. 04, Block No. 49-E, Housing Foundation Flats, Street No. 118, Sector G-11/4, Islamabad.

Versus

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

Dealing Officer	:	Mr. Muhammad Naseer Butt, Advisor
Appraised by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Shahid Iqbal (Complainant's Husband)
Departmental Representative	:	Mr. Inayat ullah Khattak, AD (Audit), RTO, Islamabad
Date of hearing	:	16.06.2026

FINDINGS/RECOMMENDATIONS

The complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance 2000 (FTO Ordinance) and the case was fixed for comments on 02.06.2026. The department filed comments, which were examined and placed on file. The complainant and DR attended. Arguments were heard and record perused and complaint is disposed of on the basis of available record as under.

2. The complainant is a housewife filed complaint against unjustified delay, issuance of unnecessary notices, and continuous harassment in respect of her refund claim filed in the year 2020. The complainant further stated that she filed refund claim in the year 2020, which remains unresolved till date, despite the passage of several years.

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* **Date of registration with FTO Secretariat**

3. The complainant further stated that during earlier proceedings, all required documents, explanations, bank statements, and supporting evidence were duly submitted before the then Commissioner-Inland Revenue. Despite full compliance and submission of complete records, the case has been unnecessarily reopened and fresh notices under section 122(9) have been issued for tax year 2020. Furthermore, demands have been raised for the same documents already submitted earlier, by a different Commissioner-Inland Revenue, without assigning any lawful or reasonable justification.

4. The complainant further stated that another notice u/s 122(9) read with section 111(1)(d) was issued, to which a detailed, comprehensive, and fully documented reply has already been submitted, explaining the gift received from her husband (Overseas Pakistani) through proper banking statements. The complainant further stated that proceedings u/s 111 had already been processed exparte vide order dated 06.05.2026. The complainant prayed to direct the department to finalize the pending proceedings and release refund claimed for tax year 2020 without further delay; Restrain the department from issuing further unnecessary notices, audits, or proceedings on matters already explained and documented.

5. The RTO, Islamabad filed written comments wherein, they stated that the claim of refund has already been processed and order passed u/s 170(4) on 19.08.2025 for tax year 2020. The said order shows the reasons for disposal of refund application to the effect that audit proceedings-initiated u/s 122(9) and 111(1) are under process.

6. Perusal of complaint and record shows that the complainant came up before this forum to seek direction to the department to release her refund for tax year 2020 and restrain the department from issuing further unnecessary notices for tax year 2020. Record further shows that the department passed order u/s 170(4) on 19.08.2025 for tax year 2020 and rejected the refund claim of the complainant on the ground that refund claim cannot be processed until the conclusion of the audit proceedings-initiated u/s 122(9) and 111(1).

FINDINGS:

7.

i. In the instant case the department concluded proceedings u/s 111(1) on 06.05.2026 for tax year 2020 through an ex-parte decision, treating an amount of Rs. 2,000,000/- as unexplained. (which was received by the complainant as gift from her husband.) Copy of order has been obtained and placed on file. **The record shows that proceedings u/s 111(1) were initiated vide notice dated 15.04.2021 requiring compliance by 24.04.2021, but concluded that Rs. 2,000,000/- is required to be added into income. It is further noticed that the said conclusion was made exparte after delay of more than 5 years on 06.05.2026.** The department's failure to finalize the matter within reasonable time has caused irreparable hardship to the taxpayer who was condemned unheard which violated the principle of timely justice, and reflects arbitrary exercise of discretionary power.

ii. It is further noted that the department issued notice to amend assessment u/s 122(9) for tax year 2020 on

07.05.2026, which is still pending at the time of hearing. **<u>The infirmities were brought to the notice of the DR that the gift was received by wife from her husband who sent foreign remittances through proper banking channel which was being treated unexplained without properly examining the relevant document and providing opportunity of hearing.</u>**

The above arbitrary, unjust and oppressive treatment amounts to maladministration in terms of section 2(3)(i)(b) of the FTO, Ordinance, 2000.

<u>RECOMMENDATIONS</u>

8. FBR to:

(i) direct the Commissioner-IR (North Zone), RTO, Islamabad to conclude pending proceedings for tax year 2020 after examining the documents relating to foreign remittance and gift after providing reasonable opportunity of hearing to the complainant within 30 days;

(ii) report compliance within 40 days.

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 30 JUN 2026
Azeem

Approved for reporting