THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

COMPLAINT NO.02266/ISB/IT/2026
Dated:03.02.2026* HQ Islamabad

Syed Baqar Hussain Shah, ...Complainant
(Registration No: 6110119013455)
Farm House No. 87, Street No. E-1,
Executive Block, Gulberg Greens,
Islamabad.

Versus

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

Dealing Officer	:	Mr. Muhammad Naseer Butt, Advisor
Appraised by	:	Mr. Khalid Javed, Advisor
Authorized Representative	:	Mr. Zohaib Hassan, Advocate
Departmental Representative	:	Mr. Inayat Ullah Khattak, AD(Audit), RTO, Islamabad

FINDINGS/RECOMMENDATIONS

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

2. The complainant, a non-resident, is aggrieved by delay in processing of refund for tax year 2024 amounting to Rs. 6,429,713/. The online refund application was filed u/s 170 of the Income Tax Ordinance, 2001 (the Ordinance) on 20.02.2025, which was not processed by the department despite a lapse of statutory time of 60 days. The complainant prayed that the department may be directed to process pending refund application and issue refund along with compensation.

* Date of registration with FTO Secretariat

3. The RTO, Islamabad filed written comments wherein, they stated that the refund of the complainant u/s 170(4) cannot be processed due to the notice u/s 111(1) of the Income Tax Ordinance, 2001 for tax year 2024 issued on 28.11.2025.

4. Perusal of record shows that the complainant filed refund application on 20.02.2025 for tax year 2024 claiming refund amounting to Rs. 6,429,713/-. The complainant, inter alia, claimed credit for the tax deducted u/s 234 on account of private vehicle tax, tax deducted u/s 236(1)(d) on account of internet bill, tax deducted u/s 236C on account of sale of property, tax deducted u/s 236K on account of purchase of property.

5. The DR provided copy of a draft notice dated 13.12.2025, which has not been issued to the taxpayer as the notice does not bear any due date nor does it have any bar code. The AR also provided copy of the same daft notice with his observations that withholding of refund on the basis of un-issued draft notice amounts to maladministration and misrepresentation of facts at the time of hearing.

6. The record clearly shows that no notice has yet been issued dated 28.11.2025 as mentioned in the written comments filed by the concerned Commissioner. Therefore, the said misstatement constitutes a serious lapse and requires explanation of the concerned Commissioner and the DR. There is no justification for withholding processing of refund application for the tax year 2024 on the basis of draft notice (not yet issued) for the tax year under consideration.

7. It may be mentioned that the refund application has to be decided, either way, within 60 days in terms of Section 170(4) of the Ordinance. However, the application is still pending despite

passage of prescribed time limit. This inordinate delay is manifestation of departmental neglect and inattention in discharge of its duties and the same is tantamount to maladministration in terms of Section 2(3)(ii) of the FTO, Ordinance, 2000.

Federal Tax Ombudsman Secretariat HQS Islamabad FTO

RECOMMENDATIONS:

8. FBR to:-

(i) direct the concerned CIR to dispose of pending refund application of the taxpayer on merit and as per law;

(ii) direct Member-IR (Operations) to call explanation of the concerned Commissioner and the DR for submitting factually incorrect comments and for lapse mentioned in para 06 above and submit the same along with his comments; and

(iii) report compliance of Sr. NO. (i) within 60 days and Sr. NO. (ii) within 30 days.

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 10 MAR 2026