THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

COMPLAINT NO.04423/ISB/IT/2026
Dated:05.03.2026* HQ Islamabad

Mr. Muhammad Arslan, ...Complainant
(Registration No:6110124249617)
Flat No. 7, Block No. 146, Street No. 137,
G-11/4, Islamabad.

Versus

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

Dealing Officer	:	Mr. Muhammad Naseer Butt, Advisor
Appraised by	:	Mr. Khalid Javed, Advisor
Authorized Representative	:	None
Departmental Representative	:	Mr. Inayat ullah Khattak, AD (Audit), RTO, Islamabad

Federal Tax Ombudsman Secretariat HQs FTO Islamabad

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 submitting comments on 26.03.2026. The comments were obtained from the department, which were examined and placed on file. However, it is noted that the critical information contained in annexture-A has not been received from the department. The case was fixed for hearing on 15.04.2026 and the department was directed to attend hearing along with information contained in annexture-A. During hearing on 15.04.2026, the DR shared information contained in annexture-A, which was examined and placed on file. The DR attended. However, the complainant did not join proceedings. Arguments were heard and record perused and complaint is disposed of on the basis of available record as under.

* Date of registration with FTO Secretariat

2. The complainant, a non-resident, is aggrieved by delay in processing of refund for tax years 2022 and 2025 amounting to Rs. 52,500/- and Rs. 1,202,500/-. The online refund application was filed u/s 170 of the Income Tax Ordinance, 2001 (the Ordinance) on 28.09.2022 for tax year 2022 and refund application was filed on 23.10.2025 for tax year 2025, which were 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 applications and issue refund.

3. Perusal of complaint and record shows that the complainant came up before this forum to seek directions to the department to process his pending refund applications for tax year 2022 and 2025 claiming refund amounting to Rs. 52,500/- and Rs. 1,202,500/- respectively. /-. The complainant, inter alia, claimed credit for the tax deducted u/s 231B (1) on account of registration of motor vehicle, tax deducted u/s 231B (3) on account of sale of motor vehicle, tax deducted u/s 234 on account of advance tax on motor vehicle and tax deducted u/s 236K on account of purchase of property. The RTO, Islamabad filed written comments wherein, they answered the queries as under;

SL. NO.	QUERIES	REMARKS
1	When was the proper refund application, as prescribed under the relevant rules has been filed by the Complainant?	Refund applications u/s 170 of the Ordinance were e-filed on 28.09.2022 and 23.10.2025 for tax years 2022 and 2025.
2	Had the limitation of 60 days from the filing of refund application expired?	Yes
3	Whether there is any outstanding current/arrear tax demand (Income Tax/Sales Tax/FED/Custom	Nothing is outstanding as per tax record.

	Duty), recoverable in the case of Complainant?	
4	Whether any tax demand created has been stayed by apex Tribunals/Courts in the case of Complainant?	No
5	Whether for any tax year wherein refund is being claimed, by the Complainant, any audit, rectification or revision proceedings are pending with the department?	No
6	What is the nature of tax deductions which constitute the basis for refund claims, ***fully adjustable, final discharge, minimum tax or adjustable subject to certain preconditions***?	Under Section 231B(1), 231B(3), 234 and 236K of the Income Tax Ordinance.
7	Tax Deductions/CPRs claimed against refund are verifiable from FBR's internal portal or external verification is required?	Partially verifiable from FBR e-portal and partially from withholding agents.
8	Whether refund claim involves any contentious legal issue which is pending at apex courts, involving multiple taxpayers?	No
9	Whether refund claims with identical facts and pattern of deductions have already been accepted & processed by the department for the previous years of Complainant or some other Tax year(s)?	No
10	Whether claimed refund or portion of it has already been adjusted by the department?	No
11	Whether the refund claim is based on an appeal effect or rectification order and whether the same has already been given within legal timelines or not?	No

Federal Tax Ombudsman Secretariat HQs Islamabad FTO

12	Whether refund claim has already been adjudicated or it is pending?	Pending
13	Whether the taxpayer has been given proper hearing in terms of section 170(4) before adjudication?	In response to the notice issued u/s 170(4) on 19.03.2026 for compliance by 03.04.2026, the complainant has not made any compliance till date. Therefore, a reminder to notice has been issued from the complainant, with a due date of 22.04.2026.

4. During hearing on 15.04.2026, the DR confirmed that refund applications are under process. The information provided above shows that the tax office admitted that the refund applications were e-filed by the complainant on 28.09.2022 and 23.10.2025, which are still pending with the department despite a lapse of statutory period of 60 days. It is also admitted by the respondent tax office that no outstanding current or arrear demand is recoverable nor is any rectification, audit or revision pending at this stage. No definite finding has been given if the tax deduction made or minimum or final.

5. It is further admitted that the pending refund claim does not involve any contentious legal issue pending before any court and that the claimed refund has not been adjusted against any other demand. Therefore, there appears no justification for delaying processing of pending refund claim.

6. It may be mentioned that the refund applications have to be decided within 60 days in terms of section 170(4) of the Ordinance after examining nature of tax deduction being final or adjustable or minimum. However, the applications are still pending despite passage of prescribed time limit and no contentious issue is involved. Therefore, the deliberate 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.

RECOMMENDATIONS:

7. FBR to:-

   (i) direct the CIR Refund Zone, RTO, Islamabad to dispose of pending refund applications of the taxpayer for tax years 2022 and 2025 on merits and issue due refund; and

   (ii) report compliance within 45 days.

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(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 27 APR 2026