THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

COMPLAINT NOS. 04863 & 04864/LHR/IT/2026
Dated: 12.03.2026* RO, Lahore

Ms. Iram Ali,
H.No.13, LDA Colony,
Samanabad, ...Complainant
Lahore.

Versus

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

Dealing Officer	:	Mr. Muhammad Jamil Bhatti, Advisor
Appraised by	:	Mr. Khalid Javed, Advisor
Authorized Representative	:	Ch. Makhdoom Rasheed, Advocate
Departmental Representative	:	Dr. Abiha Rasheed, ACIR, RTO Lahore (present online)
Hearing Date	:	**14.05.2026**

FINDINGS/RECOMMENDATIONS

The above-mentioned complaints were filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against non-issuance of refund for Tax Years 2022 and 2024. Both the complaints having similar issues involved, therefore, are being disposed of through a single consolidated order.

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2. Briefly, the Complainant, an individual, non-resident, e-filed the returns of income for Tax Years 2022 and 2024 u/s 114(1) of the Income Tax Ordinance, 2001 (the Ordinance), which were deemed to be assessed u/s 120(1) of the Ordinance, claiming refund amounting to Rs.90,000/- and Rs.214,677/- respectively. The refund arose on account of tax deducted under sections 154(1), 236K and 236Y of the Ordinance. According to the AR of the Complainant, refund applications, under sub-section (4) of Section 170 of the Ordinance, were e-filed for both tax years 2022 and 2024

*Date of registration with FTO Secretariat on 19.11.2025. However, the Deptt failed to pass orders under Section 170(4) of the Ordinance, within the stipulated time. Hence, these complaints.

3. The complaints were sent for comments to the Secretary, Revenue Division, 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 Chief Commissioner-IR, RTO, Lahore vide letter dated 21.04.2026 forwarded parawise comments of the Commissioner-IR, Refund Zone, RTO, Lahore. It has been contended that the complainant claimed tax deductions u/s 154(1), 236K and 236Y of the Ordinance for tax years 2022 and 2025. To ascertain the admissibility of tax deductions, refund applications are under process of verification and will be disposed of as per law.

4. During the course of hearing, both the AR of the Complainant and DR reiterated the stance taken in the complaint and parawise comments respectively.

5. Both parties heard and available record perused.

6. Admittedly, the Complainant e-filed refund applications for both tax years 2022 and 2024 on 19.11.2025. In terms of Section 170(4) of the Ordinance, the Deptt was required to dispose of refund applications, either way, within 60 days of the filing, after providing opportunity of hearing. It is matter of record that the Department did not take any action on the refund application and no effort was made to resolve the issue, resultantly statutory time of sixty days had lapsed. Thus, failure of the Deptt to dispose of Complainant's refund applications for Tax Years 2022 and 2024 within the time stipulated in terms of Section 170(4) of the Ordinance is established.

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FINDINGS:

7. Delay in processing of refund applications for Tax Years 2022 and 2024 are established. This delay is manifestation of departmental neglect, inaction and ineptitude in discharge of its duties and the same tantamount to maladministration in terms of Section 2(3)(ii) of FTO Ordinance, 2000.

RECOMMENDATIONS:

8. FBR to:-

(i) direct the Commissioner-IR, Refund Zone, RTO, Lahore to dispose of refund applications of the Complainant for Tax Years 2022 and 2024 after providing opportunity of hearing to the Complainant, as per law; and

(ii) report compliance within 30 days.

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 01 JUN 2026
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