THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

COMPLAINT NO. 06335/LHR/IT/2026

Dated: 09.04.2026* RO, Lahore

Mr. Muhammad Hamza Shah
S/o Muhammad Hassan Shah,
H.No.30, Block-E, Johar Town, ...Complainant
Lahore.

Versus

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

Dealing Officer	:	Mr. Muhammad Jamil Bhatti, Advisor
Appraised by	:	Mr. Khalid Javed, Advisor
Authorized Representative	:	Nemo
Departmental Representative	:	Dr. Abiha Rasheed, ACIR, RTO, Lahore (present online)
Date of Hearing(s)	:	**03.06.2026 & 18.06.2026**

FINDINGS/RECOMMENDATIONS

The above-mentioned complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against non-issuance of refund for Tax Year 2022.

2. Briefly, the Complainant, an individual, non-resident, e-filed the return of income for Tax Year 2022 u/s 114(1) of the Income Tax Ordinance, 2001 (the Ordinance), which was deemed to be assessed u/s 120(1) of the Ordinance, claiming a refund amounting to Rs.475,072/-. The refund arose on account of tax deducted under sections 151 & 236K of the Ordinance. According to the AR of the Complainant, refund application, under sub-section (4) of Section 170 of the Ordinance, was e-filed for tax year 2022 on 22.10.2024. However, the Deptt failed to pass an order under Section 170(4) of the Ordinance, within the stipulated time. Hence, this complaint.

***Date of registration with FTO Secretariat**

3. The complaint was 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 15.06.2026 forwarded parawise comments of the Commissioner-IR, Refund Zone, RTO, Lahore stating therein that the complainant claimed tax deductions u/s 151 and 236K of the Ordinance while partial relevant record was attached with the application. To ascertain the admissibility of tax deductions, the notice u/s 170(4) of the Ordinance has been issued to the complainant for compliance by 29.05.2026. The refund application is under process of verification and will be disposed of as per law once the required documents/ record will be provided by the complainant.

4. Notice was issued for hearing. But neither the complainant/AR attended the hearing proceedings nor any request for adjournment was received. However, the departmental representative attended the hearing and reiterated the stance taken in the parawise comments.

5. Argument heard and available record perused.

6. Admittedly, the Complainant e-filed refund application for tax year 2022 on 22.10.2024. 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 an opportunity of hearing. It is a 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 got lapsed. Thus, failure of the Deptt to dispose of Complainant's refund

application for Tax Year 2022 within the time stipulated in terms of Section 170(4) of the Ordinance is established.

FINDINGS:

7. Delay in processing of refund application for Tax Year 2022 is 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 application of the Complainant for Tax Year 2022 after providing opportunity of hearing to the Complainant, as per law; and

(ii) report compliance within 30 days.

9. The Complainant is advised to provide proof of tax payment to the Department within a fortnight of issuance of this order.

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 02 JUL 2026

Federal Tax Ombudsman Secretariat HQs
FTO
Islamabad