THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

COMPLAINT NO. 06720/LHR/IT/2026
Dated: 15.04.2026* RO, Lahore

Mr. Salamat Ali,
140-D, Bahadur Shah Road,
Faisal Town,
Lahore. ...Complainant

Versus

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

Dealing Officer	:	Mr. Muhammad Jamil Bhatti, Advisor
Appraised by	:	Mr. Khalid Javed, Advisor
Authorized Representative	:	Ms. Rabia Yousaf, Advocate
Departmental Representative	:	Dr. Abhia Rasheed, ACIR, RTO, Lahore (present online)
Date of Hearing	:	**09.06.2026**

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 2024.

2. Briefly, the Complainant, an individual, non-resident, e-filed the return of income for Tax Year 2024 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.1.585 million. The refund arose on account of tax deducted under section 236C and 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 2024 on 31.07.2024 followed by a reminder. However, the Deptt failed to

*Date of registration with FTO Secretariat pass an order under Section 170(4) of the Ordinance, within the stipulated time. Hence, this complaint.

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 department submitted parawise comments vide letter dated 08.06.2026 stating therein that the complainant claimed tax deduction u/s 236C and 236K of the Ordinance, hence to ascertain the admissibility of capital gain tax copy of sale / purchase deeds are required. Therefore, notice u/s 170(4) of the Ordinance has been issued to the complainant for compliance by 23.06.2026.

4. During the course of hearing, both the AR of the Complainant and the DR reiterated the stance taken in the complaint and parawise comments respectively. The AR is asked to provide bank statements showing payment detail for purchase and sale of property, proof of non-residence (NICOP), documents of sale and purchase.

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FTO
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5. Both parties heard and available record perused.

6. Admittedly, the Complainant e-filed refund application for tax year 2024 on 31.07.2024. 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 2024 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 2024 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 2024 after providing opportunity of hearing to the Complainant, as per law; and

   (ii) report compliance within 30 days.

Federal Tax Ombudsman Secretariat HQS Islamabad FTO

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: 18 JUN 2026
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