THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

REVIEW PETITION

Dated: 26.02.2026*

IN

COMPLAINT NO.29209/MLN/IT/2025

Date of Decision 28.01.2026

Malik Noor Ahmad,
Durrana Langana, Tehsil & District, Multan. ... Complainant

V e r s u s

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

Dealing Officer	:	Dr. Khalil Ahmad, Advisor
Appraisement Officers	:	Mr. Muhammad Tanvir Akhtar, Advisor Mr. Khalid Javed, Advisor
Authorized Representative	:	Rana Muhammad Imran,
Departmental Representative	:	Mr. M. Waqas Tarar, DCIR, CTO, Lahore
Date(s) of Hearing	**:**	**29.04.2026**

ORDER-IN-REVIEW

The Complainant (Petitioner) has filed Review Petition (RP) under Section 14(8) of the FTO Ordinance, 2000 (FTO Ordinance) read with Section 13(1) of the Federal Ombudsmen Institutional Reforms Act, 2013 against the following Recommendations of this forum dated 28.01.2026.

> ***"6. The Secretary Jurisdiction, FBR to settle the issue of jurisdiction of the Complainant, from CTO, Lahore to RTO, Multan, as per law in consultation with the CTO, Lahore and RTO, Multan. Report compliance within 45 days."***

2. The complaint was filed by the complainant for the change of jurisdiction from CTO, Lahore to RTO, Multan on the basis of location of business activity and residential address of the taxpayer mentioned as Durrana Langana, Dakhana Khas, Tehsil & District

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* Date of registration in FTO Sectt.

Multan. The Chief Commissioner IR, RTO, Multan issued NOC addressed to Secretary (Jurisdiction) vide letter No. 5395 dated 31.12.2025 for transfer jurisdiction of the taxpayer from CTO, Lahore to RTO, Multan. On the contrary CCIR, CTO, Lahore vide letter dated 24.12.2025 contested the change of jurisdiction on the strength of Board's jurisdiction letter F. No. 7(401) Jurisdiction/2019-180737-R dated 30.11.2025 whereby the cases of builders and developers, who availed the special provision of 100D of the Ordinance, has been assigned to Zone-V, CTO, Lahore ***because the taxpayer has opted for taxation as a builder under Section 100D***.

3. The Complainant has filed the RP on the following grounds:

i. The Taxpayer is merely the owner of the land and has no role as a builder or developer in the said project. The Complainant/Taxpayer entered into lawful development agreements with Khan Estate Developer (Pvt) Ltd. and Royal Developers and Builders (Pvt) Ltd., under which the entire responsibility of construction, development, marketing, and sale of units is solely vested with the said developers.

ii. The Complainant/Taxpayer neither participated in the development activities nor received any consideration other than his agreed share as landowner, strictly in accordance with the contractual terms. Copies of the agreements and supporting documents were produced on record.

iii. Despite the clear factual legal position, this forum failed to appreciate the documentary evidence and did not pass a reasoned and speaking order as required under the law. Instead, the matter was forwarded to the Secretary, Jurisdiction, FBR without deciding the core issues involved in the case. Such action is arbitrary, contrary to principles of natural justice, and has caused serious prejudice and injustice to the Complainant/Taxpayer."

4. The CCIR, CTO, Lahore has again endorsed the comments of CIR, Zone-V, dated 16.03.2026 vide letter dated 18.03.2026 for the review filed which are as under:

- "Record reveals that the taxpayer had registered himself on 31.12.2020 as a Builder & Developer by filing registration form for the Builder and Developer and applied to avail the benefits of special provision under Section 100D of the Income Tax Ordinance, 2001 (copy is enclosed). This led to assignment of jurisdiction to Zone-V, CTO, Lahore.
- The complainant never informed the department with regard to non-fulfillment of preconditions laid down in Section 100D of the Income Tax Ordinance, 2001. However, on issuance of notices to provide the documentary evidence with regard to completion of project, the complainant showed its inability to complete the registered projects as builder and developer. Therefore, the case of the taxpayer was selected for audit so that any misuse of the special provision/ element of concealment may be ascertained. Moreover, the Board has categorically assigned the jurisdiction of these cases to the Zone-V, CTO, Lahore."

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5. Further, the Second Secretary (IR-Jurisdiction), FBR, Islamabad vide letter dated 02.03.2026 reiterated the stance taken by CTO Lahore that the complainant has opted for taxation under section 100D of the Ordinance. Proceedings under Section 177(1) of the Ordinance are also pending in the case of the taxpayer. Jurisdiction of cases of Builders and Developers of RTO Multan has been assigned to CTO Lahore as per Notification F.No.57(2) Jurisdiction/2017-45610-R dated 22nd March 2023. Foregoing in the view, the jurisdiction of the complainant is correctly assigned to CTO Lahore. Therefore, change of jurisdiction is not required.

6. The review proceedings were held on 29.04.2026 and were attended by the AR of the Complainant whereas the CIR Mr. M. Waqas Tarar from CTO, Lahore appeared as DR on zoom. Both

were heard at length. The AR explained that the review application has been filed to recall/reconsider the Findings/Recommendations already given in complaint number 29209/MLN/IT/2025 on the grounds already mentioned in Para 3. He agitated that jurisdiction of the case falls with RTO, Multan and no categoric findings in this context has been given in the aforesaid order. He, however, explained that the Complainant is facing travel hardship in pleading his case at Lahore in the pending audit proceedings. The CIR on his part repeated the stance taken by the Deptt in retaining the jurisdiction with CTO Lahore being in conformity of Board's jurisdiction letter F. No. 7(401) Jurisdiction/2019-180737-R dated 30.11.2025.

7. Fact of the matter is that this forum asked FBR to decide the matter as per law without commenting upon the legality of jurisdiction. It is worthwhile to mention that this forum is not competent to comment upon the legality of the jurisdiction in terms of Section 9(2)(b) of the FTO Ordinance. As stated by the Deptt the status of Taxpayer / Complainant as builder / developer having himself availed special provision of 100D of the Ordinance is under adjudication with Zone-IV, CTO, Lahore. The Taxpayer is agitating against the same. It would therefore be appropriate that the contentious issue must be settled: whether the Complainant falls under the category of Builders & Developers or not. This resolution depends upon the satisfaction of the Deptt because the assigned/impugned status is based on Complainant's own declaration. In view of above earlier recommendations are modified as under;

i. The Complainant is directed to join the departmental audit proceedings and discharge the desired onus that in development agreements with Khan Estate Developer (Pvt) Ltd. and Royal Developers and

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Builders (Pvt) Ltd; his role is other than of Builder & Developer,

ii. the Commissioner-IR, Zone-IV, CTO, Lahore is directed to decide the pending proceedings at the earliest, by ascertaining the actual status of the Complainant/Taxpayer as developer/builder or otherwise, in the light of facts of the case; and

ii. report compliance within 60 days.

8. The instant review petition is disposed of in above given terms and earlier recommendations in this case stand modified to the extent of this order.

Federal Tax Ombudsman Secretariat HQs Islamabad FTO

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 16 JUN 2026
Azeem