

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

REVIEW PETITION

Dated: 16.09.2026* R.O. Lahore

IN

COMPLAINT NO. 07345/LHR/IT/2026

M/s Bankers Avenue Society Limited, ...Complainant/Petitioner
Across Hadyara Drain Bedian Road,
Lahore.

Versus

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

Dealing Officer : Mr. Khalid Javed, Advisor
Authorized Representative : Nemo
Departmental Representative : Mr. Muhammad Waqas Tarar, CIR Zone-V,
CTO Lahore
Date(s) of Hearing : 30.09.2026

ORDER-IN-REVIEW

The Complainant filed a complaint alleging maladministration in connection with its income tax assessment for Tax Year 2018 and the subsequent proceedings. The Complainant also raised a grievance regarding non-disposal of an application dated 17.02.2026, filed under Section 221 of the Income Tax Ordinance, 2001.

2. The assessment had been made under section 122(1) of the Income Tax Ordinance, 2001, on 24.06.2024. The complainant's appeal against the above referred order was dismissed by the Appellate Tribunal Inland Revenue (ATIR), Lahore, on 02.10.2024.

*Date of registration with FTO Secretariat



3. By order dated 13.08.2026, the complaint was dismissed, principally on the ground that the assessment-related matters had already been adjudicated by the ATIR and were consequently outside the scope of examination in view of Section 9(2)(b) of the Federal Tax Ombudsman Ordinance, 2000.

FACTS OF THE CASE: -

4. Through the present review petition, the Complainant has contended, inter alia, that the original complaint also concerned with the failure of the department to dispose of the separate application filed under Section 221 of the Income Tax Ordinance, 2001, on 17.02.2026. According to the Complainant, this grievance was distinct from the assessment-related matters decided by the ATIR and required separate consideration.

5. The department opposed the review petition, maintaining that the assessment-related issues had already been adjudicated by the ATIR. However, it acknowledged the filing of the application under Section 221 and stated that the competent authority would dispose of the same in accordance with law.

6. The review petition, therefore, requires consideration to the limited extent of the separate grievance concerning non-disposal of the application under Section 221 of the Income Tax Ordinance, 2001. The assessment proceedings and the matters adjudicated by the ATIR are not being reopened in these review proceedings.

7. Hearing in this case was conducted on 30.09.2026. The CIR Zone-V, CTO, Lahore represented the Deptt. However, the Complainant/AR did not attend the proceedings despite issuance and service of notice of hearing. Accordingly, the review petition is being disposed of on the basis of written arguments of the Complainant as well as Departmental comments along with appellate order, available on record.



FINDINGS: -

8. Section 221 of the Income Tax Ordinance, 2001, provides a statutory mechanism for rectification of mistakes apparent from the record. Under subsection (3) of Section 221, where a mistake apparent from the record has been brought to the notice of the Commissioner or Commissioner (Appeals), and no order has been made before the expiration of the financial year next following the date on which the mistake was brought to notice, the statutory consequence specified in that subsection follows, subject to its terms.

9. The application in question was filed on 17.02.2026. The statutory period contemplated by Section 221(3), calculated with reference to the financial year in which the application was filed, has not yet expired. Accordingly, no conclusion is warranted that the statutory consequence provided by that subsection has already arisen.

10. The existence of an outer statutory period, however, does not by itself require the competent authority to defer consideration of an application until the last day of that period. The time prescribed for a statutory consequence arising from non-disposal is distinguishable from the time reasonably required by the authority to perform its statutory function. The former does not, in itself, establish that postponing disposal until the end of the prescribed period is necessary or appropriate in every case.

11. Whether earlier disposal should be recommended must depend on the circumstances of the particular case. In the present matter, the application has remained pending since 17.02.2026, and the department has acknowledged its existence and stated that the competent authority will dispose of it in accordance with law. No specific impediment to its timely disposal has been identified in the departmental response.



12. Timely disposal would bring certainty to the parties and ensure that the statutory remedy is dealt with without avoidable delay. A recommendation for disposal within a reasonable time period does not curtail the statutory period prescribed by Section 221(3), nor does it predetermine the outcome of the application. The competent authority remains responsible for dealing with the matter independently and in accordance with law.

13. The principle emerging from the foregoing is that, where the law prescribes an outer period for a statutory consequence, that period does not justify postponing the performance of the underlying statutory function until its expiry. Where the circumstances warrant, this Forum may recommend earlier disposal without examining the merits of the application or directing any particular outcome.

14. The grievance regarding non-disposal of the application under Section 221 is distinct from the assessment-related matters adjudicated by the ATIR. The former can, therefore, be addressed through a recommendation for timely disposal without reopening or expressing any opinion on the latter.

15. For these reasons, the review petition merits acceptance to the limited extent of the grievance concerning non-disposal of the application dated 17.02.2026 under Section 221 of the Income Tax Ordinance, 2001.

RECOMMENDATIONS: -

16. The Federal Board of Revenue (FBR) is recommended to direct the Commissioner concerned to dispose of the complainant's application dated 17.02.2026, filed under Section 221 of the Income Tax Ordinance, 2001, within 20 days of receipt of this order, in accordance with law.

17. The Commissioner concerned shall report compliance with the above recommendations to this Forum within the stipulated time period.



18. It is clarified that this order expresses no opinion on the merits of the application under Section 221 or on the outcome to be reached by the competent authority. The recommendation is confined to timely disposal of the pending application in accordance with law.

19. The review petition is accepted to the limited extent as stated above. The order dated 13.08.2026 shall stand modified accordingly, while the findings concerning the assessment-related matters already adjudicated by the ATIR shall remain undisturbed.

Dated: 30 SEP 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Approved for reporting
[Signature]



