THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

REVIEW PETITION
Dated: 04.06.2026* R.O. Karachi
IN
COMPLAINT NO. 12151/KHI/ST/2026

The Secretary,
Revenue Division,
Islamabad. ...Petitioner

Versus

Mr. Taha Javed, Proprietor, ...Respondent
M/s Beejays Fabrics, Shop No. G-67,
Ground Floor, Saima Paari Mall, Hyderi,
Karachi.

Dealing Officer	:	Mr. Khalid Javed, Advisor
Authorized Representative	:	Mr. Abdul Razzak Sodha, AR
Departmental Representative	:	i. Mr. Rizwan Memon, CIR, Zone-II, CTO-I, Karachi. ii. Ms. Uzma Saqib, CIR Zone-IV, RTO-I, Karachi
Date of Hearing	:	**24.09.2026**

ORDER-IN-REVIEW

The present review application arises from the Findings/Recommendations dated 04.08.2026 passed by this Forum in Complaint No.12151/KHI/ST/2026 concerning sealing of the complainant's business premises at Shop No. G-67, Ground Floor, Saima Paari Mall, Hyderi, Karachi. The record established that the sealing order dated 05.05.2026 was issued against M/s Beejays Pret, NTN 2348594-9, whereas the premises actually sealed were those of M/s Beejays Fabrics, NTN 4782283-3, a separate registered taxpayer.

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*Date of registration with FTO Secretariat

This Forum consequently found that the sealing action was without lawful authority and constituted maladministration.

2. In consequence, this Forum recommended that the concerned Commissioner-IR, RTO-I Karachi, immediately de-seal the business premises, while the Chief Commissioner-IR, CTO Karachi, was required to conduct an inquiry into the circumstances in which an order issued against another taxpayer came to be executed against the complainant and to furnish a compliance report within 30 days. The use of the expression "immediately" was deliberate, having regard to the serious consequences of continued closure of a running business.

3. The Department subsequently filed the present review petition on 02.09.2026. The review substantially relied upon the same factual circumstances which had been considered in the original proceedings, including the alleged common trade name, family relationship, social-media representation and the status of the business premises in the complainant's registration profile.

HEARING AND PRESENT POSITION: -

4. The review petition was heard on 23.09.2026 and 24.09.2026. The concerned Commissioner-IR appeared before this Forum and informed that the business premises had now been de-sealed. The complainant confirmed that, since his grievance regarding the sealing of the premises had been resolved, he did not wish to pursue his claim for compensation and would not press the same.

5. In view of the statement made by the complainant and the restoration of his business premises, no further relief is presently required in respect of the individual grievance. The claim for compensation is accordingly not pressed and stands closed. This Forum, therefore, does not consider it necessary to determine or award compensation in the present proceedings.

FINDINGS: -

6. Although the immediate grievance now stands resolved, this Forum considers it necessary to record that the original issue was not a mere technical discrepancy. The sealing order dated 05.05.2026 was against a different registered taxpayer, whereas the coercive action was executed against the premises of the complainant, who held a separate NTN. This Forum had already found that a statutory power having such serious civil consequences must be exercised against the person and premises lawfully covered by the authorization.

7. The Department was fully aware of the seriousness of the matter when this Forum passed its Findings/Recommendations dated 04.08.2026. The direction for immediate de-sealing and the separate 30-day period allowed for inquiry and submission of the compliance report demonstrate that this Forum consciously distinguished between the urgent requirement of restoring the taxpayer's business premises and the subsequent examination of responsibility for the erroneous execution of the sealing order.

8. It is also pertinent that, where the Department encounters any difficulty in implementation of an FTO recommendation, the matter is required to be dealt with through the statutory implementation mechanism. In the present case, no such difficulty was brought to the notice of this Forum immediately after the order dated 04.08.2026. Instead, the review application was filed on 02.09.2026, while the complainant continued to remain deprived of his business premises. The Forum does not consider it necessary to pursue this aspect further now that the premises have been restored and the complainant has chosen not to press compensation; nevertheless, the episode warrants appropriate institutional directions so that such a situation is not repeated.

9. The concerned Commissioner was accordingly advised during hearing to exercise the utmost care in future while resorting to sealing of business premises. Sealing is an exceptionally serious coercive measure. It does not merely affect a taxpayer's tax affairs; it physically interrupts his business, affects employees, customers, commercial commitments and the taxpayer's ability to earn his livelihood. The tax administration itself is also a stakeholder in the continued existence of a functioning business, since a viable business generates taxable economic activity and revenue. Coercive powers should, therefore, be exercised with precision and only after ensuring that the taxpayer, NTN, premises and authorization correspond with each other.

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10. The concerned Commissioner-IR appeared before this Forum during hearing and confirmed that the complainant's business premises have now been de-sealed. The complainant, while confirming restoration of his premises, stated that since his grievance has been resolved, he does not wish to pursue his claim for compensation. In these circumstances, this Forum considers the immediate grievance to have been redressed. The Commissioner was, however, advised to exercise utmost care in future in resorting to the power of sealing, as closure of a business premises has serious civil and commercial consequences for the taxpayer.

11. This Forum also takes note that, after the matter was brought to the attention of the Commissioner and the Department was made to realise the defect in the impugned action, the premises have ultimately been de-sealed and the complainant has chosen not to pursue compensation. In these circumstances, and taking into account the present compliance, this Forum considers that the earlier recommendation for an inquiry to fix responsibility upon the officers/officials involved in execution of the sealing action need not be pursued further and the said recommendation is accordingly withdrawn.

This withdrawal, however, shall not be construed as approval of the manner in which the sealing action was originally undertaken, which has already been found by this Forum to have been without lawful authority.

RECOMMENDATIONS: -

12. FBR is recommended to issue necessary directions to all concerned field formations that the statutory power to seal business premises shall be exercised strictly within the four corners of the applicable law, rules and prescribed procedure, and with the highest degree of care and responsibility. Before execution of any sealing order, the concerned officers shall ensure that the taxpayer/person named in the authorization, his NTN/STRN or other relevant taxpayer identifier, the premises proposed to be sealed and the jurisdiction of the authority exercising the power correspond with the authorization and the applicable law.

13. In view of the de-sealing of the premises and the complainant's statement that he does not wish to pursue compensation, the immediate grievance stands redressed. The earlier recommendation regarding inquiry and fixation of responsibility is withdrawn for the reasons recorded above.

14. The review petition is accordingly disposed of in the above terms and earlier order dated 04.08.2026 stands modified accordingly.

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 24 SEP 2026

Approved for reporting.