



# NEWSLETTER FEDERAL TAX OMBUDSMAN



## INSIDE THIS ISSUE:

“ Every Decision of FTO is a Step Towards a Better Pakistan ”

*For details page 04*



**Hamdard University Students Visit FTO Secretariat**

*For details page 07*



**Making Sure that the Grievances of the Taxpayers are Immediately Redressed**

*For details page 08*

◆ **Women Empowerment is Imperative for a Better Tomorrow**

*For details page 10*

◆ **Land Mark Decisions of FTO During January – June 2022**

*For details page 13*

◆ **Hon'ble President Upholds The Orders of Tax Ombudsman**

*For details page 17*

Patron-in-Chief  
**Dr. Asif Mahmood Jah (FTO)**  
(Hilal-i-Imtiaz)(Sitara-i-Imtiaz)

Editors  
**Mr. Majid Qureshi**  
**Mr. Sohaib Marghub**

Editorial Board:  
Zoyina Ali Pasha, Syed Danish Bukhari  
Designer: Muhammad Mushtaq

**We are on Social Media**



ftopakistan



taxombudsman



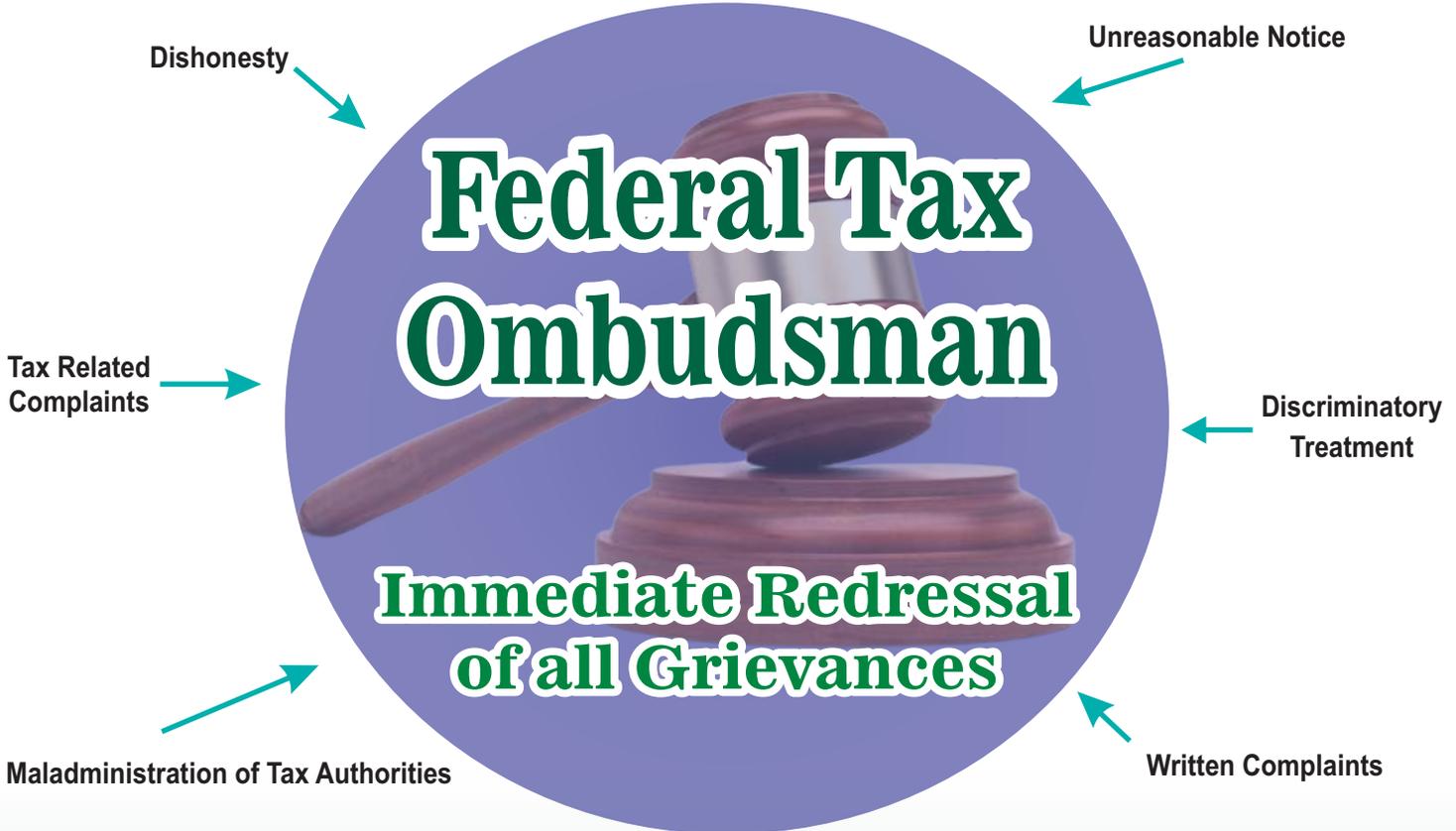
FTO

Ph: 051-9212437 / 042-99202454 0334-0544460

Email: media@fto.gov.pk / Web: www.fto.gov.pk



## Quick Redressal of Complaints Against Federal Tax Authorities: Justice at Your Door Step



Written Complaints
  FTO Portal
  Mobile App
  WhatsApp

### Contact/Registration of Complaints

**Federal Tax Ombudsman Secretariat Headquarter Islamabad**  
5-A, Constitution Avenue, Islamabad Tel: 051-9212316, 051-9217767  
Fax: 051-9205553, E-mail: info@fto.gov.pk

**Regional Office Karachi**  
8th Floor (NICL) Building, Sharah-e-Faisal Towards DHA, Karachi.  
Tel: 021-99225059, Fax: 021-99225058, E-mail: ftokhi@fto.gov.pk

**Regional Office Lahore**  
Bungalow No. 186-A Scotch Corner, Upper Mall, Lahore  
Tel: 042-99201894, Fax: 042-99201893. E-mail: ftolhr@fto.gov.pk

**Regional Office Peshawar**  
H # 9A-B/2, Old Jamrud Lane Road, University Town, Peshawar.  
Tel: 091-9224200, Fax: 091-9224201. E-mail: adminpwr@fto.gov.pk

**Regional Office Quetta**  
1st Floor, Mashriq Plaza Opposite FC HQ, Hali Road, Quetta.  
Tel: 081-9202653, Fax: 081-9202841. E-mail: ftoqta@fto.gov.pk

**Regional Office Faisalabad**  
House No. 35, Canal Park East Canal Road, Faisalabad  
Tel: 041-9230241, Fax: 9230244. E-mail: ftofaisalabad@gmail.com

**Regional Office Multan**  
House No.98A, Ibrahim Avenue, Gulgasht Colony, Multan Tel:  
061-9210348, Fax: 061-9210349. E-mail: ftomultan@gmail.com

**Regional Office Gujranwala**  
House No.68, Climax Town, G. T. Road, Gujranwala.  
Tel: 055-9330590 Fax: 055-9330589. Email: fto.gwl@gmail.com

**Regional Office Sialkot**  
FTO Office, Sialkot Chamber of Commerce and Industry, Paris  
Road Sialkot- Tel: 052-42737999. E-mail: ftoskt@gmail.com

**Regional Office Sargodha**  
House No. 62/72, Peer Muhammad Colony, University Road,  
Sargodha. Telephone: 048-9330147

**Regional Office Sukkar**  
Bangalow No. 32, Sukkur Cooperative Housing Society,  
Sukkur. Telephone: 071-5825222

**Regional Office Abbottabad**  
House No.01, Street No. 01, Moosa-zai Colony, Abbottabad.  
Telephone: 0992-920200

## MESSAGE OF FTO

### Show Respect to Taxpayers!

السَّلَامَةُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

Dear Taxpayers,

The institution of Federal Tax Ombudsman (FTO) guarantees the protection of your rights. The basic purpose of this institution is to treat the taxpayers with respect, to protect their legitimate and genuine rights, to do away with the excesses committed by the tax authorities and to take right measures by pointing out maladministration and inefficiency of tax officers and staff. By the grace of Almighty Allah, the taxpayers from remote corners of the country are having recourse to FTO. Difficulties with regard to their problems and tax payment are being resolved promptly. This is evident from the performance of FTO for the last six months. During first six months of 2022, more than three thousand, one hundred and thirty four (3134) complaints were registered, out of which two thousand, six hundred and fifty (2650) complaints were decided. More than 80% complaints were decided in favour of the taxpayers. In the history of FTO, highest number of 924 complaints were registered in June, 2022 and record number of 672 complaints were decided.

The institution of Federal Tax Ombudsman works under the supervision of the Honourable President of Pakistan. It is a matter of great satisfaction that the President of Pakistan endorsed the findings of the FTO in more than 99% cases by upholding our decisions in favour of the taxpayers. In line with the directions of the Hon'ble President, we have completed automation



of the FTO Secretariat. Any taxpayer can file his complaint personally or by mail on our website ([www.fto.gov.pk](http://www.fto.gov.pk)), e-mail, Mobile App and WhatsApp Number 0334-0544460. Immediately after receipt of taxpayer's complaint, proceedings in the matter start. In the absence of legal counsel of the Complainant, Advisor to the FTO guides the complainant, so that he pleads his case properly.

During past six months, the FTO has organized many awareness seminars in distant areas of the country. Under the leadership of the Hon'ble President of Pakistan, three seminars were held in Lahore and Islamabad. The institution of FTO provides relief to the public. Its basic objective is to protect the rights of the taxpayers, and to increase the state exchequer by serving the role of a bridge between the FBR and the taxpayers.

If you have any hardship or problem from the Tax Authorities, you may contact us. Inshallah, your problem would be resolved immediately.

May Almighty Allah bless all of you, and be your protector and guide!

Pakistan Zindabad



**(Dr. Asif Mahmood Jah)**  
(Hilal-i-Imtiaz) (Sitara-i-Imtiaz)  
Federal Tax Ombudsman

## “Every Decision of FTO is a Step towards a Better Pakistan”



Tax Ombudsman Secretariat organized three Public Awareness Seminars during January – June 2022, which were largely attended by business community, tax & law practitioners, heads of the Chambers of Commerce and Industry and senior government officials. The first Seminar was held at the Governor House, Lahore on 3rd February, 2022 which was graced by the Hon’ble President of Pakistan, Dr. Arif Alvi, the Hon’ble Governor Punjab, Ch Muhammad Sarwar and the Hon’ble Federal Tax Ombudsman, Dr. Asif Mahmood Jah (Hilal-e-Imtiaz & Sitar-e-Imtiaz).

The second and third seminars were organized at the Aiwan-e-Sadr, Islamabad on 28<sup>th</sup> February, and 13<sup>th</sup> June, 2022 wherein the President of Pakistan graced the events as Chief Guest. The Federal Ombudsperson for Protection against Harassment of Women, Ms. Kashmala Tariq and Insurance Mohtasib Dr Khawar Jamil also attended.

Efforts were underway to make FTO a Public-Relief Organization and a platform for prompt dispensation of justice, said Dr. Asif Jah. He said that facilitation desks had been established at important airports and border Customs stations to provide the necessary information and immediate relief to the travellers. The FTO highlighted that during the first six months of the year 2022, over 3134 complaints have been received by the FTO office which have been mostly resolved. He urged the participants to further highlight the services being

provided by the Tax Mohtasib.

The Honorable President, Dr. Arif Alvi shared his views about the role of the office of the FTO and admired the efforts regarding redressal of the complaints of the taxpayers. The President said that the FTO was playing an important role in discouraging corrupt practices and arbitrary use of authority by the tax officials besides reducing unnecessary delays caused by the tax machinery. He further stated that due to FTO’s efforts, the number of complaints filed with the FTO has more than doubled which was proof of the rising awareness and confidence of the people. The President appreciated that the FTO was providing prompt and cost free justice to the taxpayers.

He advised the Mohtasib to launch awareness campaigns regularly across the country in the form of workshops, seminars and personal visits to the relevant trade, business and investment institutions to highlight the importance of paying just and lawful taxes and to approach the Federal Tax Ombudsman for the redressal of their complaints.

The Hon’ble President and FTO on this occasion also inaugurated FTO Portal and Mobile App for the ease of the tax payers and gave away certificates for outstanding performance among the best employees of the FTO Office who performed extraordinarily during the year 2021.

## FTO Disposes of 2,650 Complaints in Six Months

Tax Ombudsman Dr. Asif Mahmood Jah has disposed of 2,650 complaints in six months of the current year. After taking charge as FTO on 29<sup>th</sup> September, 2021, he has directed to promptly dispose of the complaints. In an interview with Business Recorder, Tax Ombudsman stated “Because of my career in the FBR, I am well known to every department and officer of the Board, therefore, 30 percent tax problems are solved through a simple phone call. I am making efforts to promote the office of FTO as a public relief-oriented organization.” The FTO further stated that the office of FTO had its presence in seven cities when he took over last year. It has been expanded to another four small cities, including Sargodha, Sialkot, Sukkur and Abbotabad to provide justice to taxpayers at their doorstep. Besides, honorary advisors from various chambers of commerce and industry had been appointed to remove hesitation of taxpayers in approaching the office of FTO. He is serving the institution for the last nine months and worked hard to activate it in the larger interest of taxpayers. Dr. Jah said that the objective of FTO was to resolve tax matters of taxpayers but due to the

appointment of non-tax Ombudsmen for the past 22 years, this office had not attained the desired level of relevance to taxpayers.

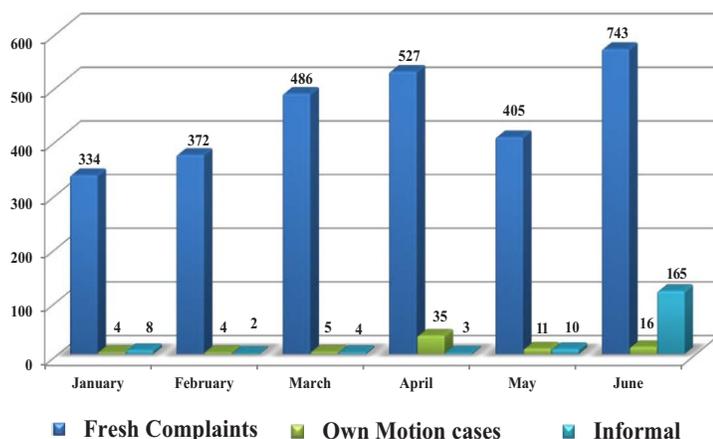
He said that the FTO was bound to dispose of a complaint within 60 days. “Sometimes, I reach conclusion within one hour of the filing of a complaint. Only a telephone call to the relevant office is sufficient to resolve the issue in hand,” he said, adding that it was not the situation earlier and the complainants were supposed to wait for long. He said there is no fee for filing of complaint and a complainant can file his complaint in written form or through mobile app of the FTO office. Status of the pending complaints could be checked though dialing 9386. A cost free justice is the sole objective of the office of FTO, he emphasized.

He said FTO has a status of Supreme Court Judge and he can award six months punishment under contempt of court law. Only President of Pakistan can hear appeal against FTO decision. FTO has also directed in recent past that the FBR should not deduct tax on the income of daily wagers and contract employees, falling below the

threshold of taxable income. Similarly, he ordered return of tax difference in booking and delivery of Suzuki cars to their purchasers. Over 10,000 customers of small cars have benefited from this decision, he added.

When asked about the nature of complaints received by his office, he said, most of the taxpayers turn up with a complaint of delay in payment of due refunds by the FBR. He said his office has also detected illegal refunds payments and recommended punishments to the concerned FBR staff.

Source: Business Recorder, 2022



### (Complaints Registration at FTO for Period Jan-June, 2022)

Months (2022)	Fresh Complaints	Own Motion Cases	Informal	Total (Complaints + OM + Informal)
January	334	4	8	346
February	372	4	2	378
March	486	5	4	495
April	527	35	3	565
May	405	11	10	426
June	743	16	165	924
<b>Total</b>	<b>2867</b>	<b>75</b>	<b>192</b>	<b>3134</b>



## Comparative Analysis of Registration / Disposal of Complaints during the year 2021 & up to June 2022

The FTO Secretariat is undergoing a turnaround since October, 2021. Unprecedented series of awareness seminars, outreach sessions has resulted in remarkable increase in the registration and disposal of complaints. During first six months of the current year, 3134 fresh complaints have been filed by the taxpayers, out of which 2650 have been decided. Furthermore, 75 fresh Own Motion cases have also been registered. Out of these complaints, 1518 were accepted, 654 were rejected and 247 were withdrawn. An overview of the performance is given in the below tables :

Months	Fresh Receipts (2021)	Fresh Receipts (2022)	Disposal (2021)	Disposal (2022)
January	191	346	198	307
February	241	378	153	305
March	231	495	205	287
April	240	565	213	535
May	164	426	201	544
June	381	924	281	672
<b>Total</b>	<b>1448</b>	<b>3134</b>	<b>1251</b>	<b>2650</b>
<b>Percentage % Increase</b>	<b>116.4%</b>		<b>109.3%</b>	

The FTO Office has revived the trust of the taxpayers by attending to the issues of delay in refunds/ pendency of cases, illegal/unnecessary actions and harassment of business community. All these steps are taken to achieve the goal of facilitating taxpayers and ensuring speedy justice and relief.

## Public Awareness Campaign of Federal Tax Ombudsman

FTO & PTA Awareness Campaign		
S. No.	Operator	Messages Broadcast for FTO (In Millions)
1	UFONE	12
2	TELENOR	41.8
3	JAZZ	52
4	ZONG	35

Millions of messages have been sent by cellphone companies on FTO's request.

## Hamdard University Students Visit FTO Secretariat



The Law Students of Hamdard University Karachi visited FTO Secretariat Islamabad on 7<sup>th</sup> June, 2022. An interactive session included a presentation by the Director General, Mr. Khaldun-ul-Haq, an overview of FTO Ordinance 2000 by Advisor Legal Mr. Almas Ali Jovinda and keynote address by the Honorable FTO, Dr. Asif Mahmood Jah about the role and importance of the FTO office.

The Hon'ble FTO said that our youth is our real strength. Pakistan is a young country. I welcome all the talented students to join our internship program. This will provide a platform for young people to highlight their

successes, concerns and innovative ideas. The students were apprised about the country wide campaign launched by the FTO Secretariat with the core objective to spread awareness of the grievances redressal mechanism so as to develop confidence amongst the tax payers in the office of the FTO for speedy and efficacious justice against any maladministration by the Federal Tax Authorities.

The students also shared their views with the Hon'ble Federal Tax Ombudsman and showed great eagerness to work for the office of the FTO. The visit concluded with refreshments and suggestions for enhancing the work force of the FTO office.



## OIC Ombudsmen Association Meeting at Rabat Vows to Enhance Coordination

The Board of Directors of OIC Ombudsmen Association (OICOA) met on 29/30 March 2022 at Rabat, which was attended by Hon'ble Federal Tax Ombudsman Pakistan, Dr. Asif Mahmood Jah (Secretary General, OICOA) and Mr. Khaldun-ul-Haq, Director General, FTO. The participants unanimously agreed to initiate training program for the promotion of Ombudsmanship in the OIC Community.

Dr. Asif Mahmood Jah briefed the participants on the role of the Federal Tax Ombudsman in Pakistan and informed the audience about the latest initiatives taken by the FTO office to effectively resolve taxpayers' issues.



## Making Sure that the Grievances of the Taxpayers are Immediately Redressed

*Dr. Asif Jah served in the Federal Board of Revenue (FBR) for 30 years before he was appointed the federal tax ombudsman (FTO) in August 2021. He is an upright officer who once apprehended a leading importer bringing in stents used in heart surgery declaring a Rs500 value while it was sold in the market for Rs50,000. He also frustrated a smuggling bid at Lahore airport, recovering 20 kilogram gold concealed in the body of a fridge. In this exclusive interview with The News on Sunday, Dr Jah talks about how the office of the tax ombudsman works and the measures he has taken for it to run smoothly.*

**The News on Sunday (TNS): As a former FBR officer how do you feel about overturning the decisions rendered by your former colleagues?**

**Dr. Asif Jah:** I am the sixth FTO to be appointed but the first one from the revenue service. My predecessors were either former judges, former policemen or district management officers. I enjoy the advantage of having the knowledge of how tax officers operate. Like any organisation, there are many dedicated officers in FBR. However, there are some rent-seekers as well. Being an insider, I know the tactics the rent-seekers use to deny taxpayers their rights. I simply make sure that the genuine grievances of the taxpayers are addressed.

**TNS: How does the tax ombudsman's office work?**

**Dr. Asif Jah:** The office of the tax ombudsman investigates and resolves citizens' complaints on tax issues. Its decisions are binding on the revenue authority. Only the President of Pakistan has the authority to review the Tax Ombudsman's verdict, if it is challenged by the affected party. In 99 percent of the cases, he has rejected appeals against the tax ombudsman's verdict. We decide cases quickly. Any complaint is addressed in a maximum of 60 days and the FBR is given 45 days to settle the issue considering the FTO's ruling. Complaints can be launched through SMS, through a mobile app, online or by visiting the FTO offices. Our goal is to provide taxpayers a hassle-free environment both in their tax assessment and refund cases.

**TNS: Refunds are a burning issue. How does the FTO help businessmen obtain timely refunds?**

**Dr. Asif Jah:** The FBR has instituted a computerised system under which the refunds of the exporters are promptly generated on the realisation of export receipts. This system has worked well for large exporters, but some of the small exporters cannot fulfil the documentation



requirements of the refund application that appear cumbersome to them. In case of even a small lapse in filling the form, the computer stops the refund. These refunds were then handled by the FBR staff. This is against the spirit of the system that has ensured refunds without the involvement of the tax collector. Manual processing of refunds allows room to the rent-seekers. Computerized solution was introduced after rent seeking complaints by all businessmen pursuing refunds. Ideally, the small businessmen should have been guided to complete the refund forms, but it did not happen. The FTO office directed to remove some flaws in the application and did away with unjust objections by the FBR officials. These interventions have resulted in issuance of refunds amounting to Rs. 27 billion, benefitting thousands of small exporters. Their cash flows have improved with the result that the highest increases in exports have come from small and medium-sized exporters.

We also keep an eye on the refund process to prevent fake refunds. Some cases of large fraudulent refunds were detected by the FTO staff. In one case a Chinese company was given an illegal refund of Rs. 123 million by FBR's Faisalabad circle. Almost 97 percent of the complaints lodged by the business and trade are found genuine. Only 2-3 percent of complaints are rejected for having no solid

ground. Businessmen are now confidently looking toward the FTO for redress of their complaints.

### **TNS: Do you act only on formal complaints?**

**Dr. Asif Jah:** No, we keep our eyes open. For instance, we noticed that 8,500 unclaimed consignments were lying on the port for several years. According to the rules, these should have been auctioned but no one took the initiative. These consignments were occupying a lot of space. The FTO office ordered the auctioning of these consignments. This brought several billion rupees to the national exchequer. In another instance, we discovered that several international NGOs were deducting withholding tax on salaries and other transactions that is compulsory under the law. But the law also mandates that the withholding tax thus deducted be deposited with the exchequer. These NGOs were pocketing those deductions, instead. They have been made to pay a cumulative amount of Rs. 620 million that had been illegally retained by them.

Another case of public interest was investigated by the

FTO office when it was found that a car manufacturer had charged 17.5% sales tax from over 1,000 car buyers at the time of booking. At the time of delivery, the actual tax paid was 12. The company pocketed the additional amount. On the FTO's orders, the company was forced to refund the excess amount to each buyer. Each buyer got a refund of over Rs. 65,000/-.

### **TNS: Does your mandate include recommending measures against tax evasion in different sectors?**

**Dr. Asif Jah:** Yes, we do keep an eye on tax evasions even by various documented sectors. The FTO office has probed the way transactions are carried out in the tobacco, sugar and steel sectors. There are broken chains in these trades through which numerous unregistered vendors and dealers operate out of the tax net. In the sugar sector, for instance, the FBR has started registering these tax evaders and tax revenue from this sector has increased. Next year we expect that tax compliance from tobacco and steel sectors would be better as well.

SOURCE: The News Sunday

## **FTO Terms Excessive Tax Demands As Maladministration**

Federal Tax Ombudsman, Dr. Asif Mahmood Jah has said that excessive or exaggerated tax demands from business community by the Federal Board of Revenue falls under the purview of maladministration.

It was stated here by the Honorary Coordinator to the FTO, Mr. Meher Kashif Younis former senior Vice President Chamber of Commerce and Industry, Lahore while talking to the delegation of the traders led by Mr. Shahid Nazir.

Mr. Meher said that the FTO taking strong exception has barred FBR from excessive tax deductions from the pays and wages of the low paid employees.

He explained to the delegation that in order to determine "Employers-Employee Relationship" for the purpose of taxation under the Income Tax Ordinance 2001, the basic parameters were the existence of a "Master-Servant Relationship" between the persons.

He advised the members of the delegation that regular/adhoc/temporary/daily wages are all different shades and forms of employment, and the law does not create any distinction or division among all these forms. He said that now the FBR after accepting the FTO's just observation, issued a well worded clarification in this regard.

Mr. Meher Kashif Younis said that it is a good omen that the Accountant General Pakistan has already implemented the FTO findings and now all low paid



contract employees at FTO office received their salaries without deductions of income tax which is also equally applicable in all identical cases across the country.

He said that any aggrieved tax payer can contact nearest FTO regional offices either by person or in writing through ordinary post or email or WhatsApp or telephone in case of emergency or submit application to him to help address his grievances within 60 days as ordered by the FTO.

SOURCE: Urdu Point

## Women Empowerment is Imperative for a Better Tomorrow



In order to boost the morale of female employees and cherish their accomplishments, an interactive session was organized by the Secretary, Farah Hamid Khan, FTO Secretariat Islamabad on 16.06.2022. Mrs. Sarwat Tahira Habib, Senior Advisor was also present on the occasion.

While speaking in the session, the Secretary said; “Empowering women at the workplace means that women can have more control over their lives. This means giving them the freedom to make their own programs, gain new skills, and gain autonomy. Women empowerment is created when the strengths that women bring to the workplace are accepted and used. I’m always there to listen to your issues/challenges you face in an office environment; I want to help all the female employees achieve success and I want to actively encourage all of you to take more risks/new challenges and opportunities and build self-confidence”. The Secretary also directed that sexual Harassment Inquiry Committee be reestablished in the FTO Secretariat.

Mrs. Sarwat Tahira Habib added that, “women are better at Multi-Tasking. They can handle their job as well as household activities. Having such active female employees in leadership can help foster and grow aspirations for those looking to move up the ladder. Encourage women to pursue opportunities at every level. By promoting our female employees at the same level as men, we show them that they and their skills are valuable assets to our organization”.

The female staff, Ms. Kaneez Zahra, Ms. Naila Altaf, Ms. Kiran Shahzadi, Ms. Nisho Anwar and Ms. Zoyina Ali Pasha enthusiastically participated in the session and

shared their working experiences with the participants. They all have been working in the office of the FTO for quite long period of time. Ms. Kaneez Zahra (Assistant Registrar branch) said that she feels honoured and privileged to work with the Hon’ble Federal Tax Ombudsman who has provided transport facility to all the employees, as our safety and security are of prime importance to the FTO. Ms. Naila Altaf and Ms. Kiran Shahzadi were of the opinion that a positive culture encourages employees to assist each other and to treat each other with courtesy. For female employees, the characteristics of a positive workplace culture include respect, compassion and positive relationships.

Talented women always need a voice in the workplace because they’re still overcoming biases holding them back from advancing. Traditionally, men worked their way up the corporate ladder to assume senior leadership positions. Heretofore female employees have never been fully included in succession planning and career planning, keeping them out of the loop for promotions into leadership positions, “we are blessed to have Dr. Asif Mahmood Jah, a well reputed, competent and highly professional Tax Ombudsman as our Career Mentor”, who always welcomes our innovative ideas and recognizes our exceptional efforts . He carefully and humbly listens to us, which really helps us feel more inclusive and empowered”, Ms. Zoyina Ali Pasha, Assistant Advisor Research and Media added.

Opinions were carefully listened to by the speakers and the session ended with vote of thanks.

By: **Zoyina Ali Pasha**, Assistant Advisor R&M

## Staff Capacity Building Program

For the very first time in the history of the FTO Secretariat, a new initiative had been taken by the Tax Ombudsman, which was “Staff Capacity Building Program”, to improve knowledge, skills, understanding, values, attitude, motivation, and capability necessary to perform well at work..

Hon’ble FTO stated that, “If an organization wants to remain competitive, then it has to maintain continuous improvement and workplace education. Fast pace technological development and organizational change help employers to realize that success demands the enhancement of employees’ skills and abilities and it requires uninterrupted investment in training and development for capacity building of the organization. Training is the systematic attainment and expansion of the knowledge, skills, and attitudes. Training is required by the employees to sufficiently execute a task or job and to improve performance in the job environment”.

Realizing the significance of training programs, the FTO Secretariat started offering training workshops which was conducted by the professional trainers of Pakistan Institute of Management. Almost all secretariat staff was imparted the training courses on various skills development programs.

Training programs offered wide range of topics such as communication mannerism, advance MS Office, complaint management information system, developing employee performance measurement and KPI’S System, human resource management and communication for organizational and personal efficiency.



**Zoyina Ali Pasha**  
Assistant Advisor  
Research and Media

A total number of thirty two employees had been nominated for training courses, It was indeed a fruitful decision for the staff which will not just make them better workers, but they will also feel like more productive members of the organization. This will improve their morale as well as their workplace capabilities.

The FTO secretariat has also planned to make capacity building of work force a permanent feature to yield quality result in future.

## President Rejects the Representation Filed by Central Directorate of National Savings Against the Findings of FTO and Orders MOEPT to Conduct Inquiry

The Representation filed by the Central Directorate of National Saving (CDNS) before the President against the order of the Tax Ombudsman, has been rejected. The order under reference stated that deduction of Income tax and Zakat by National Savings Centre, Civic Centre, Islamabad on the investment made by Ministry of Education and Professional Training (MOEPT), shows gross incompetence and inefficiency of the concerned staff, therefore National Savings Centre is bound to refund the amount of Rs. 10,820724/- deducted as advance tax and Rs. 986225/- deducted as Zakat to the Ministry of Education immediately. The Public Accounts Committee of the National Assembly had directed the MOEPT to file Reference before the FTO

Upholding Tax Ombudsman’s decision, The Hon’ble President has expressed strong displeasure and observed that: the Government of Germany had donated Rs.13.707



million in 1993 for purchase of paper to enable printing of cheap text books. The money was not used for almost 30 years while we are asking for grants and loans internationally. The Ministry did not bother, did not care, and totally forgot about a foreign grant Accordingly, Hon’ble President directed the Ministry of Education to conduct an inquiry, hold specific people responsible and take action against them according to law. He also directed to submit a report to FTO within 45 days.

## Advisors Corner

### Evolution of Ombudsman Office

The word ‘Ombud/Umbud’ is of Nordic origin having the meaning of a ‘Representative’. The genesis of this office is attributable to the Scandinavian countries. The first office of the Ombudsman was introduced in Sweden by its nascent parliament with the objective to protect individuals against abuse of powers and maladministration by the King’s office. Finland and Denmark followed the suit in establishing the Ombudsman’s office in other Nordic countries. The Ombudsman was elected by the Parliament and assigned the duties to independently monitor the administration of national and local authorities to safeguard the civil/legal rights of the citizens.

Following the successful model of the Ombudsman office in Scandinavia, it was adopted by various Commonwealth and European countries like New Zealand (1962), the United Kingdom (1967) and European Parliament (1995). The International Ombudsman Institution was established in 1978 having more than 170 independent Ombudsmen on its list at present. This concept has now been owned by private sector such as Universities, Press corps, Corporations and Banks.

The core objective of this institution is to provide a cost free and easy access to the public for the redressal of its grievances relating to the executive which invariably resorts to excessive use / abuse of its vested authority. The complaints lodged with the Ombudsman, on one hand, provide a quick remedy to the citizens and on the other hand, it helps the governments improve the delivery of their services. The beauty of this institution lies in its independence from the executive of the country.

Pakistan, after the independence, inherited an executive which was raised and developed by the British colonizers who ruled the subcontinent for more than two centuries. The British bureaucracy was geared to govern local masses through coercion and intimidation. A few thousand strong British civilian/military bureaucracy managed to rule a large population of multi-millions through this apparatus. The current form of bureaucracy in most of the South Asia still carries the same mindset though in diluted form. The public at large is not comfortable with this mindset.

The concept of Ombudsman office was adopted by Pakistan under the name of ‘Mohtasib’ and first such office was established under the name of ‘Wafaqi Mohtasib’ in 1983. It was later on extended to other sectors such as Federal taxation (2000), Banking (2005), Insurance (2006) and Protection against Harassment of Women at the Workplace (2010).

The Mohtasib offices perform their functions under the direct oversight of the office of the President of Pakistan who is the Constitutional Head of the county and a symbol of unity of the Federation. The Federal Tax Ombudsman is playing a lead role under the proactive leadership of Hon’ble FTO, Dr. Asif Mahmood Jah by extending its outreach to the relevant stakeholders in indentifying and addressing their problems.



**Dr. Khalil Ahmad**  
Advisor



## Land Mark Decisions of FTO during January – June 2022

### President Confirms FTO’S Findings: Apologises to the Taxpayer

The Hon’ble President upheld the decision of the Hon’ble FTO in the case of Abdul Hamid Khan, an 82 years old complainant who had filed return of income for Tax Year 2020, claiming refund amounting to Rs.2333/ on account of advance tax collected under Section 236 of the Income Tax Ordinance 2001.

The complainant filed refund application on 19<sup>th</sup> October, 2020 followed by representation to the Chairman, FBR on 24<sup>th</sup> December, 2020. The Unit Officer rejected his refund claim on 29.01.2021 on the ground that he had failed to furnish the original certificates for authentication. The complainant therefore took up the matter with the FTO who held it to be a case of maladministration and directed the FBR to revisit the impugned Order. The refund was finally issued to Mr. Abdul Hamid.

### FTO Stops Excessive Tax Deduction from Low Paid Employees Press Conference at FTO Secretariat

Mr. Majid Qureshi, Advisor (Media), during a press conference on 13.04.2022, informed that Hon’ble FTO has directed the FBR to stop excessive tax deductions from the pay and wages of the low-paid employees. To determine the “Employer-Employee Relationship” for the purpose of taxation, the basic parameter was the existence of a “Master-Servant Relationship”. It was held that regular/ad hoc/temporary/daily wages are all different shades and forms of employment, and the law does not create any distinction on division among all these forms.

The findings/recommendations issued by the FTO have now been fully implemented by the FBR and the Account General of Pakistan Revenue, he added.



### President Decides in Favor of Aggrieved Taxpayers; Rejects 11 FBR Representations against FTO’s Orders for Redressal of Grievances

On 20th of January 2022, the President of Pakistan rejected 11 representations filed by the apex revenue body FBR against the relief orders of the Hon’ble Federal Tax Ombudsman in various complaints. These complaints related to unfair behavior by the tax employees, attachment of a unit without serving an O-IN-O, delay in processing of refunds, rejection of tax refund without providing an opportunity of hearing and Implementation of Orders in cases where there was no stay by the Appellate Tribunal. The President reprimanded the FBR officials to stop behaving unfairly and unreasonably and directed fair processing of all such cases.

In a Customs case M/S Abdullah & Co., the President ordered refund of duty/ taxes and fine of Rs 1.732 Million to the complainant. In an Income Tax matter, a trading company made supplies of tiles and used clothing to the end consumer during the period from 2013-14 to 2016-17 and adjusted an amount of Rs. 11.331 million as further tax along with penalty to be recoverable from the complainant. The department without serving the O-in-O recovered an amount of Rs. 8.994 million through attachment of the complainant’s bank account. The complainant preferred an appeal under Section 45-B of the Act before the Commissioner I-R, Karachi which was allowed and the O-IN-O was annulled. The complainant approached the RTO-III, Karachi for refund of the amount recovered illegally but failed to evoke any response. The FTO ordered the department to process the case but FBR filed a review petition with the President.



The President of Pakistan Dr. Arif Alvi in his concluding remarks clearly said that there is thus no valid justification to interfere with the orders of the Hon'ble Federal Tax Ombudsman, and the Hon'ble President is pleased to reject these representations.

### **Customs Ordered to Clear 8,522 Auctionable Lots Within Two Months**

The Federal Tax Ombudsman, on own motion investigation, has ordered the Customs to clear 8,522 pending auctionable lots within two months. The investigation was initiated on the reports regarding large number of confiscated or otherwise uncleared vehicles and goods lying un-disposed at Customs formations all over the country, involving stuck-up revenue of billions of rupees. The Customs Laws, Rules and instructions provide for expeditious disposal through auction of such goods and vehicles. However, the Customs authorities were not disposing these goods and vehicles.

The FTO has directed the FBR to do away with the huge pendency of auctionable goods and vehicles within 60 days. Furthermore, Member Customs (Operations) is to personally monitor the above activity and initiate disciplinary action under E&D Rules against the officials failing to comply with this direction. These directives are being implemented and so far Rs. 4.5 billion have been collected and deposited in govt. exchequer.

### **FTO's Recommendation: FBR's IT-wing to Conduct Security Audit of the Data Centers**

In line with the recommendations of the Hon'ble Federal Tax Ombudsman (FTO) Dr. Asif Mahmood Jah, the Federal Board of Revenue's (FBR's) Information Technology Wing (IT-Wing) shall be audited by a security firm to conduct a security audit of data centres.

It is learnt that the FTO, in an investigation, found that the confidential/ classified data of the FBR Web portal was hacked, as the PRAL has not properly discharged its duties. According to the details, a tax lawyer had filed a public interest complaint against the FBR/ PRAL key position holders, wherein after a comprehensive investigation, FTO Dr. Asif Mahmood Jah concluded that the FBR/ PRAL is not using any software to manage its Network Security policies and the FBR has filed a false/ wrong statement regarding the system's disrupted period and is using expired certification.

The FTO order stated that the said analysis clearly reflects maladministration of the FBR & PRAL's functionaries in the administration and discharge of

assigned duties and responsibilities. PRAL data centre is not equipped with any prevention/ intrusion detection system, hence a material systematic flaw exposing security of its database. PRAL data centre does not conform to some credible International Standard and its certification had also expired in December 2020. Cyber-attack on key data Websites, data and data centres of FBR/ PRAL poses a threat that can undermine the security capabilities of the state.

The FBR (IT Wing) has recently awarded a three years contract to a reputable security firm to conduct a security audit of data centres. After the completion of the audit, FBR Data Centres will be ISO-27001 certified.

### **FTO Directs to Refund Excessive Tax Deductions to Pak Suzuki Buyers**

Complaints were filed against the FBR Islamabad and M/s Pak Suzuki Motor Company Limited against charging Sales Tax @ 17% on purchase of Suzuki vehicles after July, 2021 as against 12.5%, which was the actual rate at that time. FTO had recommended that collection of sales tax in excess of that legislated in the Finance Act, 2021 and delay in settling the tax refund tantamount to maladministration. President of Pakistan had upheld the decision.

The representatives of LTO Karachi and M/s Pak Suzuki Motor Company Limited agreed to implement the FTO's judgment in the following manner;

The Company will furnish the refund claims to LTO Karachi as per list provided by the FTO Office. The refund claim will be accompanied with the relevant invoices and proof of tax paid. LTO Karachi will process the claim as per law and issue refund to M/s Pak Suzuki Motor Company Limited.

The Said Company will then remit the amount to all the complainants and submit proof of payment to LTO Karachi and FTO Office for final implementation of the order.



## Steel Sector: FBR decides to apply track-and-trace system

The FBR has issued S.R.O. 541(i)/2022 to amend Sales Tax Rules, 2006 to check sales tax evasion in the steel sector. According to the amended rules, the steel products, if brought from non-tariff areas, shall be treated as imported goods. After inclusion of the steel sector into the list of the electronic monitoring, it would now be required to install a track and trace system at their manufacturing premises. Under the revised rules, the procedure shall apply to electronic monitoring, tracking and tracing of production, import and supply-chain of steel sector, tobacco products, beverages, sugar, fertilizer, cement and petroleum products.

The Hon'ble Federal Tax Ombudsman (FTO) has already directed the FBR to conduct a special audit into cases relating to steel melters. He while exercising own-motion power, has taken notice of gross misuse of sales tax special procedure rules after an initial inquiry confirmed glaring instances of organised fiscal fraud in the handling of cases of the steel sector.

## Faulty integration of Tier-1 retailers: FTO has received over 100 complaints against the FBR

The Federal Tax Ombudsman (FTO) has received over 100 individual complaints of the newly integrated Tier-1 retailers, who were not required to be registered, but declared as big retailers by the Federal Board of Revenue (FBR). Serious issues in the FBR Point of Sale system of integration of retailers have been unearthed including the complexity of legal provisions for POS integration, i.e. glitches/ delays in the automated system of the FBR.

While introducing the scheme in July-2021, the FBR stated that it intends to integrate 60,000 to 70,000 retailers in the financial year. So far 7,000 to 8,000 retailers have been linked with the system, the FTO report said. The FBR's field formations are compulsorily registering the persons/shops that do not fall in any category mentioned and after registering them compulsorily, they issue demand notices and pass order imposing penalties, etc., on account of non-filing.

When the position was confronted with the field formations, they simply stated that the FBR has been sending them lists of persons/businesses on the basis of income declared by them in their income tax returns. In pursuance of the lists, they issue notices to the persons and on no response, they make them compulsorily registered under the sales tax law.

There were complaints against the delay in exclusion



by the retailers who do not fall under any single category Under Section 2(43) A to F. Despite claims and applications by the notified Tier-1 Retailers that they are not liable to be notified, proceedings were initiated by the FBR against the taxpayers while the request for issuance of exclusion certificate remained pending before the department for months.

The FBR may devise an online procedure for issuing exclusion certificates in five days' time to the retailers who claim that they have no POS System installed. Due verification of installation of POS system at the premises may be done, (as it is also a pre-requisite for sales tax registration) and after providing the due opportunity of being heard to the complainant, decisions may be made. In this way, delay and corrupt practices are dealt with through this automated procedure.

## FBR Chairman Bars Taxmen from Private Practice on FTO's Recommendation

The Hon'ble Federal Tax Ombudsman initiated an Own Motion Investigation regarding private practice by the employees of the FBR who render legal assistance to the taxpayers. This practice was in total disregard of the instructions under the Government Servants (Conduct) Rules, 1964 where under no government servant is allowed to engage in any trade or undertake any employment or work, other than his official duties, except with the prior approval of the government.

Chairman, FBR has taken a serious view of the matter and all FBR employees have been advised to completely abstain from private consultancy/ tax practice. The Inland Revenue Operations Wing is putting in place a monitoring mechanism to ensure the compliance of the FTO's instructions. In future, if any officer/ official is found involved in such practice, strict disciplinary action shall be taken under Civil Servants (E&D) Rules, 2020.

## **FTO'S Intervention Results in Creation of Huge Tax Demand & Recovery of Over 660 Million by FBR in Six Mega Cases of INGOs**

An own motion investigation was initiated by the FTO in terms of section 9(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance). Through in-house analysis, the FTO Secretariat has also identified that though the FBR and its field formations maintain an organized web portal, rich data center, exhaustive data bases, elaborate and comprehensive operational soft wares and houses a full-fledged and home grown IT support system i.e. Pakistan Revenue Automation (PVT) LTD (PRAL), yet neither FBR HQs nor its field formations maintain effective tracking system to gauge achievement of goals.

Taking Own Motion cognizance of this maladministration, the FTO office revived the dead proceedings by sharing diluted investigation reports afresh. These fresh proceedings conducted by the FTO office have thus far produced quite revealing results;

Income tax demand of over Rs. 660 million has been created in six (06) such cases taken up afresh by the FBR's concerned field formations.

In majority of cases, earlier information disseminated by DG BTB in 2018 was admittedly wasted, shelved, lying dormant or even lost. Tax demand created thus far is mainly default Under Section 161/205. Normal assessment proceedings based on shared information may result in creation of equally substantial tax demand.

### **Tax Ombudsman directed the FBR to form a high-powered inquiry committee to fix responsibility on tax officials involved in a mega-scam**

The FTO has decided own motion investigation, while investigating issuance of bogus refund amounting to Rs 123.364 million for Tax Year 2007 to 2009 and 2011. In an earlier own motion case (0200/OM/2019) some additional irregularities were unearthed warranting authorization of instant investigation.

Moreover, in order to ascertain whether the irregularities committed earlier continued in the cases of M/s China National Electric Wire & Cable Import and Export Corporation and its associates (M/s Sinotec Co.) and the main shareholder of AOP) in the subsequent years, this own motion investigation was initiated under Section 9(1) of the FTO Ordinance, 2000. During earlier proceedings it was revealed that M/s China National Electric Wire & Cable Import & Export Corporation did not file returns for Tax Year 2013 onwards.

Instead, a sister AOP namely M/s Sinotec Co was registered on FBR portal on 01.11.2011, with the main shareholder (common member in both AOPs), holding 99 percent share.

In view of the above, the FTO has directed the FBR to constitute a high-powered committee to identify the responsible officers / officials for above referred irregularities, fix the respective responsibilities and to take remedial action on the highlighted issues in 90 days.



### **The Tax Ombudsman directs the FBR to devise monitoring mechanism for quick disposal of stuck up cases at appellate tribunals**

While disposing of a complaint relating to customs Intelligence, Quetta, Tax Ombudsman has directed FBR to conduct a detailed analysis of all cases pending at the Appellate Tribunals for more than five (05) years, and frame an effective policy and guidelines for all field formations for quick disposal of all such cases .

During the proceedings of a case, it was reported that a vehicle being treated tampered was confiscated and subsequently sold to the office of the Accountant General (AG) Baluchistan against token money of Rs.188,701/-. The complainant filed Constitutional Petition in Baluchistan High Court praying that the Directorate may be asked to restore the vehicle to the complainant in condition in which it was seized on 03.02.2003. The petition was withdrawn, where after the complaint was filed before the FTO Secretariat.

While responding to the notice of the Federal Tax Ombudsman, the Customs Intelligence, Quetta denied the allegations and pleaded that the delay in disposal of the case was because of the fact that the Tribunal decided the appeal after lapse of twelve years.

While concluding the proceedings, the Federal Tax Ombudsman directed the FBR to make serious efforts and conduct a detailed analysis of all those cases which are pending at the Appellate Tribunal level for more than five years and frame an effective policy and issue necessary guidelines to all the field formations for quick disposal of all such long pending cases.

## Hon'ble President Upholds The Orders of Tax Ombudsman

- M/s. Kolachee International had filed a complaint against delay in issuing refund which was processed and FBR was directed to constitute a fact finding committee to investigate and fix responsibility on the officers for mishandling the case and initiate disciplinary proceeding under E & D Rules against them. Hon'ble President upheld the recommendations of Hon'ble FTO.
- Ms. Rukhsana Kanwal had alleged that the department had acted vindictively and charged tax twice against her. FTO asked FBR to conduct internal enquiry in the matter. FBR filed Representation which was dismissed by Hon'ble President, who held that FBR needs to take a holistic view without any prejudice or personal grudge. Recommendation directing "to give appeal effect to the order of CIR (Appeals) as per law" is unassailable. Hon'ble President further held that "a statutory body is duty bound to perform its functions in accordance with law.
- Mr. Arshad Mahmood's outlet had a covered area of 760 sqft. Being less than 1000 sqft he was not liable to be registered as Tier-I Retailer. The Department compulsorily registered him due to the fact that four outlets of different merchandise were sharing the same premises measuring 2946 sqft. After hearing arguments and perusing the evidence Hon'ble FTO held that arbitrary/unjust registration tantamount to maladministration. He directed FBR to 'de-register the complainant as per law. The Representation filed by FBR was disposed off by Hon'ble President as Commissioner-Inland Revenue, Abbottabad agreed to visit the premises for taking measurement afresh of the shops in the presence of the complainant.
- As a result of various Own Motion investigations Hon'ble Tax Ombudsman asked FBR to evolve a proper mechanism of timely disposal of applications for exemption certificates and update IRIS system for automatic issuance of exemption certificates upon expiry of prescribed period. During the hearing of the Representation, FBR informed the President that it had developed software for auto generation of exemption certificates. The President observed that it was duty of the Department to develop I.T based system for prompt and hassle free auto issuance of exemption certificates to the taxpayers.

## President Upholds FTO Directives for FBR to Address the Inconsistencies, Procedural Loopholes and Systemic Flaws and to Implement E-solution

An own motion investigation was initiated under section 9 (1) of the Federal Tax Ombudsman Ordinance, 2000 regarding procedural loopholes in the Sales Tax / FED Regime. The FTO had observed that Inland Revenue officers were issuing manual Show Cause Notices which were at times scrapped as a result of illegal settlement with the taxpayers. This practice was facilitated by the procedural shortcomings, as the FBR had failed to introduce Bar Coded and System Generated Notices Regime under the Act. Neither any uniform pattern of system generated notices of the FBR's portal was being used, nor SCNs were being issued in all types of audit cases. The show cause notices were issued through Tax Audit Management System in one category

of audit. But in cases of regular audit, approved by the Commissioner, such notices were being issued manually. It was also observed that due to systemic maladministration, the show cause notices in certain cases were being misused for corrupt or improper motives falling within the ambit of 'Maladministration'.

The FBR filed a representation before the Hon'ble President of Pakistan against the above Recommendations. The President however rejected the FBR's appeal and held that the Hon'ble FTO's direction to remove inconsistencies, loopholes and flaws, and implement E-solutions were strictly within the powers conferred under the FTO Ordinance 2000.

## Implementation of Recommendation of FTO by FBR

I am directed to refer to your office letter No 2-661-MLN-22-IMP dated 03.06.2022 on the subject and to say that refund in respect of Mr. Ghulam Farid amounting to Rs. 1,913,725 pertaining to tax year 2019 has been processed and paid on 15.06.2022 in Muslim Commercial Bank account # [REDACTED] through CITRO.

  
**Muhammad Asif Rafique**  
Secretary (Revenue Budget)

I am directed to refer to your office letter No 1-1686-MLN-22-IMP dated 20.06.2022 on the subject and to say that refund in respect of Mr. Muhammad Nadeem amounting to Rs. 155,985/- pertaining to tax year 2018 has been processed and paid on 15.06.2022 in account # [REDACTED] through CITRO.

  
**Muhammad Asif Rafique**  
Secretary (Revenue Budget)

Please refer to the learned Director, FTO letter No.1-1394-ISB-22-IMP dated 23.05.2022 on the subject cited above.

- 2- I am directed to enclose herewith Board's C.No.FTO-1394/ISB/ST/2022/ dated 17.06.2022 alongwith Chief Manager-IR (Operations), PRAL letter No.120814438 dated 16.06.2022 vide it is conveyed that compliance at PRAL's end has already been done in the subject complaint and payment against the RPO in question shall be transferred in the designated bank account of the complainant in upcoming tranche of Non-FASTER based claims, expectedly scheduled for first week of July, as per procedure as conveyed by the Second Secretary (Refunds/CSTRO), FBR, Islamabad.

  
**(Riaz Khan)**  
Additional Commissioner-IR (HQs)

## Acknowledgment/ Appreciation

**Hon'ble Federal Tax Ombudsman,**  
Federal Tax Ombudsman Secretariat,  
5-A Constitution Avenue,  
**Islamabad**

Hon'ble Sir,

I had an amazing experience attending the hearing of my complaint on 20<sup>th</sup> instant regarding overcharging sales tax @ 17% instead of 12.5% on purchase of Suzuki Cultus 1000cc from M/s Pak Suzuki Motor Company Limited. Earlier I have received a communication from the office of Hon'ble Federal Tax Ombudsman conveying me the verdict of the President of Pakistan on recommendation of the Federal Tax Ombudsman for refund of sales tax overcharged by the Company.

It may not be out of place to mention here that I have lodged a complaint with the Company, Prime Minister Portal/FBR and vigorously pursued the departments to get refund of the tax overcharged to me by the Company. However, I failed to get proper response from these departments.

In the meanwhile, FTO on complaints from many other taxpayers has very kindly taken notice of overcharging the sales tax, initiated investigation and recommended refund of the sales tax overcharged by the Company. I also received a letter from the office of Hon'ble Federal Tax Ombudsman vide F.No.0016/OM/2022-1841 dated 07.06.2022 to claim my refund of sales tax overcharged by the company.

I had never experience such a quick action and response from any institution with the mandate to redress public complaints. I owe my thanks to the Hon'ble Federal Tax Ombudsman for standing up for the cause of taxpayers, protecting their interests against maladministration of tax functionaries and restoring their confidence in the state organizations.

I earnestly pray and hope that undaunted efforts of the FTO will go a long way to bring change in our tax culture and infuse responsibility and accountability in the state organizations.

Yours faithfully,

NASIR RAZ BAJWA  
NIC 38403-1880998-1  
BLOCK NO. 36, FLAT NO.5,  
PHA APARTMENT,  
SECTOR I-11/1 ISLAMABAD

Dated: 16-06-2022

## Acknowledgment/ Appreciation



# PAKISTAN OVERSEAS EMPLOYMENT PROMOTERS ASSOCIATION

License No. 02 BY: Ministry of Commerce, Government of Pakistan

The Honorable,  
Federal Tax Ombudsman  
Government of Pakistan,  
Islamabad.

Ref: POEPA/FBRST/2022

Dated 07<sup>th</sup> June 2022.

**SUBJECT: THANKS & APPRECIATION**

Your Honor, السلام عليكم ورحمة الله وبركاته

Hope this letter finds you in good health and spirit.

Our association feel honored and expresses its deep appreciation for the support, your office have extended to the OEP business community in a very efficient & very well-organized manner under your dynamic leadership, for taking up tax related issues with FBR for redressal. There is no doubt that such support and prompt actions against discrimination and to ensure fair taxation, has always resulted in acquiring the trust of the business community, empower the achievement of sustainable development goals and ensure growth progress.

Ease of doing business & less distress will ultimately serve the prosperity and sustainability in the economy, However the sector of manpower promotion is injecting billions of dollars playing vital role in boosting the economy, it is pertinent to mention here that with the collaborative approach, team work, and with ease of doing business we can dramatically increase the resources strengthen our infrastructure, and economy of our beloved country. We as the association of the Overseas Employment Promoters community once again value and acknowledge your initiative for taking up our tax issues with FBR for redress. It is for this reason that your dynamic leadership, strong support & cooperation with the business community related to their tax issues will make the office of the Ombudsman the kind of institution our people hopes it to be.

Best Regards,

  
Syed Rehmat Ali Shah  
Chairman.

---

Office # 7, 2nd Floor, Plaza 2000, I-8 Markaz, Islamabad  
+92 51 835 7274 | info@poepa.com.pk | www.poepa.com.pk

## Acknowledgment/ Appreciation

info@fto.gov.pk

**From:** Mailk Samar <maliksamar7867@gmail.com>  
**Sent:** Saturday, June 11, 2022 8:19 PM  
**To:** info@fto.gov.pk  
**Subject:** Letter of appreciation for ombudsman Asif mehmood jah

محترم و مکرم جناب آصف محمود جاہ صاحب سر ہمیں بہت خوشی ہو رہی ہے جس طرح آپ ایمانداری اور محنت سے اپنے کام سے جوڑے ہیں۔ اس سے بڑا نیکی کا اور کیا کام ہو سکتا ہے جو لوگوں کے لئے آسانیاں پیدا کریں سر میں ایک ناچیز سا بندہ آپ کو خراج تحسین پیش کرتا ہوں۔ جس طرح آپ ہر مسئلہ کو فوری حل کرواتے ہیں اور پر آپ بہت ہی اچھا کام کر رہے ہیں۔ اس کام کو مزید آپ آگے لے جاسکتے ہیں۔ media awareness بروقت اس پر فیصلہ دیتے ہیں۔ 2۔ سر پر مزید زور دے اور ایک الگ برانچ اس مقصد کے لئے اپنے media awareness کی وجہ سے لوگوں کو بہتر راہ میسر ہوگی۔ آپ awareness ادارے میں قائم کریں۔ سر اللہ تعالیٰ آپ کو آپ کے اس عظیم کام کا اجر بہت خوبصورت انداز میں عطا فرمائے گے۔ آپ اپنے کام سے مخلص اور ایک سچے مسلمان ہیں۔ ہمیں آپ جیسے لوگوں پر بہت زیادہ فخر ہے۔

## Informal Resolution of Disputes

BEFORE  
THE FEDERAL TAX OMBUDSMAN  
ISLAMABAD

**Complaint No.0085/Infrml/2022**

Dated: 09.06.2022\* RO, Lahore

... Complainant

Versus

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

Dealing Officer : Dr. Sarfraz Ahmad Warraich, Advisor  
Appraising Officer : Mrs. Sarwat Tahira Habib, Sr. Advisor

### Informal Resolution Of Disputes (Section-33)

The above-mentioned Complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance), seeking relief against charging of higher rate of Sales Tax, in respect of Suzuki Wagon-R VXL 998 CC, purchased by the Complainant, from Pak Suzuki Motor Company Limited.

2. Briefly, Complainant booked a Suzuki Wagon-R car, vide Booking Order No.A-21052496, dated 22.06.2021 and deposited full amount of 1.745 million, when rate of Sales Tax was 17%. Meanwhile, rate, on cars upto 1000CC, was reduced to 12.5%, while Federal Excise Duty (FED) was waived off through the Finance Act, 2021, effective from 01.07.2021. The car was delivered to Complainant on 15.07.2021. Though M/s Pak Suzuki Company Limited waived off FED yet it charged sales tax at the rate (17%) applicable at the time of booking, rather than on invoice/delivery date and refused to refund differential amount of sales tax, hence, depriving Complainant benefit of reduced tax burden. Complainant prayed that supplier be directed to refund differential

amount of Sales Tax, as per the rate, applicable on the date of delivery of vehicle.

3. After authorization of OM investigation u/s 33 it was observed that the issue raised in the instant petition has already been raised, investigated and concluded in a number of identical cases vide

Complaint Nos.	1757/LHR/ST/2021,	1628/ISB/ST/2021,
1539/ISB/ST/2021,	1528/GWL/ST/2021,	1911/LHR/ST/2021,
1954/LHR/ST/2021,	1631/ISB/ST/2021,	2016/LHR/ST/2021,
1865/LHR/ST/2021,	1980/LHR/ST/2021,	1660/ISB/ST/2021,
1752/KHI/IT/2021,	2082/ISB/ST/2021,	2082/ISB/ST/2021,
1996/KHI/ST/2021,	2136/ISB/ST/2021,	1774/LHR/ST/2021,
2036/ST/2021,	2129/ISB/ST/2021,	1964/FSD/ST/2021,
1880/FSD/ST/2021 and 1881/FSD/ST/2021,		

wherein relief provided by this office has already been upheld by the Hon'ble President of Pakistan vide Order Nos. 98, 100,104,106,107,111,112,113,114,115,116, 117,126,127,159,128,129,134,135,155,154,156,157 and 58/FTO/2021. All such cases are currently under implementation at Karachi. FTO's Regional office Karachi, in close liaison with LTO Karachi and Pak Suzuki Motor Company Limited, has worked out an efficient implementation strategy. Being 100% parallel case, no further investigation is warranted as the Complainant is entitled to the relief sought by him, and granted by the competent authority in other similar cases.

4. In view of above, LTO Karachi is directed to extend relief to the subject Complainant, in line with the parallel cases referred above.

(Dr. Asif Mahmood Jah)  
(Hilal-i-Imtiaz) (Sitara-i-Imtiaz)  
Federal Tax Ombudsman

Dated: 28-06-2022  
K.A.P.

