

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

PRESS RELEASE

13 years Delay in Finalization Of Alternate Dispute Resolution CASA FTO Asks To Fix Specific Time Limit

Federal tax ombudsman has held that failure of the FBR to pass any order on the ADRC's Recommendations dated 17.01.2008, as per Section 195-C(4) of the Act, constitutes maladministration in terms of Section 2(3) of the FTO Ordinance, 2000 and has recommended to chairman FBR to pass orders on ADRC's Recommendations dated 17.01.2008, in the case of M/s Gadoon Synthetic Mills Ltd as per law; direct the Collector, Collectorate of Customs, Islamabad, to implement the subject order and further recommended to FBR to make necessary changes in the Rules made under Section 195-C of the Customs Act 1969, giving a specific time limit by which, the Board may make orders upon the recommendations of the ADRC committee.

Briefly, the Complainant was engaged in the business of manufacturing of polypropylene yarn and was granted manufacturing bond license in July 1993, but was not renewed after 1995 which led to closure of the mill. The Complainant filed application dated 14.06.2006, for settlement of dispute through ADRC. Accordingly, FBR constituted a Committee and concluded the matter but no order was passed by FBR for the last so many years. The Complainant filed another application dated 05.07.2019, for implementation of ADRC's recommendations dated 17.01.2008, but failed to evoke any response. The Complainant, therefore, filed a complaint before this Office, which was rejected for want of jurisdiction as the matter was subjuice before the Hon'ble Islamabad High Court and Lahore High Court, Rawalpindi Bench. The Complainant filed representation against the FTO's Findings, before the Hon'ble President of Pakistan, who set aside FTO's Findings with the directions to process, enquire and deal with the complaint in accordance with the law after affording due opportunity of hearing.

The proceedings were initiated afresh. During hearing, the Complainant stated that the application was filed before the ADRC in 2006, as per Section 195-C(4) of the Act, the FBR can pass an order as it deems appropriate, but no such orders were made and communicated to the Complainant. The Complainant stated that though he had assailed two Customs references before the Hon'ble High Courts but the specific matter of implementation of ADRC's recommendations raised before this Office has not been challenged in Customs Reference No.2 & 9/2012.

The Secretary (Judicial), FBR/DR confirmed that no order under Section 195-C (4) of the Act was passed by the FBR. The Additional Collector, Collectorate of Customs, Islamabad/DR stated that the Collectorate had already asked FBR, vide letter dated 22.10.2020, that Board may accede to the request of the licensee to the extent of implementation of recommendations of ADRC dated 17.01.2008, however, the request for constitution of second ADRC being not only illegal but unreasonable may be declined. Two references before Hon'ble Islamabad

High Court, Islamabad and Lahore High Court, Rawalpindi Bench, are although on the issue which has been taken up by the ADRC.

Hence FTO ordered that long standing grievance of the complaint may be attended. FTO recommended that FBR may fix a specific the limit to attend to such cases in future.