

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

OWN MOTION No. 0075/OM/2022

Issuance of Multiple Notices to Exporters of Fish Products & demanding bribe to
settle those notices causing harassment & hurting inflow of foreign exchange on
account of Fish Exporters

Dated 27.05.2022 * R.O. Karachi

The Secretary,
Revenue Division,
Islamabad

....Respondent

Dealing Officer : Mr. Badruddin Ahmad Quraishi, Advisor
Appraisal Officer : Mr. Muhammad Tanvir Akhtar, Advisor
Departmental Representative : Muhammad Shakil, ACIR, Zone-I, RTO-I, Karachi

FINDINGS/RECOMMENDATIONS

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The above-mentioned Own Motion (OM) investigation was initiated through exercise of jurisdiction under Section 9(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) raised by Pakistan Fisheries Exporters Association against issuance of illegal notices of income tax / sales tax and settling of those notices allegedly after taking bribe by the Commissioner Zone1, RTO-I Karachi and his team from exporters of fish earning foreign exchange for the country causing mental agony & harassment.

2. Back Ground:

The Chairman of Pakistan Fisheries Exporters Association along with members & office bearers visited Regional FTO Office Karachi on

*Date of registration with FTO secretariat

20.06.2022 and complained against issuance of illegal notices of income tax and sales tax followed by demand of illegal gratification by the then Commissioner Zone1, RTO-I, Karachi as well as by his subordinates from exporters of fish products earning valuable foreign exchange for the country. Later on, a written complaint on this issue vide letter dated 25.06.2022 along with evidences of notices / assessment orders was filed through their Secretary General on 27.06.2022. As per complaint, multiple notices were issued without any legal basis to exporters of fish falling under FTR (Final Tax Regime) confronting false and fake tax issues and with the intention of raising tax demands. After negotiations for bribe, they settle those notices. If an exporter refused to submit to illegal demand of bribe, illegal assessment orders for multiple years were issued causing mental stress and agony of prolonged litigation in appellate forums.

3. Meanwhile, during visit of FTO & his team of Advisors to Karachi Tax Bar Association (KTBA) on 05.07.2022; the members as well office bearers of KTBA complained against this practice.

4. According to Pakistan Economic Survey 2023, export of fish products mostly to China, Thailand and Middle East countries, is fetching foreign exchange worth U.S \$ 450 million. Since the exporters earn foreign exchange to reduce trade deficit, the Govt has facilitated the exporters by deducting only 1% of export proceeds at source as income tax under Section 154 of Income Tax Ordinance (the Ordinance) which is the final tax liability. The exporters do not have to file any books of accounts except a statement under Section 115 (4) of the Ordinance. Even the withholding tax under Section 153 of the Ordinance is exempt under clause 45, part IV of Second Schedule to the Ordinance. The GST on exports is zero rated.

5. There are a total of 163 members of Pakistan Fisheries Exporters Association. Most of them are running their business of export as individual proprietorship in area of West Wharf, Kemari Karachi. In terms of FBR jurisdiction order F.No.57(2) Jurisdiction/2017/113475-R dated 19.09.2017, all cases/ persons whose place of business is situated in Kemari Cantonment and Manora Cantonment falls under jurisdiction of CIR, Zone-1, RTO-1 Karachi. Mostly, these fish exporters are not well educated, and they succumb to discretionary exercise of powers for corrupt or improper motives, such as bribery, jobbery, and administrative excesses. The Commissioner Zone1, RTO-I Karachi & his subordinates rather than facilitating the export sector were damaging the fish exports sector even in the present precarious economic scenario thus working entirely against the national interest of the country.

6. In order to investigate the allegations of Pakistan Fisheries Exporters Association, a notice was issued on 01.07.2022 to obtain details about multiple notices issued in income tax / sales tax, amount confronted and tax/ penalty imposed in relation to fish exporters. Having felt threatened from initiation of the proceedings by this forum, Mr. Abdul Hameed Abro, the then Commissioner Zone-1 and Mr. Noor Hassan, IRAO RTO-1, Karachi, filed civil Suit vide # 914 of 2022 alongwith Contempt of Court Application against Honourable FTO and his Advisor vide CMA Nos. 10655/2022 & 10656/2022 before the Honourable Sindh High Court (SHC) on 16.07.2022 in order to impede / stop the proceedings. The Honourable SHC suspended the operation of the impugned notice dated 01.07.2022. Later on, the Honourable SHC vide order dated 04.09.2023 after examining the issue, dismissed the Suit 914 of 2022 alongwith CMAs 10655/2022, 10656/2022 &

9503/2022 paving the way to proceed with the instant OM. On dismissal of Suit and Contempt proceedings and in continuation with the earlier proceedings, the relevant information of multiple income tax and sales tax proceedings against fish exporters were obtained during the tenure of Mr. Abdul Hameed Abro, the then Commissioner Zone-1, RTO-1 Karachi i.e. for the period from 01.07.2021 to 31.12.2022. The information so far obtained has been examined, analyzed and tabulated in a summarized form as follows:

INCOME TAX ASSESSMENTS IN CASE OF FISH EXPORTERS

Sr.No	Name Of Tax Payer	Tax Year s	Date Of Issuance of SCN U/S 122(9) & 111	Name Of Office and Designation issued by show cause	Nature & Amount of Discrepancy Confronted	Present Status	If not pending date of Order	Name Of Officer and Designation Finalize Order	Addition Made for Amended Income Tax & Penalty Imposed	Remarks
1	KANPA INTERNATIONAL SALE-0818455-6	2017	17-06-22	Noor Hassan IRAO / A.D	4,821,246,633	Notice Withdrawn	13-01-23	Nazir Ahmed Soomro ACIR		
2	- Do -	2018	- Do -	- Do -	6,380,443,135	- Do -	- Do -	- Do -		
3	- Do -	2019	- Do -	- Do -	895,889,744	- Do -	- Do -	- Do -		
4	- Do -	2020	- Do -	- Do -	6,888,081,520	- Do -	- Do -	- Do -		
5	- Do -	2021	- Do -	- Do -	7,558,488,742	- Do -	- Do -	- Do -		
6	MIRZA FAISAL BAIG MUGHAL PROP, ASIAN FISHERIES INTERNATIONAL 4220141631559	2017	15-07-22	- Do -	126,907,275	- Do -	12-08-22	- Do -		
7	- Do -	2018	- Do -	- Do -	102,953,426	- Do -	- Do -	- Do -		
8	- Do -	2019	- Do -	- Do -	140,091,668	- Do -	- Do -	- Do -		
9	- Do -	2020	- Do -	- Do -	76,523,619	- Do -	- Do -	- Do -		

10	- Do -	2021	- Do -	- Do -	120,865,421	- Do -	11-10-22	- Do -		
11	SUPER STAR ENTERPRISES 0670036-5	2017	- Do -	- Do -	501,156,083	Finalized	08-09-22	Noor Hassan A.D		Taxpayer filed appeal, CIR (A) Annual the order with the direction to afford proper opportunity of being heard also in 2018 to 2021
12	- Do -	2018	- Do -	- Do -	410,605,369	Notice Withdrawn	17-09-22	Nazir Ahmed Soomro ACIR	172,110,813	
13	- Do -	2019	- Do -	- Do -	443,754,121	- Do -	- Do -	- Do -		
14	- Do -	2020	- Do -	- Do -	1,025,451,034	- Do -	- Do -	- Do -		
15	- Do -	2021	- Do -	- Do -	1,388,249,533	- Do -	- Do -	- Do -		
16	MUHAMMAD HUSSAIN SANGJI PROP. AL-NOOR INTERNATIONAL 4200059632505	2017	- Do -	- Do -	50,558,618	Pending				
17	- Do -	2018	- Do -	- Do -	624,567,997	- Do -				
18	- Do -	2019	- Do -	- Do -	1,192,173,803	- Do -				
19	- Do -	2020	- Do -	- Do -	435,912,555	- Do -				
20	- Do -	2021	- Do -	- Do -	534,206,281	- Do -				
21	KHAN SEA FOODS PROP JAMSHED KHAN 1620278628071	2017	17-06-22	- Do -	16,158,579	Notice Withdrawn	16-09-22	Nazir Ahmed Soomro ACIR		
22	- Do -	2018	- Do -	- Do -	16,057,112	- Do -	- Do -	- Do -		
23	- Do -	2019	- Do -	- Do -	167,130,223	- Do -	- Do -	- Do -		
24	- Do -	2020	- Do -	- Do -	245,994,945	- Do -	- Do -	- Do -		
25	- Do -	2021	- Do -	- Do -	1,672,998	- Do -	- Do -	- Do -		
26	ABC FISHING CORPORATION 1418521-1	2019	- Do -	- Do -	37,442,951	Pending				
27	- Do -	2020	- Do -	- Do -	159,244,503	Finalized	31-08-22	Noor Hassan IRAQ / A.D	54,855,576	
28	- Do -	2021	- Do -	- Do -	333,376,038	- Do -	- Do -	- Do -	115,801,949	
29		2020	08-09-22	- Do -	144,673,038	Pending				

	JAWAD JEWANI PROP. COSTAL STAR SEA FOOD 4210116405427									
30	- Do -	2021	18-06-22	- Do -	197,751,477	Finalized	08-09-22	Noor Hassan IRAO / AD	68,283,017	
31	ASIAN FISHERIES INTERNATIONAL PROP. MIRZA FAISAL BAIG 4220141631559	2017	15-07-22	- Do -	126,907,275	Notice Withdrawn	08-11-22	Nazir Ahmed Soomro ACRI		
32	- Do -	2018	- Do -	- Do -	102,953,425	- Do -	- Do -	- Do -		
33	- Do -	2019	- Do -	- Do -	140,091,668	- Do -	- Do -	- Do -		
34	- Do -	2020	- Do -	- Do -	76,523,519	- Do -	- Do -	- Do -		
35	- Do -	2021	- Do -	- Do -	120,865,421	- Do -	- Do -	- Do -		
36		2021	- Do -	- Do -	110,459,297	Pending	- Do -	- Do -		

SALES TAX ASSESSMENTS IN CASE OF FISH EXPORTERS

Sr.No	Name Of the Taxpayer, NTN / STRN	Tax Periods	Date Of Issuance Of SCN U/S 11	Show Cause Issued By Officer	Principal Amount & Penalty Confronted	Present Status	If Not Pending Date Of Order	Name Of Officer who Finalized Order	Tax & Penalty Imposed
1	M/s KANP INTERNATIONAL SALES, 0819455-6	01-07-2016 to 30-06-2017	28-05-2022	Noor Hassan IRAO / AD	2,012,271,499	Finalized	13-01-2023	Nazir Ahmed Soomro, ACIR	NIL
2	-Do-	01-07-2017 to 30-06-2018	-Do-	-Do-	2,628,810,478	-Do-	-Do-	-Do-	NIL
3	-Do-	01-07-2018 to 30-06-2019	-Do-	-Do-	3,672,684,874	-Do-	-Do-	-Do-	NIL
4	-Do-	01-07-2019 to 30-06-2020	-Do-	-Do-	3,563,418,531	-Do-	-Do-	-Do-	NIL
5	-Do-	01-07-2020 to 30-06-2021	-Do-	-Do-	3,065,419,820	-Do-	-Do-	-Do-	NIL
6	MAHI FROZEN FOOD 3277876112516	01-07-2018 to 30-06-2021	30-05-2022	NIL	6,101,004,489	-Do-	-Do-	-Do-	NIL

7	SUPER ENTERPRISES	01-07-2016 to 30-06-2021	22-04-2022	MUHAMMAD HANIF, IRAO / A.D	1,887,325,629	-Do-	06-09-2022	Noor Hassan IRAO / A.D	1,887,325,629
8	SAM FISH TRADING, 1700420011113	01-07-2015 to 30-06-2021	16-04-2022	Noor Hassan IRAO / A.D	1,645,762,714	Pending			
9	M/s GLOBAL SEA FOOD TRADERS, 1700383843815	01-07-2015 to 30-07-2021	18-04-2022	-Do-	658,720,308	Finalized	15-06-2022	Noor Hassan IRA / A.D	658,720,308
10	M/s AL NOOR INTERNATIONAL 1700368358914	01-06-2016 to 30-07-2021	20-06-2022	-Do-	607,656,190	Pending			
11	M/s A.U. FISHERIES 1700178262116	01-07-2018 to 30-06-2021	18-04-2022	-Do-	753,063,452	Finalized	10-11-2022	Aijaz Hussain Sahto AC-IR	753,063,452
12	M/s A.R TRADERS, 1100090000991	01-07-2018 to 30-06-2021	18-05-2022	-Do-	23,696,994	-Do-	08-03-2022	Noor Hassan A.D	NIL
13	M/s ABC FISHING CORPORATION 112299995346	01-07-2018 to 30-06-2021	09-06-2022	MUHAMMAD HANIF IRAO / A.D	106,012,690	Pending			
14	M/s ASIAN FISHERIES INTERNATIONAL 3955860	01-06-2016 to 30-07-2021	06-09-2022	Noor Hassan IRAO / A.D	113,466,282	-Do-			
15	M/s COASTAL STAR SEAFOOD 3277876134812	01-07-2019 to 30-06-2021	04-07-2022	-Do-	136,969,804	-Do-			
16	M/s KHAN SEAFOOD 1700103522412	01-07-2015 to 30-07-2022	13-04-2022	-Do-	191,917,870	Finalized	13-10-2022	Aijaz Hussain Sahto AC-IR	191,917,870
17	M/s PROMARK TRADING 3277876179811	01-07-2020 to 30-07-2021	17-06-2022	-Do-	36,128,467	Pending			
18	M/s SHERAZ SEAFOOD 3277876150451	01-07-2018 to 30-07-2021	13-04-2022	-Do-	37,929,240	Finalized	13-10-2022	Aijaz Hussain Sahto AC-IR	37,929,240
19	THE SEAFOOD COMPANY 4294316	01-07-2020 to 30-07-2021	18-05-2022	-Do-	10,085,585	Pending			

7. As can be observed from the above mentioned tables of income tax & sales tax assessment in cases of Fish Exporters, multiple notices were

issued for tax years 2017 to 2021 in income tax and for tax periods from July 2016 to June 2021 in sales tax to fish exporters confronting all bank credit entries as unexplained / concealed assets or Income in income tax, and as suppressed taxable sales/supplies to unregistered person in sales tax threatening to impose tax of Billions of Rupees. But then all of a sudden the show cause notices were withdrawn. However in certain cases, having identical facts and circumstances exporters were made examples to create fear among Fish Exporters. Income tax as well sales tax in Billions of Rupees were imposed and banks were attached to disrupt exports and endless litigation. Brief on assessment of few of fish exporters are given below which reflects the reign of terror perpetrated by the Commissioner Zone-1, RTO-1, Karachi during his tenure of posting.

I) M/s Kanpa International Sales NTN 0819455

Show cause notices (SCNs) were issued u/s 122(9) read with section 122(5) & 111(1)(a) of the Ordinance for tax years 2017 to 2020 confronting to make addition as unexplained / concealed income against bank credit entries of Rs. 26.454 Billion in income tax by an unauthorized officer (IRAO). Where as, in sales tax SCN was issued against bank credit entries to impose sales tax of Rs. 14.943 Billion as suppressed taxable sales/supplies by an IRAO. Then without any plausible reasons on record these notices were withdrawn without imposing any tax at all by an ACIR. In income tax, no order u/s 122(1) or 122(5) was issued rather correspondence was withdrawn through assignment in IRIS stating that no adverse action established.

Where as, in sales tax, the order bulldozing the confronted sales tax in Billions of Rupees is reproduced below:

" 01. The case was taken up for the audit u/s 25 of the Sales Tax Act 1990 vide dated 14.11.2022 by FBR Islamabad. The CIR Zone1, RTO-1 Karachi assigned the audit to the undersigned for tax period for the July 2018 to June 2019.

02. Therefore, audit notice u/s 25 of the Sales Tax Act 1990 was issued to the registered person through TAMS and courier. The RP provided sales tax record for the period from July 2018 to June 2019. The case was discussed with the RP in the light of law and facts, in support of his contention he furnished copies of electricity bills, income tax returns, SRB returns. The same was scrutinized and found in order. No discrepancy was noticed as per record produced by the RP."

ii. M/s Mahi Frozen Foods, STRN 3277876112516

In this case, a single SCN was issued in sales tax against bank credit entries to impose sales tax of Rs. 6.101 Billion on account of suppressed taxable sales/supplies by an unauthorized Officer i.e. IRAO on 30.05.2022. Strangely, an order u/s 11(2) of the Act was passed on 13.01.2023 by an ACIR stating that no discrepancy was found. The assessment order is reproduced below:

01. The case was taken up for the audit u/s 25 of the Sales Tax Act 1990 vide dated 14.11.2022 by FBR Islamabad. The CIR Zone1, RTO-1 Karachi assigned the audit to the undersigned for tax periods for the July 2018 to June 2021.

02. Therefore, audit notice u/s 25 of the Sales Tax Act 1990 was issued to the registered person through TAMS and courier. The RP provided sales tax record for the period from July 2018 to June 2021. The case was discussed with the RP in the light of law and facts, in support of his contention he furnished copies of electricity bills, income tax returns, SRB returns. The same was scrutinized and found in order. No discrepancy was noticed as per record produced by the RP"

The very interesting part of this order is that the SCN was issued to impose sales tax of Rs. 6.101 Billion against suppressed taxable sales by an IRAO on 30.05.2022. Whereas the case was taken up for the audit u/s 25 of the Sales Tax Act 1990 vide dated 14.11.2022 by FBR Islamabad (as per first para of the order) after

issuance of SCN. How can a SCN to impose sales tax of Rs.6.101 Billion be issued five months before the case was selected for audit u/s 25 of Sales Tax Act?

iii. M/s Super Star Enterprises, NTN 0670036-5

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This is a case where the taxpayer's case merits serious attention. In this case, initially SCN was issued u/s 122(9) read with section 122(5) & 111(1)(a) of the Ordinance for tax year 2017 confronting bank credit entries of Rs. 501,156,083 as unexplained income and an exparte order was passed by making addition of the same amount u/s 111(1)(a) imposing income tax of Rs. 172.110 Million on 08.09.2022 by an unauthorized Officer i.e; IRAO (which was subsequently annulled by CIR Appeals). In sales tax, an amount of Rs.1.887 Billion sales tax was imposed for tax periods July 2016 to June 2021 vide order dated 06.09.2022 by an IRAO. Thus initially heavy illegal assessment was made to harass the taxpayer and then after teaching a lesson for not coming to the terms to this exporter, bank credit entries of Rs.3.440 Billion was confronted for tax years 2018 to 2021 in income tax as unexplained income and later on, no order u/s 122(1) was issued rather correspondence was withdrawn for obvious reason through assignment in IRIS by an ACIR stating that no adverse action was established.

iv. M/s H& H Marine Products NTN 2825378-7

This is a typical case of extreme administrative excesses wherein the exporter had to pay very heavy price as '**cancellation of all his export orders from Gulf countries**'. Briefly, addition of Rs.1.400 billion as

unexplained bank credit entries was made for tax years 2016, 2017, 2018 and 2020 u/s 111 (1)(b) & 111(1)(d) of Income Tax Ordinance vide orders dated 25.01.2022. Thereafter, all bank accounts were attached immediately by an IRAO in clear violation of Board's instructions vide letter C.No.7(20)S(IR-Operations)/2020 dated 12.10.2021 not to take coercive measures until the case has passed the test of appeal at the level of Commissioner-IR (Appeals). The taxpayer filed complaint before Honourable FTO because all his export orders from Gulf countries were cancelled and he could not supply fish products in time against export orders due to attachment of his bank accounts. This forum after examining this grave issue vide Findings dated 11.05.2022 directed the CIR, Zone-1, RTO-1 Karachi to revisit the impugned orders dated 25.01.2022 u/s 122A of the Ordinance after providing proper opportunity of hearing. The Commissioner, Zone-1, RTO-1 Karachi did not withdraw the bank attachments even after the FTO decision in total disregard/ violation of Board's clear instructions not to initiate recovery proceedings during the pendency of complaint at FTO Office issued vide Board's letter no.4(10)Rev.Bud/2020-Vol-II/17297-12 dated 04.02.2022. The CIR filed representation against the order of FTO. The Honourable President of Pakistan vide order dated 06.09.2023 rejected the representation. Meanwhile, the exporter filed appeal before the CIR (A) and the learned CIR(Appeals-IV) Karachi vide order dated 07.08.2023 annulled all assessment orders for tax years 2016, 2017, 2018 & 2020. The banks of the Complainant attached on 27.04.2022 were withdrawn after one and half year vide letter dated 15.09.2023. Thus, the then Commissioner Zone-1, RTO-1 ruined export business of this fish exporter altogether.

This fact raises an alarm as far as the highhandedness and unjust conduct of the then Commissioner-IR vis-à-vis genuine exporters in fisheries sector.

8. The modus operandi of the Commissioner was to constitute a team consisting of IRAOs (not authorized to act as Unit In charge or assessment related functions) and Officers going to be retired shortly. The Commissioner as well as his team (after taking approval from the Commissioner) obtained all bank statements of the fish exporters, confronted all credit entries for unexplained / concealment of income u/s 111 of the Ordinance and as suppressed taxable sales/ supplies to unregistered persons u/s 11(2) of the Act. These exporters pay 1% as export proceeds in income tax as final tax liability where as the export in sales tax is zero rated. The threatening showcause notices confronting unexplained income and suppressed taxable supply of billions of rupees were withdrawn in shady manners. The quality of assessment orders consisting of one page giving a clean chit reflects the corrupt motives for extortion. In cases where the exporters contested the notices billions of rupees in taxes were imposed but all of these cases were either annulled or set aside for denovo consideration by higher appellate forums. In short, the whole dubious assessment proceedings speak itself as perverse, arbitrary or unreasonable, unjust, biased, oppressive and are proof of administrative excesses perpetuated by the Commissioner, Zone 1, RTO-1 Karachi and his team of IRAOs and ACIRs on exporters of fish products during the period from 01.07.2021 to 31.12.2022.

9. Though all the assessment record could not be examined due to paucity of time, however analysis of assessment against records obtained so far during investigation raised following queries /questions:

- i) How come an IRAO was posted as Unit-In-Charge and assigned assessment related function and duties by the Commissioner, Zone-1, RTO-1 Karachi in violation of decision of the Honorable Sindh High Court's decision dated 23.11.2022 in CP No.D-1356/2022 & 1357/2022 wherein the Honorable High Court confirmed the decision of the FBR dated 28.10.2015 that the Officers of Audit Cadre in IRS shall not be posted as Unit-In-Charge in field formation and shall not be assigned assessment related function and duties?
- ii) Whether or not the SCNs and/or assessment order issued by an IRAO without legal jurisdiction are patently illegal, coram non judice and abinitio void?
- iii) Whether or not Mr. Abdul Hameed Abro, the then Commissioner Zone-1 and Mr. Noor Hassan, IRAO RTO-1 Karachi were authorized to file Suit vide # 914 of 2022 alongwith Contempt of Court Application against FTO and his Advisor vide CMA nos. 10655/2022 & 10656/2022 before Honourable High Court of Sindh on 16.07.2022 without approval from Member(legal)/ Board?
- iv) Is there any provision of Sales Tax Act 1990 whereby bank credit entries are to be assessed as taxable sales / supplies as can be done u/s 111(1) (a) of Income Tax Ordinance 2001?
- v) Whether multiple audit proceedings for five years in income tax and as well as in sales tax can be conducted simultaneously in order

to create terror in violation of FBR notification C.No.4(36)ITP/2002 dated 05.10.2019?

vi) Whether or not the CIR & IRAO are authorized to violate Board's following direction/ instructions binding under section 72 of the Sales Tax Act 1990 & section 214 of Income Tax Ordinance 2001:

- a) C.No.7(20)S(IR-Operations)/2020 dated 12.10.2021 not to take coercive measures until the case has passed the test of appeal at the level of Commissioner-IR (Appeals)
- b) 4(10)Rev.Bud/2020-Vol-II/17297-12 dated 04.02.2022 not to initiate recovery proceedings during the pendency of complaint at FTO Office.

10. It will not be out of place to mention here that the Commissioner Zone-1, RTO-1 Karachi as well as IRAO were confronted specifically about the allegations of Pakistan Fisheries Exporters Association. However, instead of providing proper reply in defense; Mr. Abdul Hameed Abro, the then Commissioner Zone-1 and Mr. Noor Hassan, IRAO RTO-1, Karachi, preferred to file Civil Suit vide # 914 of 2022 and Contempt of Court Application against FTO and his Advisor vide CMA Nos. 10655/2022 & 10656/2022 before the Honourable Sindh High Court (SHC) on 16.07.2022. The Honourable SHC suspended the operation of the impugned notice dated 01.07.2022. Later on, the Honourable SHC vide order dated 04.09.2023 after examining the issue in details, dismissed the Suit 914 of 2022 alongwith CMAs 10655/2022, 10656/2022 & 9503/2022 paving the way to proceed with the instant OM

FINDINGS:


11. Issuance of illegal notices of income tax / sales tax, unexplainable withdrawals in certain cases and imposition of heavy taxes in some identical cases by Commissioner Zone1, RTO-I Karachi and his team from the exporters of fish, earning foreign exchange for the country causing fear, mental agony and harassment tantamount to maladministration under section 2(3)(a)(b)(c)(d) of FTO Ordinance.

RECOMMENDATION:

12. FBR is directed to:

- i) Initiate **Fact Finding Inquiry** proceedings, to be conducted by Directorate General I&I-IR in the light of Para 9 above;
- ii) Directorate General to furnish its report within 60 days to FBR; and
- iii) Management & HR wing to initiate appropriate proceedings in the light of findings of Directorate General I&I-IR **against the officers/officials found involved in maligning FBR, choking an Export oriented sector, thus compromising national interest and jeopardizing & impeding the inflow of foreign exchange for the country;** and
- ii) report compliance within 90 days.


Director
FTO Secretariat
Islamabad


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

Dated: 12.11.2024

Approved for reporting

