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Federal Tax Ombudsman Newsletter

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Hourly Monitoring of Progress by Federal Tax Ombudsman

Prompt Resolution of Difficulties of Exporters Innovative and Unprecedented Action of Hon'ble FTO to Ensure Timely Shipment of Export Consignment

SHAHKAM
INDUSTRIES
(PRIVATE)
LIMITED



Honorable Federal Tax Ombudsman,
8th Floor, NIC Building,
Opposite Christian Graveyard, Karachi

14th February, 2022

SUBJECT: PROMPT RESOLUTION OF DIFFICULTIES OF EXPORTS – QUICK ACTION OF THE OFFICE OF FTO

Respectable Sir,

We do not have words to thank the innovative and prompt action of the Honorable Federal Tax Ombudsman in ensuring shipment of consignments failing which might have resulted in the cancellation of LC and subsequent orders running in millions of dollars.

Your kind action of directing the Karachi regional office on late Friday evening (after office hours) on the complaint, filed through mobile phone, of delay in shipment destined to the world's leading retail garments brand "ZARA" was unbelievable. The advisor at the regional office Karachi kept a follow up with the Collector Customs Export Port Qasim throughout the Saturday night and ensured the clearance of shipment, which otherwise was not possible. He monitored the progress on hourly basis. This action of the office of FTO is unprecedented and has set new standards of resolution of the problems of exporters (tax payers) by any government institution. We wish and pray the same spirit is inculcated in all other institutions dealing with export in case we want to reduce our trade deficit.

Best regards,

For Shahkam Industries



Jah



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“Every decision of FTO is a step towards a better Pakistan”

President Dr. Arif Alvi addressing an awareness seminar organized by FTO

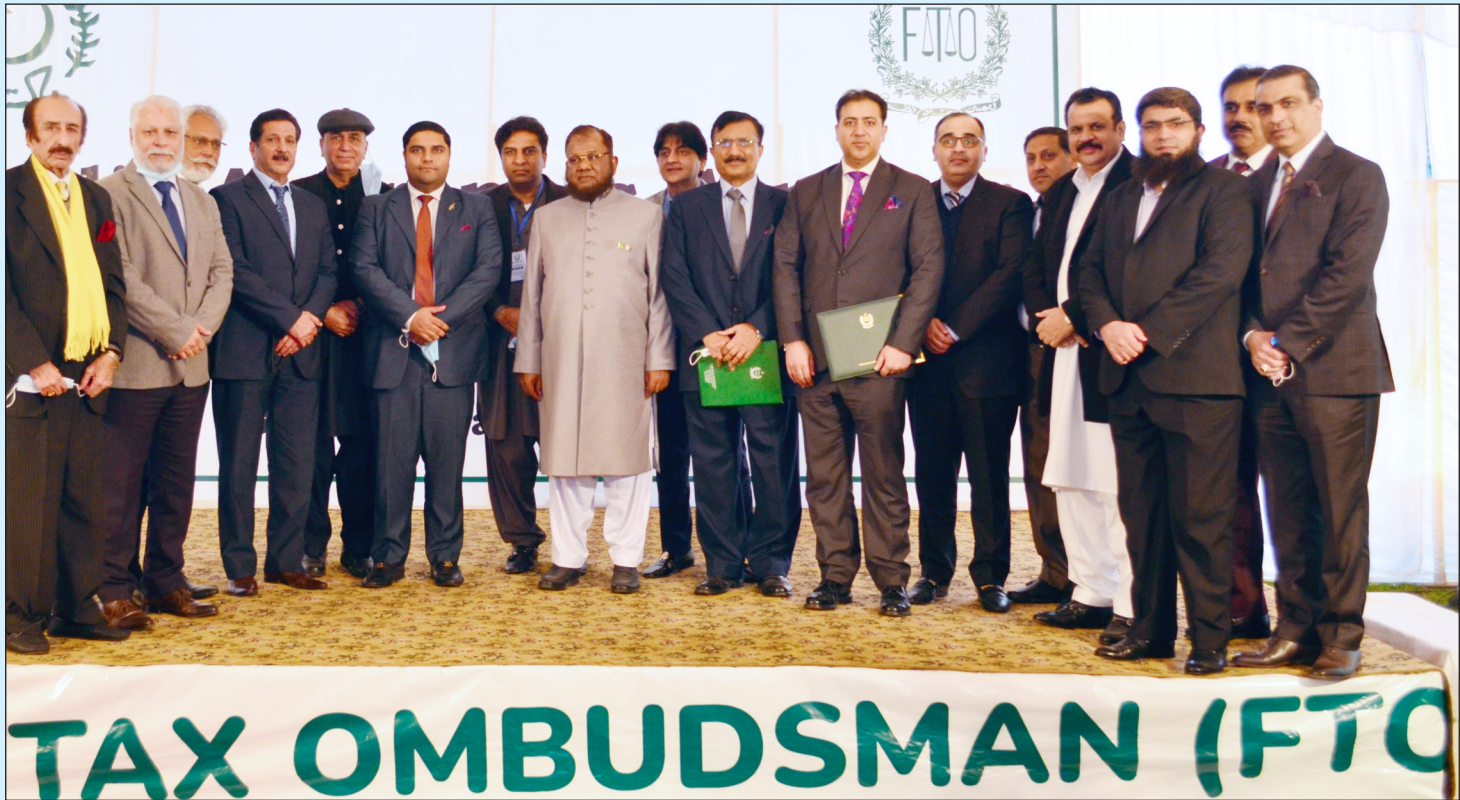
An Awareness Seminar was organized by the Federal Tax Ombudsman at Governor House, Lahore on February 3, 2022. President Dr. Arif Alvi was the Chief Guest. While talking about providing facilities to the Taxpayers through awareness Seminar, he emphasized on increasing the Tax to GDP Ratio and said that we have been trying for the last 70 years to increase the Tax net but no tangible progress was still made. The President Dr. Arif Alvi urged the business and industrial community to come up with their own proposals for increasing the Tax net instead of presenting their demands to the government, as this is the most effective way to get the country out of financial problems. Let the people work together to increase the National income. The event was attended by a large number of Businessmen, Lawyers and Journalists from all over the province. Seminar coordinator Mr Joenda legal advisor to FTO said the Prime Minister has for the first time in the history of the country, has appointed an officer from FBR who understands all the nuances and difficulties in tax procedures. That is why, timely decisions are being issued. A detailed video about the performance of the Federal Tax Ombudsman was also released on this occasion. According to which, FTO office has issued decisions on about 14,000 applications since its inception 2000. Federal Tax Ombudsman Dr. Asif Mahmood Jah said that we also guarded our decisions through monitoring of implementation and facilitated payment of Refunds of Rs. 27 Billion to the Taxpayers trapped in FBR. This improved the atmosphere of harmony between the Taxpayers and the FBR. Federal Tax Ombudsman Dr. Asif Mahmood Jah, while welcoming the President Dr. Arif Alvi, said that he had assured the President and the Prime Minister of Pakistan that we will do our best to provide Justice in the country in accordance with the Laws and Rules of the country. He cited an



example of tractor imports case during the sowing season, As a large consignment of tractors was stopped by the Customs Officials despite all the payments and paperwork being completed, on which FTO spoke to the concerned Officers and the consignment was released within a few hours. He said that timely supply of tractors would have a positive impact on agricultural production. Federal Tax Ombudsman Dr. Asif Mahmood Jah said that this institution has been set up to solve the problems of the people. We are acting as Taxpayers' Advocate. And under Section 33 of the Federal Tax Ombudsman Ordinance 2000, disputes are being resolved in a matter of hours through mutual negotiations. He said that in order to promote tax culture in the country, we are creating an atmosphere of friendship with the Tax Payers. Taxpayers are being given confidence to believe that in case of any difficulty, there is an institution which can be approached free of cost. I also have a WhatsApp number where people can send a complaint on a half page. We have also issued a special number on which a complaint can be lodged. FTO TV has also been launched for the awareness campaign. FTO Dr Asif Jah said four more Regional Secretariats in the country, and facility desks have also been set up at border check posts

of Balochistan and Khyber Pakhtunkhwa. I have also instructed my advisors to increase the liaison with the Taxpayers. For the first time, a Public-Private Partnership has been launched with the intention of improving the tax system. We are appointing honorary advisors from among traders, industrialists and investors. In this regard, names have also been sought from 46 chambers of Commerce and Industry. Appointments are being made on their recommendations. Atmosphere of cooperation will lead to increase in tax net inshallah. During his address, President Dr. Arif Alvi stated that he has expectation with the Federal Tax Ombudsman that he would solve problems of the Taxpayers in minimum time and keep them in the loop through awareness campaign. The FTO Offices will also try to reach out to as many people as possible through its awareness campaign. Speaking on the Islamic system of accountability, the President, referring to Hazrat Omar Farooq (Razi ALLAH Talaah Unhu), said that the Islamic system of accountability is very simple and clear. When a man stood up and asked Hazrat Omar Farooq about his attire and how many pieces of cloth were used by him. He answered the question and said that his son's cloth was also used in it. He showed us how

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accountability is to be conducted. However On the contrary, our accountability system suffers from legal considerations. The law is very simple, that is, whoever is the trustee of public wealth should answer for the use of public wealth. Instead of answering the question of accountability, people turn left and take advantage of the swing in the law. President Dr Arif Alvi directed the FTO to make positive progress and said that he would soon convene a meeting of Chairman FBR and Federal Tax Ombudsman. On the occasion, the President referred to the case of 82-year-old retired pensioner Hamid Ali Khan. Instead of paying a refund of Rs 2333, the FBR had appealed to me the president against the FTO's decision. President Dr. Arif Alvi said that the organization of awareness seminar on Tax System by the Federal Tax Ombudsman is a very positive step. The public needs to know there is a Federal Tax Ombudsman. Referring to his previous politics, he said that reforms in the Tax System have been the focus of his attention in every era. "Every time a new Tax is imposed, the investment community comes to me. They want to avoid the new tax, adding

more people to the tax net will reduce the Tax burden per capita. If you read the newspapers of the fifties, you will also find stories of high taxes in those is very high. Another reason for tax fright is Whenever the government tries to impose a new Tax or takes steps to

the tax system. There is no exception for anyone in Islam. In Islamic times, Government lamps were burned during official work. Lamps would be extinguished as soon as it was finished. The son of the first Caliph used to say, "Mother, you feed us only one meal a

Addressing the Federal Tax Ombudsman Dr. Asif Jah, the President said, "You are Earning Hereafter. Accountability is the Biggest Responsibility There."

increase the Tax net, there is a noise of postponing it for 6 months because people do not want to come on the record. When we ask them why? only answer since the fifties is that people connected to the Tax System will harass us. That is why the federal government has not yet been able to impose an Agricultural Tax. Why? Whenever it is included in the Tax System, there will be trouble. I answer to everyone that you come to the system first and then demand that you pay more taxes and reduce taxes. There may be debate over whether the tax is higher or lower, but it is not appropriate to stay outside

day." This is the condition that the Head of State imposes on himself. We have so distorted this legacy that now an elderly Pensioner has filed a case for a refund of Rs. 2333. After serving the government all his life, he asked me to return Rs. 2333. The FBR demanded all the Bills that were given to him. The matter was dismissed there and then he went to the Federal Tax Ombudsman. He said, "Brother, bring it back." The Federal Tax Ombudsman ruled in favor of the elderly pensioner. But the FBR came to me instead of implementing. If you look at the performance here, if you have an employee and he keeps

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cleaning the same glass all the month, then you will say that there are many more jobs, there are jobs worth millions of crores of Rupees, lying behind 2333 Rupees. This is the mill being run, how much did it cost? The time of FTO was wasted, the time of FBR officers was wasted, the time of the Presidency was also wasted. People should understand that they also have to serve the people. Addressing the Federal Tax Ombudsman, President Dr. Arif Alvi said that you decide in a few hours to 60 days but I read all the Files in one day and issue Orders. Today, I am in Lahore but I will receive the issues from the digital system and I will decide today. I have promised myself that I will issue the decision after reading the decision of each ombudsman before the end of the night. I read all the files very carefully and there is no reason to delay them. Why should I rotate the file? This is what you said, people are taking money for tractors parked in clearance. When a shipment stops for ten days, people pay for it themselves. We have to end this culture. Delays in government work have to be eliminated. Where there is delay, there will be bribery. In the new digital system, decisions can be made in minutes. It will bring transparency.

When it comes to Blockchain Systems around the world, things can't be changed. Papers can be lost or signatures cannot be changed. Recently, a decision came to me to



remove a NAB Employee. During a raid on the house of a corrupt Officer, 70 property papers worth billions of rupees were found. This corrupt person said that papers have been stolen from my system which caused loss of billions of rupees to the Government. You know, sometimes there is a fire in the office, sometimes there is a burglary, but there can be no such thing as a blockchain system. We will not harass anyone who pays as much tax as he earns. Withholding taxes and other indirect

taxes are levied to determine how much revenue they will generate. People are ready to pay Taxes but they are nervous. Addressing the Federal Tax Ombudsman, Dr. Asif Mehmood Jah, the President said that you are also earning hereafter. Accountability to your Lord is the greatest accountability. Man does not steal because of 5 elements, first faith, second law and third being caught. The law is useless if someone is caught, the fourth is that those arrested should be punished. We say let society decide that the thief is the thief. When you start forgiving thieves, my child will learn that money must come and no one will ask the source. But there will be no forgiveness before the Lord. Maybe Allah Almighty forgives in return for a good deed but the real grip will be there. You should make this institution more popular, use electronic system, every Taxpayer should be aware that if there is any abuse with it then there is a Forum of Federal Tax Ombudsman for redressal. I would like to call the Chairman FBR and FTO on how we can solve the problems of as many people as possible. You (FBR) are there to solve problems, not to create them. And hold regular consultation meetings with FBR

FTO Directs FBR to Revamp Training Programme

Federal Tax Ombudsman Hon'able Dr. Asif Mahmood Jah had urged tax department to revamp its training program to ensure professionalism. The Federal Board of Revenue (FBR) implements the recommendations of Federal Tax Ombudsman Dr. Muhammad Asif Jah, which are aimed at ensuring accountability and professionalism in the tax department's field formations. The ombudsman had recommended that FBR should revamp its training program so that when

experienced Officers of BS-18 are posted in Corporate Units, and Officials of BS-18 to BS-20 attend periodic capacity-building exercises at the Directorate of Training, their conduct should reflect the same. Waheed Shahzad Butt, the lawyer who represented a case of maladministration and administrative excess before the FTO, said that they cannot rule out complicity and collusion of rogue FBR employees with criminal elements when the tax system is being routinely cheated. The counsel said that the

FTO had proposed training and posting to build professionalism in Officers who have to deal with taxpayers. Tax department neither wanted representation before President Dr. Arif Alvi, nor did it file any review plea before the FTO. The FBR has been avoiding the recommendations for a long time. The FTO had recommended that the Tax Department should review its career planning policy. In the past, fresh DOT graduates were first attached with a senior Officer for a few months, then they were given

some minor assignments, and were later posted in districts for further exposure and capacity-building. After four to five years of field experience, they were promoted to BS-18 and given major commercial assignments. Moreover, they were also given periodic capacity-building training. The FTO had ordered that the Tax Department revamp its training program, along with various modules, to ensure that when they are given field postings, their professional conduct reflects departmental attitude.

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President Alvi Concurs with FTO's Recommendation; Exchange Companies Declared Normal Banking For Remittances

President Arif Alvi has confirmed Federal Tax Ombudsman decision that in MSBS (MONEY SERVICE BUSINESS) and MTO (MONEY TRANSFER OPERATOR) be considered by the FBR as Remittances through Normal Banking. State Bank Of Pakistan had clarified in 2019 that the foreign remittances received through MSBS/Exchange companies, Foreign Remittances and MTO'S also constituted "Foreign Exchange remitted from outside Pakistan through normal banking". In a recent case decided by the President of Pakistan, the complainant a member of an AOP, e-filed returns of income for tax years 2017 and 2018 under section 114 (1) of the ordinance alongwith wealth and reconciliation statements by declaring foreign remittance amounting to Rs 1.645 million and Rs 2.290 million respectively. However, FBR issued notices to the complainant and kept the case pending for a long period without



any plausible reason. Subsequently, show cause notices were issued under the income tax ordinance proposing the addition of legally sent foreign remittances. The complainant requested Income Tax department to drop the proceedings in view of the state Bank of Pakistan (SBP's) clarification. The department, however, disregarding the legal position, facts, and case laws amended the assessments for tax years 2017 and 2018 and denied the benefit to the complainant. The complainant

therefore took up the matter with the Federal Tax Ombudsman.

Federal Tax Ombudsman directed FBR to issue circular to all the field formations to follow the clarification of the SBP and directed the commissioner –IR, Sialkot Zone to re-visit the order in the case of complainants in terms of section 122 A of the ordinance in the light of clarification issued by the SBP and Order-in-review by the FTO and pass fresh order after affording opportunity of

hearing to the complainant. However, instead of complying with the order FBR filed the review with the President of Pakistan.

The President has now affirmed the FTO's order and held that failure of FBR to follow SBP'S clarification is maladministration. He also decided that MSBS/EXCHANGE companies, MTOS be considered as normal banking for remittances and issued instructions to provide relief to the aggrieved taxpayers.

FTO Rescues a Lady Unduly Registered as Tier-1: Resolves the Complaint within 2 Days

A petition was filed with the Federal Tax Ombudsman under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance), seeking exclusion of the complainants' case from "Tier-1-Retailers", under Sales Tax Act, 1990. The complainant was aggrieved on FBR's decision to include her in the said tier despite the fact that she had not conducted any business ever since her registration and that she has already notified it to the FBR. It was observed by the FTO that the issue raised revolved around small technical hiccups, therefore, instead of resorting to formal investigation

proceedings under FTO Ordinance, 2000, provisions of Section 33 were invoked for instant resolution & relief. This section provides an alternate mode of redressal of the problems faced by the taxpayers. It reads; 33. Informal resolution of disputes.- (1) Notwithstanding anything contained in this Ordinance, the Federal Tax Ombudsman and authorized Staff Members shall have the authority to informally conciliate, amicably resolve, stipulate, settle or ameliorate any grievance without written memorandum and without the necessity of docketing any complaint or issuing any official notice.

After authorization the matter, advisor Incharge, Regional Office, Lahore acting swiftly approached the concerned RTO to ascertain the factual position. In response the concerned tax authorities not only verified the veracity of complainant's claim, the case was excluded from Tier-1, Retailers on 25th January, 2022 by CIR-Zone-IV, RTO Lahore. Thus the genuine issue was resolved within 02 working days. The petitioner's lawyer confirmed that issue stands resolved and appreciated the quick & informal mechanism adopted by FTO Secretariat which by-passes lengthy investigation proceedings.

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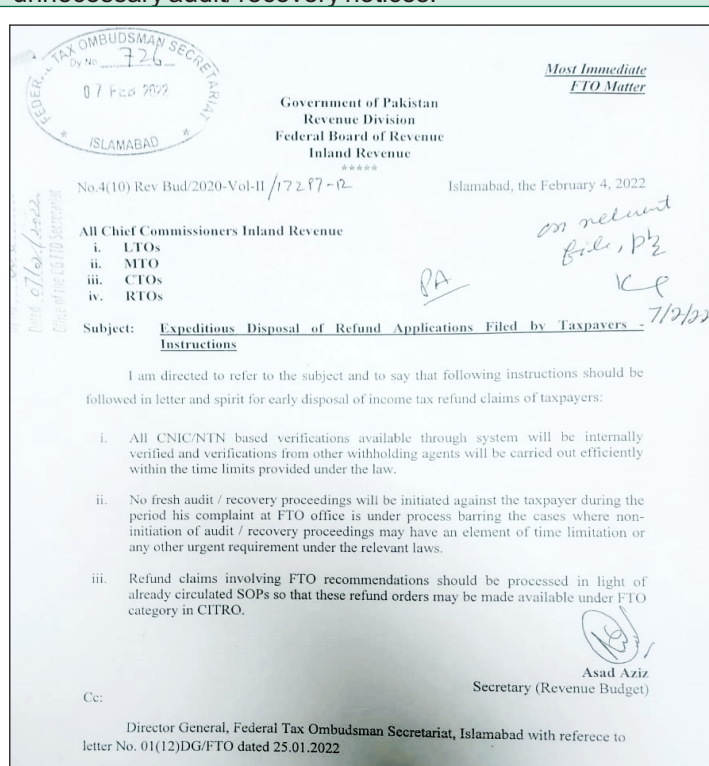
Upon FTO's Intervention, FBR Issues Instruction for Expeditious Disposal of Income/Sales Tax Refunds

Consequent upon the intervention of Federal Tax Ombudsman (FTO) Dr. Asif Mahmood Jah, Federal Board of Revenue (FBR) has issued instructions to its field offices for quick disposal of refund cases of income tax. The issue of unnecessary delay in processing these cases was taken up by the FTO with Member (IR) Operations, FBR. The instructions issued vide FBR's letter dated 04.02.2022 for early processing of income tax refund claims ordain FBR field offices to:-

- i. All CNIC/NTN based verifications available through system will be internally verified and verifications from other withholding agents will be carried out efficiently within the time limits provided under the law.
- ii. No fresh audit / recovery proceedings will be initiated against the taxpayer during the period his complaint at FTO office is under process barring the cases where non-initiation of audit / recovery proceedings may have an element of time limitation or any other urgent requirement under the relevant laws.
- iii. Refund claims involving FTO recommendations should be processed in light of already circulated SOPs so that these refund orders may be made available under FTO category in CITRO.

The above instructions will not only facilitate the taxpayers by doing away with the inordinate delays in refund claims in the name of lengthy verification procedures but will also be safe guarding the taxpayers against exploitation by way of

unnecessary audit/ recovery notices.



Most Immediate FTO Matter

Government of Pakistan
Revenue Division
Federal Board of Revenue
Inland Revenue

No.4(10) Rev Bud/2020-Vol-II /17287-12- Islamabad, the February 4, 2022

All Chief Commissioners Inland Revenue

- i. LTOS
- ii. MTO
- iii. CTOs
- iv. RTOs

Subject: Expeditions Disposal of Refund Applications Filed by Taxpayers - Instructions

I am directed to refer to the subject and to say that following instructions should be followed in letter and spirit for early disposal of income tax refund claims of taxpayers:

- i. All CNIC/NTN based verifications available through system will be internally verified and verifications from other withholding agents will be carried out efficiently within the time limits provided under the law.
- ii. No fresh audit / recovery proceedings will be initiated against the taxpayer during the period his complaint at FTO office is under process barring the cases where non-initiation of audit / recovery proceedings may have an element of time limitation or any other urgent requirement under the relevant laws.
- iii. Refund claims involving FTO recommendations should be processed in light of already circulated SOPs so that these refund orders may be made available under FTO category in CITRO.

Cc: Asad Aziz
Secretary (Revenue Budget)

Director General, Federal Tax Ombudsman Secretariat, Islamabad with reference to letter No. 01(12)DG/FTO dated 25.01.2022

FBR has issued order in this connection

Brief on Meeting Held with Sargodha Tax Bar

Meeting was held with members of Sargodha Tax Bar, Sargodha on 08.02.2022 at Regional Office, Sargodha.

Formal meeting began with precise introduction of domain, aims and objectives of institution of FTO. An effort was made to remove apprehensions of the participants regarding vindictive attitude of field formations of FBR in cases filing complaint(s) against the Deptt.

Following issues were highlighted in the course of interactive session:

- *Deptt's offensive attitude towards tax payers after filing of complaint.
- *Lack of competence, experience and training in employees of Revenue Deptt.
- *Lopsided tax administration by supervisory officers.
- *In refund cases, RPOs are issued but

cheques are delayed.

*Illegal assessment and recovery through attachment of bank accounts.

The members were motivated to utilize the services of institution of the FTO and highlighted the adequacy of the forum through its straightforward and fair investigation and implementation methodology. The members demonstrated their trust in the establishment of FTO institution and recognized its benefit to the taxpayers. Questions/queries of the participants were responded to their satisfaction which will definitely help building their confidence in the institution of FTO.



Following attended the meeting:
Mr. Muhammad Tasauwar Mufti, Ex-President, Mr. Muhammad Iqbal, President, Mr. Naeem Aziz, Advocate, Mr. Riaz Ahmad Bhatti, Advocate, Mr. Nasir Mufti, General Secretary, Mr. Ahsan Malik, Advocate, Mr. Tayyub Mufti, Advocate.

“FTO Provides a Cost Free and Speedy Relief to the Aggrieved Taxpayers”: Dr. Asif Mahmood Jah

He inaugurated an Ambulance Service, Dispensary and a Langar Khana in Multan

The Hon'ble Federal Tax Ombudsman Dr. Asif Mahmood Jah visited Multan on 7th & 8th February, 2022 in furtherance of his countrywide public awareness campaign. He was received by Dr. Khalil Ahmad, Advisor to FTO at Multan and Mr. Imran Ahmad Ch, Collector Customs. He inaugurated an Ambulance Service, Dispensary in Customs House and a Langar khana being run by the MCC under the supervision of Mr. Imran Ch, Collector Customs, Multan. He then proceeded to Multan Chamber of Commerce & Industry and was warmly welcomed by the President of M C C I K h . M u h a m m a d Hussain. A brief discussion with the Office Bearers of MCCI was held in the office of its President. The Hon'ble FTO then chaired a full house session of the members of MCCI, representatives of a wide range of trade bodies including Pakistan Cotton Ginner Association, Small Traders Association, Oil Mills Association, Distributors Associations and Tax Practitioners.

Mr. Khawaja Muhammad Hussain in his welcome address pointed out a wide range of issues/ problems being faced by the business community and invited the attention of the Hon'ble Federal Tax Ombudsman for their resolution. Dr. Khalil Ahmad highlighted the salient features of FTO Ordinance, 2000 and apprised the participants that the forum of Federal Tax Ombudsman is an institution meant for the redressal of Taxpayers grievances within given timeline.

Hon'ble Federal Tax Ombudsman Dr. Asif Mahmood Jah in his keynote speech dilated upon the issues raised

by the participants and gave full assurance for speedy relief to the Taxpayers in resolution of their problems. He apprised the audience about the performance of the office of the FTO after assuming the charge of this institution and assured that they should resort to this forum for redressal of their genuine complaints/ difficulties. The Hon'ble Federal Tax Ombudsman Dr. Asif Mahmood Jah explained in



detail that the forum of FTO provides a cost free and speedy relief to the aggrieved Taxpayers who can file their complaint in paper form or electronically. They can also keep a track of their complaints through an App which is going to be launched very soon. He also asked the MCCI to nominate a focal person to act as an interface between local business community and Regional Office of the FTO at Multan. He also announced to establish a help desk at any place convenient to the business community. The session ended with Q & A. A good number of participants conversed in it. The questions raised were responded to by the Hon'ble Dr. Asif Mahmood Jah.

On 8th February 2022, Hon'ble Federal Tax Ombudsman Dr. Asif Mahmood Jah visited FTO Secretariat Regional Office, Multan. The Advisor at Multan briefed him about the issues relevant to his office and Hon'ble Federal Tax

Ombudsman Dr. Asif Mahmood Jah was kind enough to address them. In the afternoon, the Hon'ble FTO proceeded to RTO, Multan. He was welcomed by the executive body of Multan Tax Bar Association (MTBA) in the Bar Office. He inaugurated two bar rooms dedicated to the veteran members of MTBA.

Mr. Abid Raza Bodla, CCIR, RTO, Multan welcomed the Hon'ble FTO in the RTO. The CCIR welcomed the FTO in his opening remarks and highlighted the illustrious career of the Hon'ble FTO. He addressed the officers of the RTO and LTO in the committee room. He advised the officers to be courteous with the Taxpayers in discharge of their duties because Taxpayers community is an asset and their role

should be duly recognized.

In the afternoon, Hon'ble Federal Tax Ombudsman Dr. Asif Mahmood Jah attended a seminar on "Dispensation of Justice through FTO" organized by MTBA in a local Hotel. Mr. Khadim Hussain Maitla, President MTBA welcomed the Chief Guest. His address was followed by the talk of Mr. Abdul Sattar FCA and Mr. Muhammad Younus Ghazi, FCA. They briefed the participants about the salient features of FTO Ordinance, 2000 and the role of FTO Office in alleviating the grievances of the Taxpayers. The Hon'ble Federal Tax Ombudsman Dr. Asif Mahmood Jah, in his closing remarks thanked the MTBA for the invitation and providing the opportunity to discuss the issues and way-forward for addressing the grievances of the Taxpayers. The seminar ended by presentation of souvenirs to the Chief Guest and other participants.

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FTO Dr. Asif Jah Asks FBR to Fix Specific Time Limit for Deciding ADRC Cases

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 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, FTO has also directed 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 subjudice 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 also recommended that FBR may fix a specific time limit to decide such cases within reasonable timeframe in future.



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Media Coverage

02

NATIONAL

Islamabad POST
Tuesday, February 08, 2022

Tax Ombudsman decides 1000 complaints in three months

Dr Asif Jah said that in order to ensure early decision making and implementation more than 11 FTO Offices have been established across the country

DNA

LAHORE: Federal Tax Ombudsman Dr. Asif Mahmood Jah has decided 1000 complaints of malpractices by FBR official in 3 months' time. He was addressing the group of industrialists at Lahore.

Dr Asif Jah said that in order to ensure early decision making and implementation more than 11 FTO Offices have been established across the country, including four new Offices, which recently opened in Abbottabad, Sukkur, Sargodha and Sialkot.

The FTO assured that issues of delay in refunds/ pending of cases, illegal, unnecessary actions and harassment of business community on pretext violation of rules would be taken up by relevant departments and authorities and would resolve them amicably. Dr Asif informed that FTO has



established a Facilitation Desk on various points in the country. Today, he said a Facilitation Desk was also inaugurated in Peshawar Bacha Khan International Airport.

Our main purpose is to facilitate taxpayers and ensure speedy justice and relief, says Dr. Asif Jah. He informed that during the last three months, 1000 cases/com-

plaints of taxpayers were disposed of, while reforms process has also been expedited in FTO. FTO directs the Advisors to make appropriate utilization of the legal pro-

vision for informal resolution of the disputes. In order to redress the grievances of the taxpayers on priority basis, Federal Tax Ombudsman has directed all Advisors under Section 33 of the FTO Ordinance, 2000 which reads as under: "33 Informal Resolution of Disputes: Notwithstanding anything contained in this Ordinance, the Federal Tax Ombudsman and authorized staff members shall have the authority to informally, conciliate, amicably resolve, stipulate, settle any grievance without written memorandum and without the necessity of docketing any complaint or issuing any official notice". All advisors of the Regional Offices have started dealing specific immediate cases under section 33 of the above said Ordinance to make utilization of the available provision under section 33 of the FTO Ordinance 2000 for informal resolution of the disputes.

<https://islamabadpost.com.pk/tax-has-decided-1000-complaints-of-malpractices-in-3-months-asif-jah/>

BUSINESS RECORDER

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BUSINESS & FINANCE

Quick disposal of refund cases: FBR issues instructions to field offices on FTO's intervention

Sohail Sarfraz 11 Feb, 2022

ISLAMABAD: Following intervention of the Federal Tax Ombudsman (FTO), the Federal Board of Revenue (FBR) has issued new instructions to its field offices for quick disposal of refund cases of income tax. The issue of unnecessary delay in processing these cases was taken up by the FTO with Member (IR) Operations, FBR.

The instructions have been issued to the FBR's field offices for early processing of income tax refund claims. First, all CNIC/NTN-based verifications available through system will be internally verified and verifications from other withholding agents will be carried out

BUSINESS RECORDER

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Disposal of ADRC cases: FTO asks FBR to set 'specific' time limit

Sohail Sarfraz 11 Feb, 2022

ISLAMABAD: The Federal Tax Ombudsman (FTO) has directed the Federal Board of Revenue (FBR) to fix specific time limit for deciding cases of Alternate Dispute Resolution Mechanism (ADRC).

In an order issued by the FTO office, the Federal Tax Ombudsman has held that failure of the FBR to pass any order on the ADRC's Recommendations dated 17 January 2008, as per Section 195-C(4) of the Act, constitutes maladministration and has recommended to the chairman FBR to pass orders on ADRC's Recommendations dated 17 January 2008, in the case of M/s Gadoon Synthetic Mills Ltd as per law.



Tax reforms crucial for economic development: Dr Arif Alvi

Thu, 3 Feb 2022, 8:04 PM

LAHORE, Feb 03 (APP):President

Dr. Arif Alvi said on Thursday that reforms in the tax system were crucial for economic development of the country.

Addressing an awareness seminar on tax system here at Governor's House, he said that tax-to-GDP ratio was very low in Pakistan which needed to be enhanced by restoring the confidence of taxpayers and facilitating people through the institution of Federal Tax Ombudsman.

In the past, a specific class evaded taxes through offshore companies and the money made through tax evasion was transferred to Swiss banks and Europe. These illegal practices put the country under heavy debt burden, he regretted. Contrary to this, he said that every citizen pays taxes in developed countries.

The president said that Imran Khan is the first prime minister who is making solid efforts to curb tax evasion and money laundering, adding that accountability is vital for a positive change in the system.

In the Islamic history, the Khulfa-e-Rashideen [Rightly Guided Caliphs] presented themselves for accountability. He promised that maximum facilities would be provided to taxpayers.

Dr Arif Alvi said that tax collection system was backbone of any country's economy. "We need to create an atmosphere of trust in order to collect taxes from people. In this regard, the Federal Ombudsman and the FBR (Federal Board of Revenue) should put in joint efforts and play a key role in gaining people's trust and curbing corruption."

The president said that use of modern technology was unavoidable in today's world. It is a fact that people are reluctant to join tax net due to cumbersome documentation process in the institutions and they think that if they join the tax net, they will unnecessarily be bothered.

This fear needs to be allayed, which will require institutional reforms. He added that in developed countries, people do not have to travel to offices to get loans, join the tax net and pay taxes; that is why they pay taxes honestly. "We also have to adopt this model and convince people that their taxes will be spent for development of the country."

Islamabad POST
Saturday, February 05, 2022

02 NATIONAL

President upholds FTO decisions

ISLAMABAD: President Arif Alvi while upholding the decisions of Federal Tax Ombudsman regarding maladministration of FBR officials in processing refund cases has directed the FBR to implement FTO's recommendations. The departmental plea regarding bar on jurisdiction of FTO in such cases has also been set aside by the president. He has directed The commissioner -IR, Commission West ZONE ISLAMABAD and commissioner I-R Enforcement 11- CTO Karachi their orders by exercising powers conferred U/S 122 A, as per law: and report compliance within 30 days.

In all three cases the background of the case was similar as under:

In the first case: pertaining to sahiwal against order framed under section 170(4) of the income Tax Ordinance, 2001 (the ordinance) for tax year 2018 by commissioner.I.R Sahiwal Mr Nazir Ahmad Proprietor of M/s Bilal Commission Shop.

In the second Case an individual filed return of income for tax year 2020 under section 114(1) of the ordinance claiming refund amounting to Rs 0.188 million and e-filed refund application for tax year 2020.

In case no 3, Mr. Yousuf irshad hussain, (the complainant) a proprietor, filed returns of income for tax years 2016 to 2019 under section 114 (1) of the income tax ordinance, 2001 the ordinance claiming refund amounting to rs 0.051 million, Rs 0.048 million, Rs 0.063 million and Rs 0.063 million and Rs 0.072 million. - DNA

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FTO

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Hon'ble President of Pakistan Dr. Arif Alvi with Hon'ble FTO Dr. Asif Mahmood Jah (with wife and daughter) along with his Advisors



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