



NEWSLETTER

(September-2023)

FEDERAL TAX OMBUDSMAN



INSIDE THIS ISSUE

Flag Hoisting Ceremony held at FTO Secretariat

For details page 05



FBR Directed to Transfer ST, FED Jurisdiction of all Cases from AEOI Zones to Original Jurisdiction

For details page 18

◆ **Innovation in Digitalization:
FTO Complaint Portal
and FTO Office Helpline**

For details page 08

◆ **Annual Meeting of the FPO
Collaborative Efforts to Improve
Governance and Accountability**

For details page 10

◆ **President
Endorses
FTO's Order**

For details page 12

Patron-in-Chief

Dr. Asif Mahmood Jah (FTO)
(Hilal-i-Imtiaz)(Sitara-i-Imtiaz)

Editors

Mr. Muhammad Nazim Saleem
Mr. Sohaib Marghub

Editorial Board:

Ms. Zoyina Ali Pasha
Designer: Mr. Muhammad Mushtaq

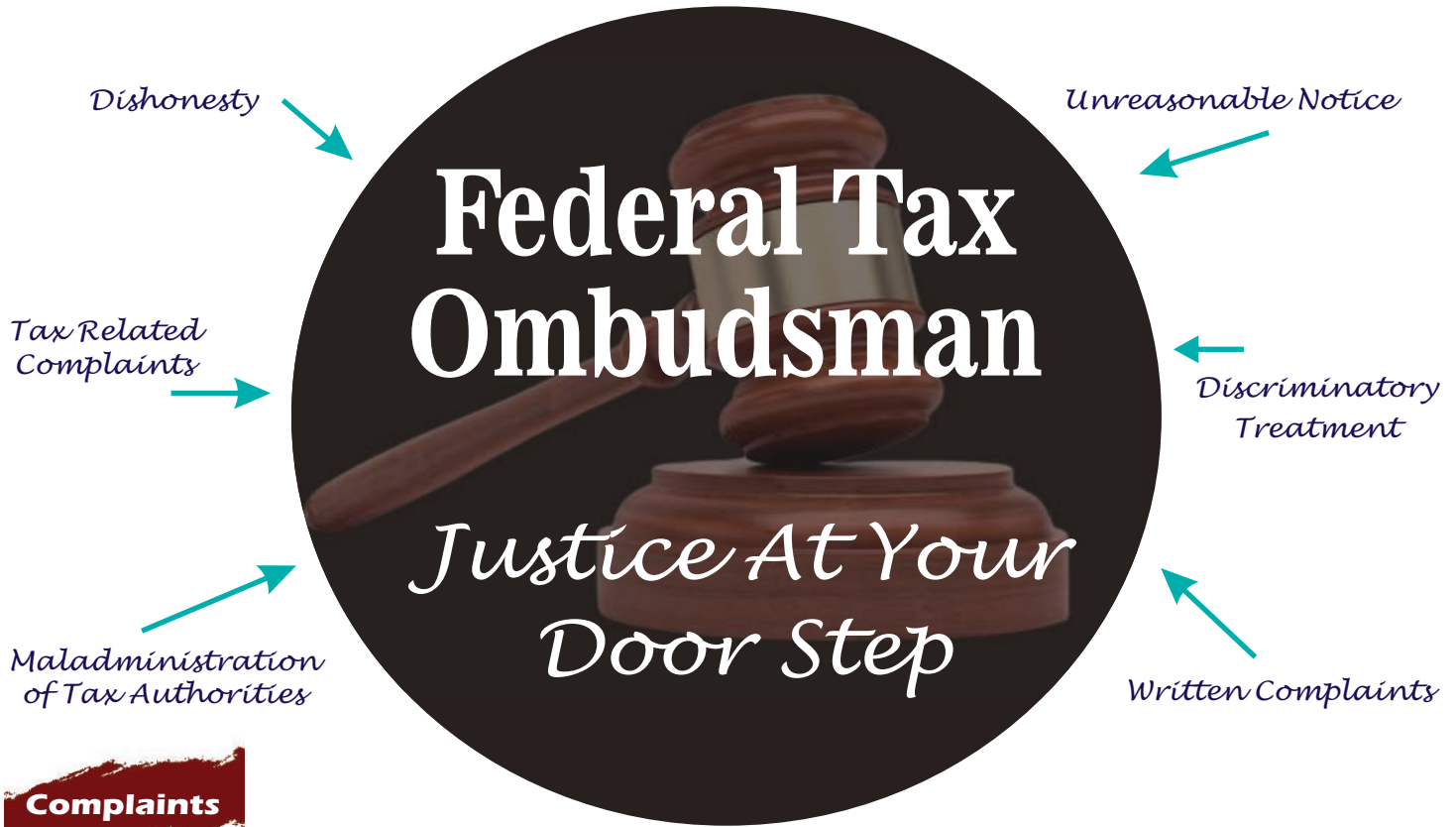
We are on Social Media

Ph: 051-9212437 / 042-99204140  **0334-0544460**

 [ftopakistan](#)  [taxombudsman](#)  [FTO](#)  [fto_pak](#) Email: media@fto.gov.pk / Web: www.fto.gov.pk



QUICK REDRESSAL OF COMPLAINTS AGAINST FEDERAL TAX AUTHORITIES



Complaints



Written Complaints



FTO Portal



Mobile App



WhatsApp

Contacts

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

House No. 5, Nishat Park, Col. Sher Ali Road, Off Paris Road,
Sialkot. Ph: 052-9250725-26, Email: ftoskt@gmail.com

Regional Office Sargodha: Peer Muhammad Colony, University
Road, Sargodha. Ph: 048-9330147

Regional Office Sukkar: Bungalow No. 32, Sukkur Cooperative
Housing Society, Sukkur. Ph: 071-5825222

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

Regional Office Hub: Lasbela Chamber of Commerce Building
26-DC Hight Hub, Balochistan. Ph: 085-3363261

Regional Office Hyderabad: H. 272, Block-B Zead Pak, Housing
Society, Latifabad, Hyderabad, Ph: 022-3400426

MESSAGE OF THE FTO

Dear Taxpayers!

السلام عليكم ورحمة الله وبركاته!

The dawn of 14th August, 2023 was unique for every patriotic Pakistani being the 76th Independence Day. The officers and staff of the FTO Secretariat and its Regional Offices organized and celebrated this important national event in a befitting manner which included flag hoisting ceremony. The extra-ordinary feature of the ceremony was participation by youth including the young and energetic Internees currently under-training in the FTO Office, Islamabad. These internees are pro-actively contributing towards creating public awareness in Meda/Social Media about role and functions of the institution of FTO besides highlighting its performance.

I feel proud of having been raised in an environment where the very concept of creation of Pakistan was cherished and idolized as an article of faith. My late father Mr. M. Bashir Ahmad, an active worker in the movement for Pakistan used to enlighten us about the efforts and sacrifices of Muslims of united India in the creation of Pakistan in particular the unprecedented bloodshed that they suffered at the time of partition in 1947 while leaving their homes to enter Pakistan. In my assessment, the present generation of our youth is very energetic, passionate and patriotic and has the capacity to make things turn around for a better and real Pakistan as envisioned by Father of Nation, Quaid-e-Azam Muhammad Ali Jinnah and Hazrat Allama Muhamad Iqbal. Our Pakistani compatriots are successfully serving at distinguished positions in different professions abroad. Whether it is Hamza, Arshad Nadeem, Nooh Butt, Mahnoor Cheema, our national cricket team or professionals, all are adding colours to our national flag. They are the hope and beaconlight for Pakistan. It is obligatory upon us to



provide direction to this young generation.

Apart from covering activities of 14th August, this issue also covers Annual Conference of Forum of Pakistan Ombudsmen (FPO) held in Quetta honoured by the Governor of Balochistan. It also highlights activities of Customs Health Care Society which has got constructed 80 houses in different parts of Balochistan terribly affected by the devastating floods in 2022. The said noble task was not possible without active financial contribution from Association of Physicians of Pakistan Descent of North America (APNA) and other philanthropic organizations

هَلْ جَزَاءُ إِلَّا حُسَانٍ إِلَّا الْإِحْسَانُ ①



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

Performance of the FTO Office

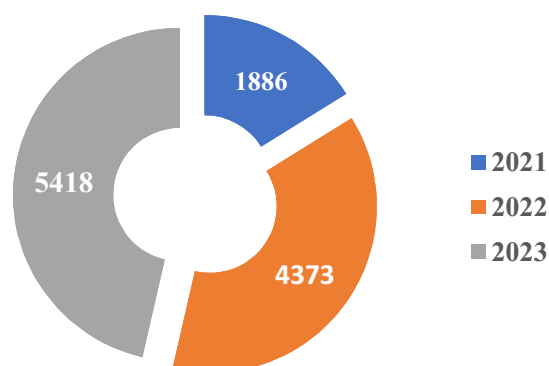
According to the Registrar Office, there is visible improvement in the number of complaints received during January-August, 2023 compared to the corresponding period in last two calendar years. Against figure of 1886 back in 2021 (eight calendar months) the figure has travelled fast upward to 4373 in 2022 and 5418 in 2023. Certainly, the credit goes to extensive Outreach Program under taken by the Advisors in FTO Secretariat and the Regional Office. The Hon'ble FTO has been personally spearheading this campaign since he has travelled to interior Punjab & Sindh as well as Quetta for the purpose. The trend shows level of confidence that the taxpayers are reposing on the institution of FTO.

Equally heartening is the quantum of disposal of these complaints. Against disposal of 1692 complaints in 2021 (eight calendar months) the figure has soared up to 3749 and 5355 in 2022 and 2023 respectively. Another landmark achievement is that the average time consumed in investigation and disposal of one complaint has reduced from 57 days to 49 days against time limit of 60 days as prescribed in the FTO Ordinance, 2000. These figures established the very fact that the officers of the FTO office are working with complete dedication for providing cost free speedy justice to the aggrieved taxpayers that too in the shortest possible time.

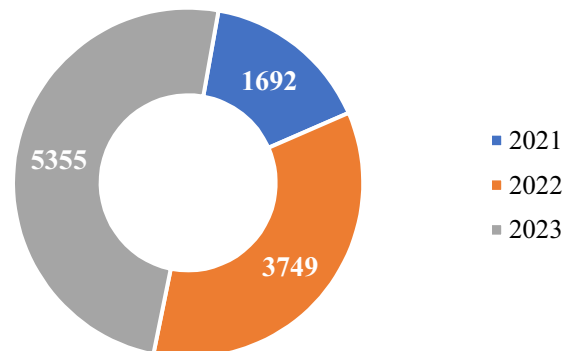
Institution Details (08 months)			
	2021	2022	2023
Month	01-01-2021 to 31-08-2021	01-01-2022 to 31-08-2022	01-01-2023 to 31.08.2023
January	191	346	558
February	241	378	609
March	231	495	714
April	240	565	586
May	164	426	803
June	381	924	608
July	240	608	731
August	198	631	809
Total	1886	4373	5418

Disposal Details (08 months)			
	2021	2022	2023
Month	01-01-2021 to 31-08-2021	01-01-2022 to 31-08-2022	01-01-2023 to 31.08.2023
January	199	309	536
February	154	305	636
March	215	289	615
April	228	538	704
May	208	546	710
June	285	672	723
July	202	536	687
August	201	554	744
Total	1692	3749	5355

INSTITUTION DETAILS (08 months)



DISPOSAL DETAILS (08 months)



Flag Hoisting Ceremony held at FTO Secretariat

The Forum of Pakistan Ombudsman (FPO) held a flag hoisting ceremony on the eve of 14th August at the Federal Tax Ombudsman Secretariat in Islamabad. The event commenced with the recitation of the Holy Quran, setting a serene and respectful tone for the proceedings. The honorable Federal Tax Ombudsman (FTO) Dr. Asif Mahmood Jah, President FPO, graced the occasion as the chief guest. Mr. Almas Ali Jovindah, Advisor (Legal) conducted compering of the event with zeal and patriotic passion, adding an air of energy and enthusiasm to the ceremony. During the event, Mr. Jamal Yousuf, Senior Advisor to Punjab Ombudsman, highlighted the significant role played by Dr. Asif Mahmood Jah, who has successfully united the Ombudsmen at the FPO Forum.

The President FPO Dr. Asif Mahmood Jah, expressing his deep belief in Pakistan's potential, emphasized the need to uphold the principles of unity and dialogue at all levels. He recognized that Pakistan is blessed with enormous natural resources, which, when coupled with the country's energetic youth can propel it to new heights. Dr. Jah stressed that it is essential to work together, across all sectors, to harness this potential for the greater good of the country. Mr. Jovindah, also addressing the audience, expressed his pride in the achievements of the FPO members collectively as, they have successfully redressed which is the three hundred thousand complaints over the past year, a testimony to upright leadership and strong institutional framework of Ombudsmen in Pakistan.



Customs Health Care Society Rebuilds Houses in Collaboration with APNA and Alliance Organization USA in Balochistan



Flash floods caused by the torrential rains during last summer devastated large areas of Balochistan. The areas of Dasht, District Mastung in Kalat Division and Kuchlak in District Quetta were the most adversely hit areas. On timely philanthropic initiative of the Patron-in-Chief of Customs Health Care Society and Honourable Federal Tax Ombudsman, Dr. Asif Mahmood Jah, ration and relief goods were distributed in these low lying and flood affected areas of Balochistan under the supervision of Mr. Tausif Ahmad Qureshi, Advisor (Incharge), Regional Office, Quetta.

The magnitude of disaster was enormous and unimaginable in this area. Even after the rains stopped, these areas were presenting the scene of lakes, ravaged houses and damaged crops for a couple of months. The vast area gave a catastrophic look of alarming proportions. Dozens of villages in Tehsil Dasht had been entirely wiped out. The crops and cattle had undergone massive disaster. The flood affectees had neither homes nor goods. If anything was left, it was helplessness, hunger and thirst.

In November 2022, Dr. Asif Mahmood Jah visited the devastated area with relief supplies to alleviate the hunger of the flood affected people in these desolate areas where a large number of people were desperately waiting for help. A wave of happiness spread among the displaced people after seeing the relief goods which were distributed in the office of the Assistant

Commissioner of Dasht Tehsil, Ms. Fareeda Tareen. On this occasion, she expressed her deep gratitude to the Honourable Federal Tax Ombudsman for the immensely needed humanitarian assistance and large-scale relief efforts in this adversely flood-hit area.

On this occasion, Dr. Jah announced to rebuild eighty (80) houses for the displaced flood affected people in the devastated areas of Dasht and Kuchlak. Immediately after his announcement, Customs Healthcare Society in collaboration with Association of Physicians of Pakistani Descent of North America undertook an arduous task of construction of fifty houses in Kili Qalandarani (Tehsil Dasht, District Mastung) and Kuchlak (District Quetta). The construction work of eighteen houses commenced in Gowandain (Tehsil Dasht, District Mastung) by the Customs Health Care Society in collaboration with the Alliance Organization USA. Within six months, these two ruinous areas transformed into remarkable model villages. In the first week of August, 2023, the FTO, visited Quetta, inaugurated the newly-built houses and handed over keys to the shelter less and impoverished masses. The affectees of the area expressed their gratitude and immense happiness over handing over houses to them.

During his visit, FTO also set up a medical camp in Kuchlak. The people in large number visited the camp who were given special medical treatment by the Honourable FTO.





FBR required to expedite WHT audit of NHA to recover billions of rupees

In line with the order of the Federal Tax Ombudsman (FTO), the Federal Board of Revenue's Islamabad tax offices need to expedite audit and recovery of huge amount of Withholding Tax (WHT) due from the Federal National Highway Authority (NHA).

Earlier, the FTO had directed the FBR to conduct a withholding audit of NHA for recovery of billions of rupee in tax years 2021 & 2022 due to less/ short-deduction of WHT on the auction of "toll collection rights" at Toll Plazas.

A public interest request was moved by Mr. Waheed Shahzad Butt, Advocate against discriminatory application of WHT under section 236A of the Income Tax Ordinance, 2001 by NHA wherein after investigation it was found by the FTO that charge of WHT on auction of toll collection rights need comprehensive withholding audit for two tax years.

When contacted, Mr. Waheed Butt told that the controversy revolves around the failure to collect a substantial WHT from the authority, amounting to billions of rupees.

The WHT, as mandated by tax regulations, is a

crucial source of revenue for the government and plays a pivotal role in funding various developmental projects and public services across Pakistan.

Apparently, tax offices of Islamabad seem to be not actively pursuing recovery from the NHA, he added. FTO order stated "complaint has been filed against discriminatory application of withholding taxes by NHA & FBR functionaries, in violation of provisions of sections 236A, 160, 161, 163 & 205, thus depriving the public exchequer from its due, without lawful authority. Surprisingly, NHA is deducting WHT at the rate of 5% while Punjab Highways are deducting it at the rate of 10%. Failure to timely deposit WHT deduction into the Federal Treasury is yet another black hole, which merits a probe. NHA & Punjab Highways Department are withholding agents.

There appears a short deduction and the relevant FBR authorities entrusted with the monitoring jurisdiction needs to take cognizance of these short deductions in terms of sections 161 and 205 of the Income Tax Ordinance involving colossal amount of government revenue.

FTO Exposes 'Illegal' Tax Recovery by FBR

Federal Tax Ombudsman (FTO) has exposed an illegal tax recovery by the Federal Board of Revenue (FBR) through the coercive measure of attachment of bank accounts of Rawalpindi Medical University, (RMU) Rawalpindi.

According to an order issued by the FTO against the FBR on Friday, the complainant (RMU) Rawalpindi filed complaint against unlawful recovery of Rs64,452,753 for Tax Year 2022 through attachment of bank accounts on May 22, 2023.

Some of the facts narrated showed that the assessment of tax and recovery proceedings case have been made without following law and ascertaining nature of various transactions. This arbitrary, perverse and unlawful action not only created serious hardships for the taxpayer but also exposed incompetence of the tax authorities involved. Such actions clearly constitute maladministration.

"It is observed that many legal and factual mistakes have been made by the tax officer while finalizing the

order and making subsequent recovery through coercive measures by attachment of bank account. The record was not properly scrutinized and assessment was made and order passed in a hurry," FTO order said.

The findings of the FTO office revealed that the assessment made together with the recovery process have been completed in undue haste and without following due process of law and laid down procedure.

This kind of attitude is contrary to law and rules and laid down procedure and whole process is found perverse, arbitrary, oppressive showing incompetence, inefficiency of all the officers involved in the discharge of their duties and responsibilities. All of these acts of omission or commission squarely fall under maladministration in terms of the FTO Ordinance, 2000.

FTO has recommended the FBR to direct the CIR concerned to revisit the assessment order under section 122A and ensure completion of reassessment under his supervision on merit after providing proper opportunity of hearing within 30 days.

Innovation in Digitalization: FTO Complaint Portal



By: Ikram ul Haq
Manager MIS

The FTO Office has achieved considerable progress in the area of IT. Yet there is still a lot of scope in further harnessing the power of IT in the smooth working of FTO Office. The 1st step taken towards digitization is the development of centralized complaint management system; we called it a portal as this computerized system encapsulates a number of different functionalities that automates the business process of FTO Office. FTO's Complaint portal is a set of integrated tools, optimized to meet efficient handling of complaints, and automate processes like registering new complaints, managing existing complaints, automatic escalation of unresolved complaints, managing complaint status, handling of complaints by respective persons/departments and producing informative MIS. The CMIS is connected with an online complaint registration form. This online form facilitates the aggrieved tax payers and tax law practitioners to file complaints at their convenience. A very easy and user-friendly online form has been developed both in English and Urdu so that an aggrieved tax payer feel comfortable to register complaint. Where ever taxpayer faces problem and has any query regarding registration or any other technical assistance, IT team is available for guidance.

Mode	Complaints in 2022 (Jan-Aug)	Complaints in 2023 (Jan-Aug)	%age 2022	%age 2023
Through R&I Branch/ Post	2612	2924	59.73	53.96
Online	1643	2463	37.57	45.46
Mobile App	118	31	02.69	0.572
Total	4373	5418	100	100

CMIS allows all team members to work in a collaborative manner. It has been developed/upgraded as a result of FTO Organization domain study. The system has been developed which is integrated, well-documented and based on Client / Server Relational Database technology. Its Disaster Recovery Module

ensures System Availability.

Development of this information system also ensures paperless coordination/communication with FBR by linking its offices with the information system for real timing access to record complaints. In this respect, advanced training and building capacity of the key personnel engaged in redressing public complaints was also arranged.

-CMIS helps in:

- Online filing of Complaints
- Registration of Complaints
- Disposal of Complaints
- Complaint Status Tracking
- Central linkage with all Regional Offices
- Paperless preparation of findings
- Dedicated dashboard for each user can show
- Fresh Complaints
- Actions taken by Advisors on the complaints
- Day to day monitoring of time bound activities with a warning system.
- Clearly defined roles and responsibilities
- Complaints within and over 60 days

FTO Office Helpline

In order to facilitate the aggrieved taxpayer and help out general public who are keen to know about FTO Office and its functions, a telephone helpline has been launched. FTO's helpline serves the purpose by answering the phone calls and providing guidance about types of FBR taxes that FTO Office deal, if wants to reveal information about tax evasion activity (whistleblower), route to FBR portal, guidance about FTO's jurisdiction, for informal resolution of complaints and different ways of lodging complaints with FTO.

A massive SMS campaign has also been launched on the mobile phone numbers across the country to provide an opportunity and awareness to the public to approach our office against the maladministration and malpractices of FBR. FTO's helpline plays the main role in this activity. FTO helpline cell perform duties under the supervision of IT branch. Helpline cell attended **1240** calls in a month, on average **40** calls a day in which majority calls were related to get general information about FTO Office and its functions. **922** calls were received regarding FTO how to lodge a complaint in FTO Office and how one can check the status of his/her complaint.

FTO Directs FBR to Deploy a Dedicated Team and Avoid Any System Errors or Chokes-BTB Registration

As many as 210,437 unregistered persons responded to 216,601 notices of the Federal Board of Revenue (FBR), reflecting 6,164 pending cases under the Broadening of Tax Base (BTB) exercise.

This data has been shared by FBR with the Federal Tax Ombudsman (FTO) during an own motion investigation against technical gaps in respect of process flow and systemic errors in registration processes of the FBR.

During investigation, it transpired that in many cases Iris system failed to respond to queries of the taxpayers.

Federal Tax Ombudsman (FTO) has directed the Federal Board of Revenue (FBR) to deploy a dedicated team of professionals to continuously monitor the flow of traffic on the registration system to avoid any systemic errors and chokes.

According to the recommendations of the FTO on the issue of Broadening of Tax Base (BTB), the FBR should also develop and issue SOP specifying ways and means to give timely response to queries of the aggrieved taxpayers.

The FBR has also been directed to upgrade the online system of filing of returns and to ensure that registration should be undertaken periodically for providing state of art online facilities to taxpayers. An own motion investigation was initiated while exercising powers conferred u/s 9(1) of the Federal Tax Ombudsman

Ordinance, 2000 (FTO Ordinance) against technical gaps in respect of “process flow” and “systemic errors” in registration processes were brought to the notice of FTO by various complainants. While investigating the said complaints, it transpired that in many cases Iris system failed to respond to queries of the taxpayers.

The FTO Secretariat took up the matter with the FBR following the surfacing of multiple complaints on systemic gaps and errors, the respondent reviewed the online registration system and deployed a new and revamped system on May 26, 2023, which resolved the visible issues.

Notwithstanding the system needs, further improvement is required to facilitate the taxpayers particularly when the system gets choked due to the high volume of transactions at the time of filing of tax returns.

The FTO said that the previous design of the online registration system in IRIS for purposes of Broadening of Tax Base (BTB) was flawed in the first place as it did not provide smooth sailing through the system to those persons who wanted to register themselves as new taxpayers.

It also created hurdles in the way of those who were not liable to be registered u/s 181 of the Income Tax Ordinance, 2001. They were denied excess to the registration form and their queries were not responded to at all, FTO added.





Annual Meeting of the Forum of Pakistan Ombudsmen Focus on Collaborative Efforts to Improve Governance and Accountability

The 28th Meeting of the Forum of Pakistan Ombudsmen (FPO) was held at Serena Hotel in Quetta on August 4, 2023. The meeting hosted by the Provincial Ombudsmen Secretariat Balochistan, brought together distinguished delegates from various Ombudsmen institutions, government ministries, departments, and organizations, as well as members of the media.

Under the facilitation of Mr. Almas Ali Jovindah, Executive Secretary of FPO, the gathering commenced with a warm welcome address by the host Ombudsmen Balochistan. This was followed by the introduction and recognition of the esteemed participants, setting the stage for a collaborative and productive discourse.

One of the crucial items on the agenda was the review and approval of the minutes of the previous meeting, which were duly examined and accepted by the attending members. The participants then proceeded to discuss the progress of pending cases, sharing valuable insight and potential solutions towards expediting the resolution of these matters.

Furthermore, the forum dedicated significant time to contemplate and address the challenges faced by the Ombudsmen institutions in effectively fulfilling their mandates. Participants kept engaged in constructive discussions, highlighting the importance of transparent processes, enhanced inter-agency coordination, and the need for effective collaboration with relevant stakeholders, including government bodies and civil society organizations.

A key highlight of the meeting was the presentation

of Annual Report by Honorable Dr. Asif Mahmood Jah, President of FPO. The report showcased the remarkable achievements and milestones achieved by the Forum, demonstrating the commitment and dedication of the Ombudsmen institutions in promoting governance and ensuring accountability across Pakistan.

The participants actively contributed in an open discussion, aimed at developing forward-thinking strategies to enhance the effectiveness of Ombudsmen institutions. Prominent recommendations included leveraging technology to streamline case management processes, strengthening the training and capacity-building of Ombudsmen staff, and establishing regional offices to facilitate access to justice for all citizens.

Another integral segment of the meeting was a comprehensive presentation on upcoming initiatives and projects. This included the introduction of a state-of-the-art case management system, designed to optimize efficiency and further the cause of justice. Additionally, plans were discussed for establishing regional offices, strategically located to cater for a diverse range of citizens, ensuring their concerns are addressed promptly and fairly.

The meeting of the Forum of Pakistan Ombudsmen concluded with a vote of thanks to the host, Ombudsmen Secretariat Balochistan, for their exceptional arrangements and hospitality. The next meeting is scheduled to take place in Islamabad on October 20, 2023, where further progress will be discussed in the forum on implementing the proposed strategies.

Representation Filed by PTCL Against Order of the FTO dated 24.06.2022 in Complaint No.1793/MLN/IT/2022

The representation has been filed by PTCL assailing the order dated 24.06.2022 of the Federal Tax Ombudsman (FTO) whereby it has been held as under :-

“FBR is directed to ensure that :

IR field formation (LTO Islamabad) holding jurisdiction over PTCL must resolve the instant issue through coordination with PTCL . The PTCL authorities are required u/s 23 (1) of FTO Ordinance, 2000 to provide assistance , facilitating the issuance of tax deduction certificate for the period from March 2000 to June 2017 against PTCL number 061-6536262 to the Complainant enabling him to lodge his claim him to lodge his claim of refund with the FBR authorities. Report compliance within 30 days. ”

Zahoor Ahmad Shad (the complainant) had filed a complaint on 12.05.2022 before the Federal Tax Ombudsman stating that he is PTCL land line customer and applied to PTCL for issuance of withholding tax deduction certificate in respect of his telephone connection for the period from March,2000 to June 2011 to claim the refund of overpaid income tax from FBR . PTCL had not provided this certificate to him despite repeated requests .

The representative of PTCL contended that FTO had no jurisdiction to entertain this complaint as the matter falls within the exclusive jurisdiction of Wafaqi Mohtasib ; the PTCL is not under an obligation to provide withholding deduction certificate to the complainant in respect of a time barred matter; that PTCL has no record of deduction of withholding tax of telephone number of the complainant ; that under section 174(3) of Income Tax Ordinance , 2001, the limitation of keeping record is for six years but the learned Ombudsman has failed to appreciate these facts while passing the impugned order which deserves to be set aside by accepting the instant representation .

The complainant has contended that the learned Ombudsman has rightly passed the impugned order which is based on law and facts which deserves to be upheld.

The contention of PTCL that FTO has no jurisdiction to entertain this complaint is not tenable as section 9 of the Establishment of the Office of Federal Tax Ombudsman Ordinance , 2000 provides that FTO has jurisdiction in respect of any maladministration



pertaining to tax matters. The other contention of PTCL that under section 174 (3) off the Income Tax Ordinance , 2001 , the limitation of keeping record is for six years is also not tenable as the said provision of law is applicable for the purpose of record of the tax department and is not applicable upon PTCL. The third plea of PTCL that it has no record of deduction of withholding tax of telephone connection of the complainant as it is quite an old matter is not tenable . Section 3 of The Destruction of Records Act , 1917 lays down that all public bodies are required to make rules for disposal and destruction of such documents as in the opinion of authority are not of sufficient public value to justify their preservation . PTCL has not produced any rules made thereunder to justify its stance of non-availability of such record. The non-preservation of record of withholding tax deduction by PTCL constitutes maladministration that despite having deducted withholding tax of the complainant which is an admitted fact, it has neither maintained the record nor produced any rules for non-preservation of said record.

The FTO has observed in the impugned order that PTCL is bound to facilitate the complainant / taxpayer by issuing the deduction certificate as on one hand FBR is denying the claim of tax deduction of the complainant for non-submission of withholding certificate and on the other hand , PTCL is not issuing the required certificate despite the fact that the factum of deduction of withholding tax is not denied.

In such view of matter , no interference is warranted with the impugned order. Accordingly the Honorable President , as per his decision above , has been pleased to reject the representation filed by PTCL directing that the grievance of the complainant be redressed within 45 days by settling this matter positively. The compliance to be reported to the learned FTO accordingly.

President Endorses FTO's Order Against FBR

President Arif Alvi has endorsed the order of the Federal Tax Ombudsman (FTO) against the Federal Board of Revenue (FBR) that the tax officials have committed maladministration by deliberately rejecting income tax refund claim of the complainant on frivolous grounds.

The FTO has directed FBR to recall the order dated July 4, 2022 by invoking the provisions of section 122A of the ordinance for Tax year 2013 to give effect to tax deduction made under Section 236A of the ordinance for Tax Year 2013 and dispose of the refund claim as per law and after giving proper hearing.

Later, the President rejected the representation of the FBR in this matter.

The complaint was filed under section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) for payment of refund claim amounting to Rs0.214 million in terms of section 170(4) of the Income Tax Ordinance, 2001.

The (complainant) a timber merchant purchased wood through auction and filed income tax return for Tax Year 2013 by claiming tax deduction under section 236A of the Income Tax Ordinance, 2001. The complainant filed refund application, followed by reminders along-with all supporting documents but the department did not entertain the refund application.

Being aggrieved, the Complainant filed complaint before the FTO. The department has rejected the refund claim on the grounds without giving proper opportunity of being heard to the complainant hence the FTO office referred the matter to Secretary Revenue Division for comments. It was contended that the complainant had provided various documents regarding tax deduction under section 236k of the Income Tax Ordinance but failed to provide prescribed certificate under Rule-42 of the Income Tax Rules, 2002 (the Rules) and CPR of tax deduction.

The complainant was confronted through specific notice under Section 170(4) of the Ordinance for provision of excess tax deduction proofs. On the due date, nobody appeared and no application of adjournment was received. Under these circumstances, the department was left with no option but to reject the refund claim of the complainant.

At the outset, the representative of FBR argued that the FTO may not be justified in directing the Commissioner-IR Gujrat Zone, RTO Sialkot to recall



the orders passed u/s 170(4) in terms of section 122(A). As per section 9(2)b of FTO, 2000 all the assessment and refund related matters for which remedy of appeal is available to the taxpayer at the relevant appellate forum does not come under the purview of maladministration and do not fall under the jurisdiction of the FTO.

Deliberately rejecting the refund claim of the complainant in terms of Section 170(4) of the Ordinance for Tax Year 2013 on the frivolous ground by ignoring of Section 164 of the Ordinance tantamount to maladministration in terms of Section 2(3) (ii) of the FTO Ordinance. As deduction u/s 236A being CNIC based is internally verifiable from FBR's ITMS as well therefore, the fallacy of the grounds for rejection is glaringly visible.

The recommendations of the Federal Tax Ombudsman directing FBR to direct the Commissioner-IR, Gujrat Zone, RTO Sialkot to recall the order dated 04.07.2022 by invoking the provisions of Section 122A of the Ordinance for Tax Year 2013 to give effect to deduction made under Section 236A of the Ordinance and dispose of the refund claim as per law and after giving proper hearing and report compliance within 45 days, are unassailable and sustainable.

The agency has the lawful authority to decide the matter on its merits in accordance with the law. There was no valid justification to assail the order of the learned FTO. In such circumstances, this representation was liable to be rejected.

Fake /Flying invoices: FBR places safeguards following FTO'S order



The prompt action of the Federal Tax Ombudsman (FTO) Dr Asif Mahmood Jah has forced the Federal Board of Revenue (FBR) to place safeguards to deal with cases involving fake/flying invoices through Sales Tax General Order No. 12 of 2023 preventing sales tax frauds to the tune of billions.

In this regard, the FBR has issued Standard Operating Procedures (SOP) to deal with cases involving fake/flying invoices through Sales Tax General Order No. 12 of 2023 dated 07.09.2023 on the basis of investigation ordered by Federal Tax Ombudsman (FTO) Dr Asif Mahmood Jah in a unique kind of scam involving tax officials, lawyers, Chartered Accountant, in issuing and managing flying/fake invoices by misusing electronic USER ID and passwords.

When contacted tax lawyer Waheed Shahzad Butt who is representing this case before FTO told this correspondent that FTO has directed to conduct a comprehensive investigation not only in complainant case but also in other connected suppliers/vendors cases involved in this chain of tax fraud with Pakistan, while complaint has been lodged against Chairman FBR, FBR key Members (Operations, Legal, Admin & IT), CEO PRAL, DG I&I, Director FIA, lawyers, Chartered Accountant and FBR tax employees.

Waheed further added that SOP to deal with Cases involving Fake Flying Invoices through STGO 12/2023 is a landmark development based on exceptional legal acumen and untiring efforts in achieving a significant milestone for the accountability forum of Pakistan

(FTO) by the Adviser-IT FTO ROL coupled with Adviser Legal, FTO HQ Islamabad.

Waheed Shahzad Butt informed that earlier in C.No.390 landmark recommendations have been issued by the FTO, which states “FBR to: set up a task force to investigate all aspects of sales tax fraud and propose effective countermeasures; restructure PRAL and I & I with a view to transform them into proactive agents of sales tax fraud prevention/detection; review I & I staffing policy and only highly qualified professionals with demonstrated expertise in uncovering cases of online white-collar crime should be assigned key investigative roles; proceed against tax employees found involved in perpetration of fraud and bring them to justice, particularly those in the higher ranks; hire high quality prosecutors to handle complex tax frauds prosecutions; enable prospective buyers to deal only with legitimate sellers. The procedure for blacklisting and listing as INACTIVE must be telescoped so that doubtful firms do not remain in the field to dupe innocent buyers”.

The recent issuance of STGO No. 12/23 is a significant milestone in ongoing efforts to promote transparency and accountability in our nation’s financial system. It is indeed the first step towards achieving real accountability. The impact of curbing sales tax fraud cannot be overstated. It has the potential to save multi-billions of rupees for our impoverished nation, which can be channeled towards essential services and programs that benefit 250M citizens, particularly the underprivileged: Waheed Butt added.

Separate Tax Return to Benefit 1.4 Million Salaried /Pensioners

The Federal Tax Ombudsman (FTO) has expected a substantial increase in number of return filers beyond 4.2 million after introduction of “green channel mode” for salaried individuals/pensioners.

Addressing at a press conference at the FTO Secretariat on Tuesday, FTO Advisor Legal Almas Jovindah said that the FTO will ensure that the new income tax return form must be notified in 30 days’ period. The FTO is seriously pursuing the matter with the Federal Board of Revenue (FBR) to facilitate the salaried individuals/pensioners. A consensus has been developed between the FTO office and the FBR to facilitate the salaried persons as well as pensioners.

To a query, he said that “we are vigilant and in case of any defiance, the FTO has the right to take action against the FBR,” he said.

The FBR has admitted that there is no legal issue in notifying a separate return for the salaried individuals/pensioners, he added.

Accompanied by Muhammad Naseer Butt FTO Senior Advisor (Income Tax) and Majid Qureshi FTO Registrar, Jovindah stated that when a salaried individual opens the return through the “IRIS” online system, there are 34 different columns/tabs are opened and only 4 are relevant to the salaried individuals. Thus, 30 tabs/columns in the return are irrelevant for the salaried individuals/pensioners.

Out of more than 4.2 million taxpayers on Active Taxpayer List, a large number of active filers fell in the category of fixed income group, being either salaried class or pensioners (1.4 million taxpayers).

The salaried persons have to unnecessarily go through all the fields to fill-up the relevant fields. Besides, the so called simplified form introduced through software wizard is also beyond comprehension of an ordinary individual who is neither familiar with tax terminology and nor is he computer literate. In “Wizard,” out of 66 tabs/columns, only 10 are relevant to salaried individuals/pensioners, Jovindah stated.

The FTO has directed Member (Policy) and Member



(Information & Technology) to devise a new return from and also reopen new window in existing Iris for salaried only taxpayer within 30 days.

In order to provide simplified version of returns it is, therefore, befitting to devise a separate tax return for salaried individuals having only minimum fields relevant to his source of income.

Muhammad Naseer Butt, FTO Senior Advisor (Income Tax) informed media that the existing return asks irrelevant questions from the salaried individuals/pensioners like “Resident” or non-resident status etc. A separate “IRIS” window should be opened for the salaried class asking only few relevant questions.

Majid Qureshi, FTO Advisor/Registrar informed that the number of return filers would witness a jump after introduction of the new return form.

This data has been shared by the FBR with the Federal Tax Ombudsman (FTO) during an own motion investigation of the FTO against technical gaps in respect of process flow and systemic errors in registration processes of the FBR.

While investigating the said complaints, it transpired that in many cases Iris system failed to respond to queries of the taxpayers.

The FTO has directed the Federal Board of Revenue (FBR) to deploy dedicated team of professionals to continuously monitor flow of traffic on the registration system to avoid any systemic errors and chokes, Majid Qureshi added.

“Builders and Developers in Quetta rescued by the FTO”

The FTO Regional Office, Quetta received dozens of complaints including from the Builders and Developers praying for transfer of Jurisdiction from Medium Tax Office (MTO) Karachi to Quetta for purpose of assessment of their tax liabilities under Income Tax Ordinance, 2001. After proper investigation, FTO office recommended FBR to transfer Jurisdiction of these complainants from Karachi to Quetta.

Unfortunately, the FBR did not respond well on time. Consequently, the Advisor (In charge) FTO Office, Quetta issued a notice to FBR dated 02.08.2023 requiring them to explain their position otherwise, defiance proceedings shall be initiated under section 12(2) of FTO Ordinance 2000. He also called Chief

Commissioner, RTO Quetta in person to emphasize importance of the issue.

In response, the Chief Commissioner, (IR) MTO Karachi vide letter dated 28.08.2023 has informed the Advisor that the FBR has resolved the issue by transferring Jurisdiction of cases including those of Builders and Developers vide notification dated 28.08.2023.

It is great relief to Builders and Developers which is being acknowledged and appreciated by them as they are no more required to visit MTO Office, Karachi for any tax-related issue including annual assessment of their tax liabilities. The Tax Bar Quetta has also greatly appreciated efforts of the FTO Office.

(To be Published in the Gazette of Pakistan Part-II)

Government of Pakistan
Revenue Division
Federal Board of Revenue
Inland Revenue

F No 57(2)Jurisdiction/2022-58427-R

Islamabad, the 28th Aug, 2023

NOTIFICATION

In exercise of the powers conferred by sub-section (1) of section 209 of the Income Tax Ordinance, 2001, sub-section (1) of section 30 and section 31 of the Sales Tax Act, 1950, and sub-section (1) of section 29 of the Federal Excise Act, 2005, read with Islamabad Capital Territory (Tax on Services) Ordinance, 2001, the Federal Board of Revenue is pleased to transfer the jurisdiction of the following cases as mentioned in column (2) from Chief Commissioner IR, mentioned in column (4) to Chief Commissioner IR, mentioned in column (5) of the following table:

Sr.#	Taxpayer's Name	CNIC/NTN	From (GCIR)	To (CCIR)
(1)	(2)	(3)	(4)	(5)
1	Riaz Meor	1720197937467	RTO Peshawar	RTO Rawalpindi
2	Samullah M/s Mohmand Brick Kiln	1730179634643	RTO Peshawar	RTO Rawalpindi
3	Mir Zaman Khan Brick Kiln	1730181858329	RTO Peshawar	RTO Rawalpindi
4	Sadaqat Ali	1820215591279	RTO Peshawar	RTO Rawalpindi
5	Asad Nawaz	1820403874935	RTO Peshawar	RTO Rawalpindi
6	Rana Muhammad Khalid	3460207257149	RTO Sialkot	RTO Rawalpindi
7	Muhammad Ilyas	653776447969	RTO Peshawar	RTO Rawalpindi
8	Zabir Ullah	1510103610595	RTO Peshawar	RTO Rawalpindi
9	Fazal Rehman	1610298775509	RTO Peshawar	RTO Rawalpindi
10	Aali Shan	1610199670801	RTO Peshawar	RTO Rawalpindi
11	Shayid Khan Zam Kids Wear	3710150358148	RTO Peshawar	RTO Rawalpindi
12	Khaksar Traders	2868067-7	RTO Peshawar	RTO Rawalpindi
13	Dolat Khan	172158977871	RTO Peshawar	RTO Rawalpindi
14	Mansoor Sadiq Butt	3740531642963	RTO Peshawar	RTO Rawalpindi
15	Nasir Wali Khan prop Hassan Marble & Granite	1221018852423	RTO Islamabad	RTO Rawalpindi
16	Hanzala Khan	3740618804249	RTO Islamabad	RTO Rawalpindi
17	Muhammad Bilal Dogar	7224669	MTO, Karachi	RTO, Quetta
18	Muhammad Saleem Khan	3802624	MTO, Karachi	RTO, Quetta
19	Muhammad Taimoor Rehman	4300241	MTO, Karachi	RTO, Quetta
20	Inayatullah	7909051	MTO, Karachi	RTO, Quetta
21	Khud-e-Noor	2634185	MTO, Karachi	RTO, Quetta
22	Muhammad Hashim	3770233	MTO, Karachi	RTO, Quetta
23	Muhammad Naseem	4338934	MTO, Karachi	RTO, Quetta
24	Haroon Rasheed Builders	7994715	MTO, Karachi	RTO, Quetta
25	Rakshani Builders	3182645	MTO, Karachi	RTO, Quetta
26	Rakshani Builders Pvt. Ltd	3031517	MTO, Karachi	RTO, Quetta
27	Ahsan Irfan	8998236	MTO, Karachi	RTO, Quetta
28	Abdul Rahim Shah	0507388-	MTO, Karachi	RTO, Quetta
29	Saleem Javed	7244416	MTO, Karachi	RTO, Quetta
30	Zamrak Khan	2245037	MTO, Karachi	RTO, Quetta

31	Sakhi Dad	5442082	MTO, Karachi	RTO, Quetta
32	Zahoor Ahmed	4038196	MTO, Karachi	RTO, Quetta
33	Sultan Basdhan	1229128	MTO, Karachi	RTO, Quetta
34	Zubair uddin	7395325	MTO, Karachi	RTO, Quetta
35	Akhter Muhammad	0685276	MTO, Karachi	RTO, Quetta
36	Syed Munir Ahmed	7274380	MTO, Karachi	RTO, Quetta
37	Sardar Abdul Rasheed	1456630	MTO, Karachi	RTO, Quetta
38	Abubakar Alam	7117529	MTO, Karachi	RTO, Quetta
39	Abbas Ali	3284515	MTO, Karachi	RTO, Quetta
40	Abdul Ghaffar & Sons	4414168	MTO, Karachi	RTO, Quetta
41	Noor Muhammad	1153582	MTO, Karachi	RTO, Quetta
42	Syed Ashrafudin	3415407	MTO, Karachi	RTO, Quetta
43	Rafiq Ullah Khan	1151047	MTO, Karachi	RTO, Quetta
44	Mst. Huma Shahzad Thaheem	3933263-5	RTO-I Karachi	RTO Sukkur
45	Mir Musatafa Shahzad	5401914-6	RTO-I Karachi	RTO Sukkur
46	Shahid Hussain Shah	42000-7418006-3	RTO-II Karachi	RTO Bahawalpur
47	Zahida Perveen	38304-3310875-8	RTO Bahawalpur	RTO Multan
48	Tanveer Iftikhar	2783276-8	RTO Bahawalpur	RTO Multan
49	Tanveer Ashraf	34202-3841911-5	CTO Lahore	RTO Sialkot
50	Muhammad Tarique Jamshaid	31303-3703568-9	RTO Multan	RTO Bahawalpur
51	M/s Zeeshan Real Estate Development Pvt. Ltd.	6464918	CTO Islamabad	RTO Islamabad
52	Muhammad Irshad	3650234809571	RTO Sargodha	RTO Sahiwal
53	Dr. Ali Rizwan	1730118352851	RTO-I Karachi	RTO Peshawar

2. This order shall take immediate effect.

The Manager
Printing Corporation of Pakistan
Islamabad

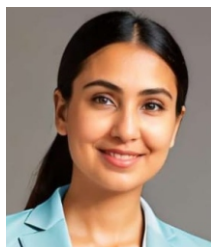
Distribution:

1. SA to Chairman, FBR (HQ) Islamabad
2. The Chief Commissioners, Inland Revenue, RTOs/CTOs/LTOs
3. The Chief (IR-Operations) / (IR-Operations), FBR (HQ), Islamabad
4. The Second Secretary (TO-I)/(TO-II), FBR (HQ), Islamabad with request to forward to concerned Advisor
5. Secretary (IR-Complaints) FBR (HQ) Islamabad
6. CEO, PRAL, Islamabad for making necessary changes on the e-portal
7. Concerned taxpayers

(SUHAIL ABBAS)
Second Secretary (Jurisdiction)

(SUHAIL ABBAS)
Second Secretary (Jurisdiction)

Taming Officialdom's Arrogance



In the domain of governance, public servants play a crucial role, acting as intermediaries between the government and the people. When frequently visited public offices are considered, the area where citizens often interact with public servants is the realm of taxation offices which often become hotbeds of arrogance displaying a cruel show of abuse of power. In the corridors of taxation offices, where ordinary citizens come to fulfil their civic duty of paying taxes, a disheartening tale of arrogance and disregard unfolds which has become very alarming as I myself have observed conduct of the senior officers of FBR during my internship period at Federal Tax Ombudsman (FTO).

The splendor of the buildings of public offices for taxation stands mere as symbols of opulence rather than service if the very taxpayer on whose money the scintillating corridors are maintained along with the air-conditioned offices for the public servants, is humiliated and disrespected as is well evident from the hundreds of cases which are lodged on daily basis in FTO. I have

observed the unwillingness of taxation authorities to serve the people in numerous cases. Cases like 2731/ISB/IT/2023 highlight the confusion stemming from inadequate guidance from tax departments. Furthermore, instances such as those found in 2968/ISB/IT/2023 and 3328/ISB/IT/2023 expose the tax authority's indifference to taxpayers' grievances. In addition to being a matter of strict accountability, I've observed that this issue also sprouts from ethical dilemmas.

This situation needs a thorough consideration by the policy makers especially if the officialdom is to be reprimanded and discouraged from beginning to view themselves as pharaohs of time, relegating citizens to the role of supplicants seeking their benevolence. In Pakistan, public service is devoid of civility mainly because of the deterioration of ethical values in our society. It is very unfortunate that when someone is entrusted with power, instead of considering it a sacred trust, the individual starts exploiting it for personal interests such as fulfilling their lust for fame, or wealth.

By: **Tayyaba Munir**
Internee FTO HQ Islamabad

A brief journey: Two weeks as an intern in registrar's office, FTO



I, Munimah Riaz, a fourth-year law student at Bahria University, had the privilege of joining the Federal Tax Ombudsman (FTO) office as a legal intern on July 24, 2023. Under the guidance of Mr. Majid Qureshi, I underwent a productive two-week internship (August 1st - August 15th, 2023) that deepened my understanding of FTO operations and ethos.

This period afforded me the opportunity to gain insights into the FTO's operations and values, thanks to the dedicated mentors at the Federal Tax Ombudsman Secretariat. I am eager to share my learnings from this experience under the supervision of Mr. Muhammad Majid Qureshi, Registrar/Advisor Monitoring, and Implementation.

On the subsequent day, I delved into a meticulous examination of the Defiance of Recommendation mechanism outlined in sections 11 and 12. This emphasizes the importance of maintaining procedural correctness, integ-

rity, and fairness in tax administration. I also learned about the Monthly Progress Review Report and its role in ensuring accountability through monthly meetings.

Day three brought an exploration of Section 9(1) of the FTO Ordinance, 2001, shedding light on the FTO's jurisdiction. I also gained insights into the collaborative efforts between the FTO and FBR's Committee No. 01, which focuses on own-motion implementation. Notably, I delved into a case involving illegal housing societies and the valuation tables devised by FBR.

Further days involved active participation in organizing outreach initiatives with trade associations, colleges, and universities. I witnessed review petition hearings for Customs and Federal Excise, gaining exposure to diverse legal proceedings.

Day seven highlighted the FTO's innovative monthly employee motivation program, along with the advisory committees in Lahore, Karachi, and Islamabad, outlined in Section 18.

By: **Munimah Riaz**
Internee FTO HQ Islamabad

Representation Filed by FBR Against The Order of the FTO

The representation had been filed by Federal Board of Revenue (FBR) assailing the order of Federal Tax Ombudsman (FTO), whereby it had been held that:

Direct commissioner-IR concerned to work out and pay the additional amount/compensation for delayed refund to the complainant as provided in Section 171(1)(a) of the Ordinance; and report compliance within 30 days. The brief facts of the case are that were complaint had been filed under section 10(1) of the Federal Tax Ombudsman Ordinance 2000 which was referred for comments to the Secretary, Revenue Division in terms of Section 10(4) of the FTO Ordinance, read with Section 9 (1) of the Federal Ombudsman Institutional Reforms Act, 2013.

Briefly, this complaint had been filed against non-issuance of compensation for delayed refund as per Section 171 of the Income Tax Ordinance, 2001 (The Ordinance) vide recommendations issued on complaint No.1522/ISB/IT/2021. The Department (Deptt) has already issued refund of Rs.1,326,965/- but claim of compensation was still pending. Commissioner-IR (Legal), CTO Islamabad vide his letter dated 04.08.2022 has furnished para wise comments which read as under;

The deemed assessment for Tax Year 2011 was amended vide order u/s 122(5A) of the Income Tax Ordinance, 2001 dated 10.06.2017 creating tax demand of Rs 1,326,965/- and the same was recovered by the department through attachment of bank account. Feeling aggrieved the taxpayer filed an appeal before the CIR(A), who vide order No.146/2022 dated taxpayer filed 09.09.2020 annulled the assessment order. The taxpayer filed before Honorable Federal Tax Ombudsman for issuance of refund along complaint with compensation. On 04.03.2022, the taxpayer filed refund application electronically u/s 170 (4) of the Income Tax Ordinance, 2001 for the Tax Year 2011 was passed on 28.04.2022 creating refund of Rs 1,326,965/- and the same was issued u/s 170(4) dated 10.05.2022. As the refund was processed expeditiously after receiving refund application hence, the question of compensation does not arise. It is, therefore, humbly submitted that complaint may please be disposed of accordingly. The Federal Tax Ombudsman thrashed the matter vide Paras 3-4 of order as follow:-

The Authorized Representative (AR) contested the Dept'l stance by saying that the law an additional payment for delayed refunds was very clear. Section

171(2)(a) stipulates as under;

171. Additional payment for delayed refunds.

For the purposes of this section, a refund shall be treated as having become due(a) in the case of a refund required to be made in consequence of an order on an appeal to the Commissioner (Appeals), an appeal to the Appellate Tribunal, a reference to the High Court or an appeal to the Supreme Court, on the date of receipt of such order by the Commission, or

In this case order of CIR (Appeals) dated 09.09.2020 is reference point. The additional payment has to be calculated from the date of receipt of order in the office of Commissioner-IR, which according to the AR was 15.10.2020. The arguments of the AR carry weight: it has been established that the department was denying additional payment for delayed refund, which is

Hon'ble President, as per his decision above, has been pleased to reject the representation of FBR.

contrary law. Denying additional payment for delayed refund is contrary to law, which falls in the definition of maladministration in terms of Section 2 (3) of the FTO Ordinance, 2000.

The recommendations of the Federal Tax Ombudsman advising the FBR to (I) direct Commissioner- IR concerned to work out and pay the additional amount/compensation for delayed refund to the complainant as provided in Section 171(1)(A) of the Ordinance; and report compliance within 30 days are unassailable. The Agency has the lawful authority to decide the matter on its merits in accordance with the law and precedents on the subject and came to the just conclusion except the matters pending before any court law. Suffice it to state that a statutory body is duty bound under the law to perform its functions/duties in accordance with law. There is thus no valid justification to interface with order of the learned Federal Tax Ombudsman. In such circumstances, this representation is liable to be rejected with these observations.

Accordingly, the Hon'ble President, as per his decision above, has been pleased to reject the representation of FBR.

FBR Directed to Transfer ST, FED Jurisdiction of all Cases from AEIO Zones to Original Jurisdiction

The Federal Tax Ombudsman (FTO) has directed the Federal Board of Revenue (FBR) to immediately transfer sales tax and federal excise duty (FED) jurisdiction of all cases lying in Automatic Exchange of Information (AEIO) Zones back to its original jurisdiction all over Pakistan.

In its order, the FTO office has expressed serious concern over the pending proceedings of assessment, audit, show cause notices and appeals etc in large number of cases lying in AEIO Zones.

According to the FTO order, Board's vide jurisdiction order dated 28.02.2019 transferred sales tax and FED jurisdiction of all cases lying in AEIO Zone back to its original jurisdiction all over Pakistan. But FBR IT software has not been able to incorporate this change of separate jurisdiction of Sales Tax and FED even after lapse of more than four years.

As a result, a substantial number of cases pending proceedings of assessment /audit/ show cause notices/ appeals etc in sales tax against which separate jurisdiction of sales tax and FED was allotted to its original jurisdiction but still lying in AEIO Zones in FBR web portal got barred due to limitation of time prescribed under Sales Tax Act 1990 and FED Act 2005 causing huge loss of revenue to the government.

This is a clear case of neglect, inattention, delay,

incompetence, inefficiency and ineptitude, in the administration or discharge of duties and responsibilities causing huge loss of revenue on the part of the IT Wing, FBR and PRAL, the FTO said.

The non-transfer of jurisdiction of the complainant over sales tax from AEIO Zone LTO Karachi to RTO-1 Karachi through FBR web portal despite Board's jurisdiction order dated 28.02.2019 tantamounts to maladministration in terms of Section 2(3)(ii) of FTO Ordinance.

The FTO has recommended the FBR that the Member (IT) and the Chief PRAL to make necessary changes in IT software to implement the jurisdiction order dated 28.02.2019 for separate jurisdiction of Sales Tax and FED as per policy of the Board.

The Secretary (Jurisdiction) FBR directed to transfer the jurisdiction of the complainant over Sales Tax from AEIO Zone LTO Karachi to RTO-1 Karachi.

The Member (Admn) in coordination with Member (IT) and Member –IR (Ops) FBR to initiate fact finding inquiry for delay to implement the jurisdiction order for separate jurisdiction of Sales Tax and FED pending for over four years causing huge loss of revenue to exchange and report compliance within 45 days; the FTO order added.



Representation Preferred by FBR Against the Order of the FTO in Complaint Nos. 1688&1689/GWL/IT/2022

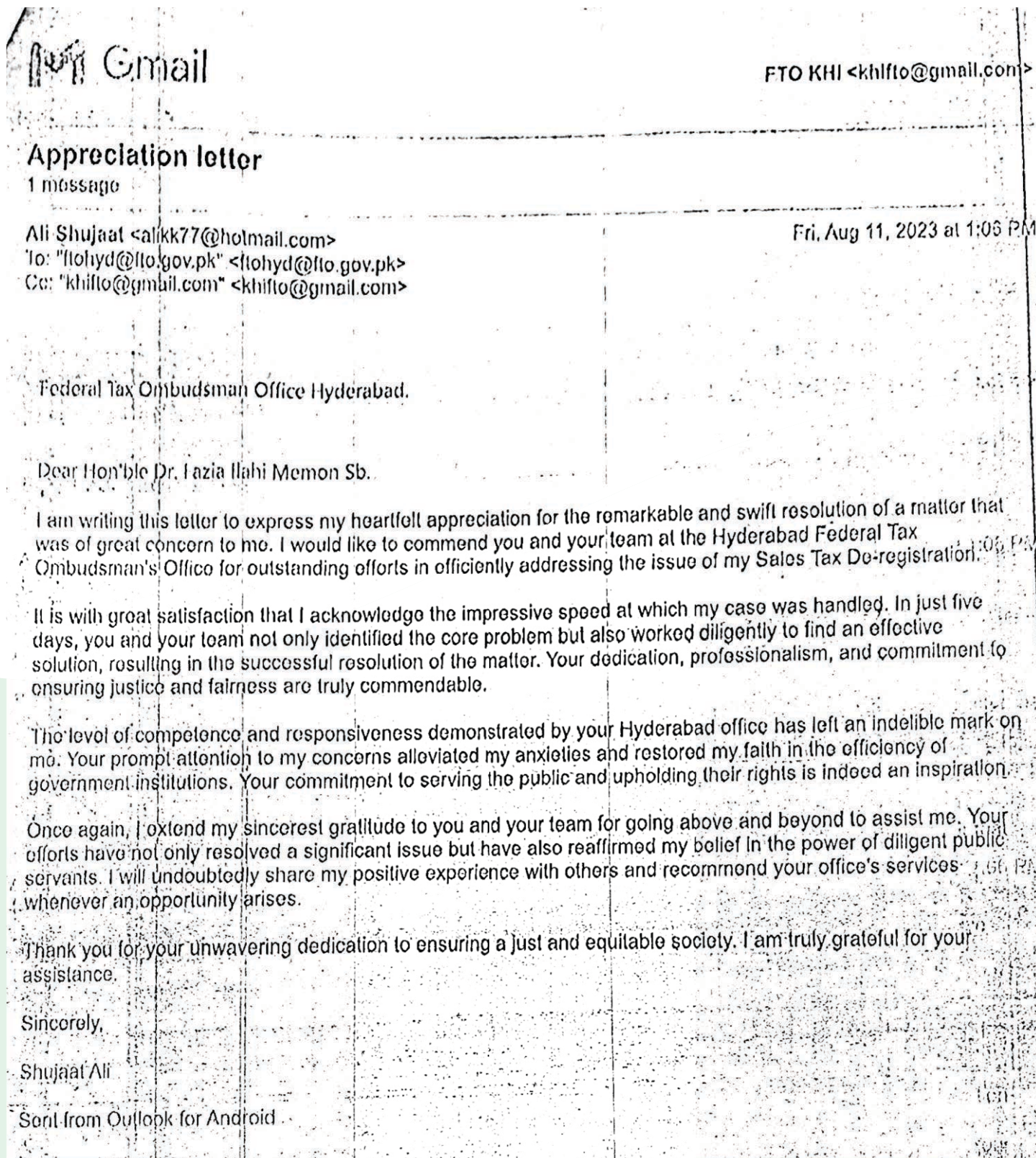
More than 20 Representations filed by FBR have been rejected by the Hon'ble President of Pakistan and upheld the decision of FTO. In two representations assailed by FBR whereby it had been held that "FBR to direct the Commissioner-IR, Gujrat Zone, and RTO Sialkot to re-call the orders passed under Section 122A of the Ordinance. Dispose of refund claim for Tax Years 2014 and 2015 as per law and after giving proper hearing. And report compliance within 45 days." The brief facts of the cases were both above-mentioned complaints were filed under Section 10[1] of Federal Tax Ordinance, 2000 [FTO Ordinance] against non-issuance of refund amounting to Rs.0.196 million and Rs.0.104 million for Tax Years 2014 and 2015 respectively. Precisely the Complainant filed returns of income/statements of taxation, claiming refund amounting to Rs.0.196 million and Rs.0.104 million for Tax Years 2014 and 2015 respectively. According to the Authorized Representative [AR], the Complainant had e-filed refund applications for Tax Years 2014 and 2015. However, despite repeated efforts, the Department failed to pass orders under Section 170[4] of the Income Tax Ordinance 2001 within stipulated time, hence these complaints. The FTO proceeded to pass the above-mentioned order. The hearing of the case was fixed, Additional Commissioner-IR representative of Federal Board of Revenue [FBR] had appeared, whereas, the complainant had not appeared despite issuance of the notice. It was worth mentioning that Section 15 of the Federal Ombudsmen Institutional Reforms Act, 2013 empowered the decision of a representation on the basis of available record without personal hearing of the parties. The Federal Tax Ombudsman thrashed out the matter vide Paras 6 to 9 of the order as follows: "Objection of the Department regarding bar on jurisdiction of FTO under Section 9[2][b] of the FTO Ordinance is misconceived as the matter does not come under the provision of Section 170[5][b] of the FTO Ordinance but in fact refunds already stood determined as a result of deemed assessment under Section 120[1] of the Ordinance. The only issue involved was the neglect, inattention and deliberate withholding/ non-payment of refunds already determined. FTO observed that refund applications were disposed of and refund claims were rejected by passing orders under Section 170[4] of the Ordinance for want of documentary evidences. However, the case was discussed with



Commissioner-IR, Gujrat Zone, RTO Sialkot and he assured that the said refund order would be re-called by invoking the provisions under Section 122 A of the Ordinance subject to submission and verification of the documents and refund claims would be processed accordingly. As the grievance of the Complainant had been redressed in terms of Section 170[4] of the Ordinance for Tax Years 2014 and 2015, so the maladministration on the part of Department in terms of Section 2[3] of the FTO Ordinance was not established. The recommendation of the Federal Tax Ombudsman directing FBR to :

"direct the Commissioner-IR, Gujrat Zone, RTO Sialkot to re-call the orders passed under Section 170(4) of the Ordinance by invoking the provisions under Section 122 A of the Ordinance; dispose of refund claims for Tax Years 2014 and 2015 as per law and after giving proper hearing; and report compliance within 45 days" are unassailable and sustainable. Suffice is to be mentioned that it is merely a reiteration about the duty of the departmental authority to decide the matter as per law after giving opportunity of hearing to the Complainant. The Agency has the lawful authority to decide the matter on its merits in accordance with the law. There is thus no valid justification to assail the order of the learned FTO. In such circumstances, this representation is reliable to be rejected. Accordingly, the Hon'ble President, as per his decision above, is pleased to reject the presentation of the FBR.

Acknowledgment of FTO by Tax Payers



Acknowledgment of FTO by Tax Payers

19:23 1:23 PM

Gmail - Sales Tax Matter Resolved - Complaint 2680 FTO HYD



FTO KHI <khifto@gmail.com>

Sales Tax Matter Resolved - Complaint 2680 FTO HYD

1 message

Ateef Ahmed Memon <ateefahmedmemon@gmail.com>

Mon, Aug 7, 2023 at 12:07 PM

To: ftohyd@fto.gov.pk, khifto@gmail.com

Dear Federal Tax Ombudsman,

I am writing to express my sincere gratitude for the prompt and effective resolution of a sales tax matter that was brought to your attention through Complaint 2680 FTO HYD. I had the privilege of representing the complainant, Mr. Vijay Kumar, in this case, and I am pleased to inform you that the matter has been successfully resolved on the basis of the FTO Order.

The efficient and diligent manner in which your office handled this complaint is truly commendable. From the initial filing to the eventual resolution, the process was transparent, well-coordinated, and ultimately resulted in a fair outcome. Mr. Kumar, as well as myself, have been thoroughly satisfied with the level of professionalism demonstrated by your team throughout this process.

The resolution of this sales tax matter has not only brought relief to Mr. Kumar but has also reaffirmed our confidence in the effectiveness of the Federal Tax Ombudsman's office. Your commitment to upholding fairness, accountability, and justice is evident in the way you conduct your operations, and we are grateful for your dedication to serving the citizens of our country.

We appreciate the time and effort invested by your team in carefully evaluating the details of Complaint 2680 FTO HYD and arriving at a decision that is just and equitable. Your expertise and commitment to resolving tax-related issues have undoubtedly contributed to the overall efficiency of our tax system and the well-being of taxpayers.

Once again, I extend my heartfelt appreciation to you and your team for your unwavering dedication to ensuring a transparent and impartial tax administration. I am confident that under your leadership, the Federal Tax Ombudsman's office will continue to make a positive impact on the lives of individuals and businesses across our nation.

Thank you for your attention to this matter,

Sincerely,
G.K TAJ & CO.
ATEEF AHMED MEMON (ADVOCATE)
TAJ CHAMBERS MIRPURKHAS
03033924374

Acknowledgment of FTO by Tax Payers



Mohammed Tariq Yousuf
President

کراچی چیمبر آف کامرس اینڈ انڈسٹری

**KARACHI CHAMBER OF
COMMERCE & INDUSTRY**

Aiwan-e-Tijarat Road,
Off: Shahrah-e-Liaquat,
Karachi-74000 (Pakistan)
Phone: +92 21 9921 8001-09
Email: president@kcci.com.pk
URL: www.kcci.com.pk

KCCI/President/I-8/2022-23//296
August 17, 2023

Dr. Asif Mahmood Jah
Federal Tax Ombudsman
Regional Office, 8th Floor (Left Wing),
National Insurance Company Ltd (NICL) Building,
Abbasi Shaheed Road, Off Sharah-e-Faisal
Towards DHA, Karachi

Subject: Expression of Gratitude

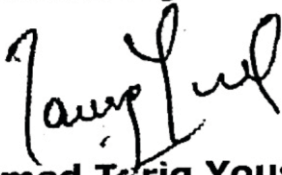
Dear Dr. Asif Mahmood Jah

The Karachi Chamber of Commerce & Industry presents best wishes and compliments to you.

Reference is made to your letter bearing C.No.4895,4896,4893,4899/KHI/ST/2023-Imple, dated 07-08-2023 received in response to our request letter for expediting refund matter. In this regard, I would like to express my sincere gratitude for taking up the matter and resolving the issue. I truly appreciate the efforts of your office in providing relief to the taxpayers.

Thanking you and assuring you of our cooperation on the matter of mutual interest.

With profound regards



Mohammed Tariq Yousuf

Acknowledgment / Appreciation Of FTO By Tax Payers

info@fto.gov.pk

From: Muhammad Hanif Qureshie <mhaniefqureshi@gmail.com>
Sent: Friday, September 1, 2023 11:01 AM
To: info@fto.gov.pk
Subject: Re: Annexure-C.

محترم جناب اشفاق صاحب!

میں آپکا نہایت شکر گزار ہوں کہ آپ نے میرا مسئلہ سیلز ٹیکس انوائس کی ڈیلیشن کے حوالے سے حل کر دیا ہے۔

اسی طرح میں اپنے محسن ڈاکٹر آصف محمود جاہ صاحب کا بھی دل کی اتھاہ گہرائی سے شکر گزار ہوں کہ جس طرح آپ جس پر خلوص انداز میں ملک کو قوم کی خدمت میں مصروف عمل ہیں یہ یقینی طور پر قابل رشک ہے۔ میں امید کرتا ہوں نہ صرف آپ ریاست کے اس ادارے پر اپنے کردار سے گہرے اثرات اور ایسی روایات و وراثت (Legacy) چھوڑ کر جائیں گے جو کہ وطن عزیز معیشت کے لیے ریڑھ کی ہڈی کی حیثیت سے دور رس اثرات مرتب انشاء اللہ مرتب ہوتے رہیں گے۔ آپ کا خیر اندیش خاکسار محمد حنیف قریشی رابطہ نمبر 03334684606

On Wed, Aug 9, 2023 at 9:42 AM Muhammad Hanif Qureshie <mhaniefqureshi@gmail.com> wrote:
Dear Sir/Madam,

It is requested that I am unable to delete the Invoice because the Process failed.
Please find out the Snipping image for your information and record please.

Regards,
Hanief Qureshie

Cell No: 0333-46 84 606



Acknowledgment of FTO by Tax Payers

info@fto.gov.pk

From: Sajjad Akber <talha.taha.traders@gmail.com>
Sent: Wednesday, August 30, 2023 4:04 PM
To: info@fto.gov.pk; ombudsman@fto.gov.pk
Subject: APPRECIATION LETTER FOR FTO
Attachments: Akash Letter.jpg

Federal Tax Ombudsman Secretariat
5-A, Constitution Avenue
Islamabad.

APPRECIATION LETTER

Respected Sir/Madam,

It is hereby submitted that we, Star Corporation, Karachi filed complaints against the alleging mal-administration on part of Customs Quetta for not sanctioning our rebate claims filed in 2019 & 2020.

We do hereby inform with great pleasure that Mr. Aakash Sandoria from FTO Quetta, who guided us regarding FTO complete procedure and help us filing complaints vide FTO complaints Nos 3218, 3253-3255, 3257, 3259, 3261, 3267, 3280, 3282, 3284, 3285, 3287, 3289, 3290-3293, 3295, 3299, 3310-3318, 33203323/OTA/CUST/202 for taking up our matter. We thank Mr. Aakash Sandoria and his office for taking the cognizance in the instant matter made the recommendations and made it possible the implementation of the same and issue of the complainant has been resolved with the professional efforts of the FTO.

We do hereby acknowledge the same and appreciate the hard work and diligence of Mr. Aakash Sandoria and and FTO forum. It is hereby further submitted that the staff like Mr. Aakash Sandoria are much needed for maintaining the prestige and authority of this esteemed forum.

Same is mentioned below letter.

with best regards,

Acknowledgment of FTO by Tax Payers



Office of The
OMBUDSMAN PUNJAB

فوری احتساب، یقینی انصاف

No. CO(Adv.HQ)2023
Dated the 29th August, 2023

SUBJECT: JOB DESCRIPTION OF THE EMPLOYEES OF FEDERAL TAX OMBUDSMAN SECRETARIAT

I gratefully acknowledge the receipt of subject mentioned booklet sent to this end.

2. The document has been glanced thoroughly and it indeed reflects the hard work done by the officers of Federal Tax Ombudsman Secretariat under your pragmatic leadership. Such efforts would certainly further improve working procedures and ensure capacity building of human resource of ombudsmen institutions to measure upto the established norms of service delivery and good governance. It is hoped that the institution of Federal Tax Ombudsman under your able leadership will continue to serve as a source of inspiration for all Federal and Provincial Ombudsmen institutions of Pakistan.

3. Looking forward always to hear good from you, I close with best of regards. Stay blessed!

MAJ. AZAM SULEMAN KHAN (Retd.)
(Hilal-i-Imtiaz)
OMBUDSMAN PUNJAB

DR. ASIF MAHMOOD JAH
(Hilal-i-Imtiaz) (Sitara-i-Imtiaz)
Hon'ble Federal Tax Ombudsman,
5-A Constitution Avenue, F-5/1,
ISLAMABAD.

FTO Dr. Asif Mahammad Jah Book "Journey Towards Allah" Present to Hon'ble President of Pakistan Dr. Arif Alvi at President House with Mr. Almas Ali Jovindah, Advisor Legal and Shahid Nawaz



**Annual Meeting at Governor House Quetta
with President of the Forum of Pakistan Ombudsman
Dr. Asif Mahmood Jah.....**





14th August National Flag Hoisted at FTO Regional Office, Lahore



14th August National Flag Hoisted at FTO Regional Office, Karachi



14th August National Flag Hoisted at FTO Regional Office, Gujranwala

Flag Hoisting Ceremony at FTO HQ's Islamabad on 76th Independence Day





14th August National Flag Hoisted at FTO Regional Office, Quetta

In order to celebrate the 76th Independence Day of Pakistan, an impressive and solemn flag-hoisting and cake cutting ceremony was held at the Regional Office, Quetta. The ceremony was attended by the office bearers of Quetta Chamber of Commerce and Industry, Quetta Tax Bar Association and the staff of the office. They included Mr. Abdullah Achakzai, President of

Chamber and Mr. Amjad Siddiqui, Secretary of Tax Bar. Mr. Azood

Mehdi, Director Customs Valuation, Quetta and Kamal Siddiqui, FTO Business Coordinator were also present. On this occasion, the participants renewed their resolve and commitment to make Pakistan a progressive, stable and prosperous country.



14th August National Flag Hoisted at FTO Regional Office, Sukkur



14th August National Flag Hoisted at FTO Regional Office, Sialkot



14th August National Flag Hoisted at FTO Regional Office, Sargodha



Regional office, Faisalabad, Celebrates 76th Independence Day, Flag Hoisting, Prayers for Prosperity and Glory of Pakistan



In consonance with the outreach program of the FTO organization an awareness session was held at the Pakistan Customs Academy, Islamabad where Advisor Customs FTO, Dr. Arslan Subuctageen gave a detailed briefing and presentation to the trainee officers of Pakistan Customs Service.



On the direction of Honourable Federal Tax Ombudsman Dr. Asif Mahmood Jah meeting was held with President, office bearers and members of Sukkur Small Traders Association Sukkur. Where we told them functions and powers of the Federal Tax Ombudsman office and legal way to facilitate taxpayers without any expenses.



Media Gallery

Clarification of ATIR orders

FTO summons FBR's Member Legal (IR) over 'inaction'

RECORDER REPORT
ISLAMABAD: The Federal Tax Ombudsman (FTO) has summoned Member Legal (Inland Revenue) Federal Board of Revenue (FBR) in a complaint for his silence to clarify the matter of futile litigation and binding circular issued by the FBR to follow orders passed by the Appellate Tribunal Inland Revenue Pakistan (ATIR).

Member Legal has been summoned for 24-08-2023 at FTO Lahore Office because the office of the Member Legal has disregarded the authority of the FTO to submit comments on complaints that have been investigated by the FTO. This disagreement centers around the delineation of responsibilities and the potential implications for the objectivity and impartiality of the investigation process.

It is reliably learnt that on the basis of a complaint moved by a tax lawyer,

Waheed Shahzad Butt, the office of the FTO had issued notice to the secretary Revenue Division and FBR Member Legal to submit a reply to the allegations contained in the complaint and appear before the FTO at Regional office at Lahore on August 24, 2023. The FTO will probe the allegations of maladministration as to why the FBR's legal wing is not vigilant to respond to queries raised by the taxpayers.

The complainant Butt added, in the instant case meaningful long silence (30.05.2023 to 21.08.2023) on the part of Member Legal for not clarifying a simple matter pertaining to avoidance of futile litigation at the cost of taxpayer money in court, reflects nothing but extreme maladministration of justice, worst incompetence and blunt violation of fiscal laws. Nobody at FBR-Legal is ready to accept their professional obligation to perform

duties in accordance with Section 206 of the ITO, 2001, the FBR Act, 2007 read with Articles 4 and 5 of the Constitution.

It has been observed with grave concern that various Commissioners Appeal are involved in blunt violation of orders passed by the ATIR, while in the light of FBR's Circular-Letter No: 1(7) DT-14/92 dated 10/02/1992 with the subject "Orders of Tribunal binding on tax officials" it was categorically directed to show proper respect to the orders of the ATIR as they are of binding nature on all subordinate income tax authorities and required under the law to be followed. Whether the forum of CIR-Appeals can disregard and disobey any order passed by the Final Fact Finding Authority (ATIR) while deciding appeals where the same issue has been contested by the same taxpayer, Waheed Butt added.

Units involved in tax fraud

FBR suggests new sections in ST Act for penal action

SOHAIL SARFRAZ
ISLAMABAD: The Federal Board of Revenue (FBR) has proposed separate sections in the Sales Tax Act for suspension of sales tax registration and blacklisting of the units involved in tax fraud.

Presently, section 21 of the Sales Tax Act deals with deregistration, blacklisting and suspension of registration. The said section has been divided into sub-sections for separately dealing with the suspension and blacklisting of the registered

persons. In this regard, the FBR has proposed draft amendments to the Sales Tax Act, 1990 for simplification and harmonization through Finance Bill, 2024. The proposed section 21A (blacklisting) revealed that where the person who has been issued a notice does not submit relevant record; does not provide the required record; does not allow access to his business record or premises; or the offence of tax fraud is established against the person, the

Deputy Commissioner, shall issue an appealable self-speaking order for blacklisting of the person, and shall proceed to take legal and penal action under the relevant provisions of the Sales Tax Act. According to the proposed section "21 (suspension) under the Sales Tax Act, where the Deputy Commissioner, during the course of any proceedings suspects on the balance of probabilities, that a person registered for the purposes

> P 6 Col 4

FBR suggests new sections

> from page 1

of sales tax is involved in tax fraud, he may in order to prevent the continuation of the suspected tax fraud and to stop the evasion of sales tax by such person or any other person, suspend the registration of such person without any prior notice and with the approval of the Commissioner.

The suspension of registration shall take place through a written order of the Deputy Commissioner to the person suspended, giving reasons for suspension, and endorsed to all Field Offices, the FBR's computer system, and the Customs Wing computer system for information and necessary action as per law. Where the buyers and suppliers of a person, whose registration is being suspended, belong to another Field Office, and these buyers/suppliers are also required to be suspended, the Commissioner shall intimate in writing the Chief Commissioner of the concerned Field Office in whose jurisdiction such buyers/suppliers fall, explaining the complete facts of the case and the reasons on the basis of which initiation of proceedings for suspension/blacklisting of the buyers/suppliers is recommended. No Input tax adjust-

ment/refund shall be admissible to the suspended person during the currency of suspension. The person suspended shall not be authorized to issue tax invoices during the currency of the suspension period and no input tax adjustment/refund shall be allowed to any other person, on the strength of invoices if any issued by such suspended person during the period of his suspension.

The Deputy Commissioner shall, issue a show cause notice to the person, whose registration has been suspended, to afford an opportunity of hearing of fifteen days from the date of issuance of such notice. The show cause shall be issued within three days of the day the registration of the person has been suspended. Where the Deputy Commissioner has suspended the registration of a person, he shall also initiate proceedings against such person in respect of the suspected tax fraud under the provisions of this Act in addition to the proceedings under this section.

Where the suspended person has complied with the notice and the Deputy Commissioner is satisfied that the person is not involved in tax fraud, he may issue the order for revoking the suspension of the person, draft law added.

Fund to review FBR's performance under SBA

Official claims board exceeded revenue expectations for July, on track to meet August targets as well

By Mubarak Zeb Khan

ISLAMABAD: The Federal Board of Revenue (FBR) will resume virtual talks with the International Monetary Fund (IMF) on Monday to review revenue collection performance in the first two months of the current fiscal year, as well as projections for the coming months, a senior government official told Dawn on Saturday.

The IMF team will discuss the performance of the FBR and revenue measures taken in March,

followed by further tax measures in the last budget. "We will brief the IMF team on the revenue performance of first two months — July and August," the official said.

In July 2023, the lender's Executive Board had approved a nine-month Stand-By Arrangement (SBA) for Pakistan for an amount of \$3 billion to support the country's economic stabilisation programme.

This meeting on revenue performance, according to the official, is part of the SBA.

The FBR has exceeded its revenue target for the month of July 2023 by Rs4 billion, according to official. The projected target for the month was Rs434 billion.

The official further claimed that the FBR is on track to meet its target for the month of August as well, and revenue collection figures for this month are expected to be made public in

the coming days.

The primary contributor to the increase in revenue collection has been the unprecedented rise in petroleum product prices. This has led to an increase in retail prices, resulting in higher revenue collection.

"We are receiving maximum revenue due to highest-ever inflation," the official stated.

Revenue collection in July showed a 16.6pc growth as compared to the corresponding month last year. FBR paid Rs49bn in refunds during the month under review. Similarly, direct taxes continue to show remarkable growth of 30pc during the current month.

The government has projected a revenue collection target of Rs9.415tr for FY24, as against the revised collection of Rs7.2tr in FY23, showing an increase of Rs2.219tr or 30pc.

It hopes to achieve a 30pc higher revenue target for the current fiscal year, based on the projected economic growth of 3.5pc, average inflation of 21pc and some revenue measures. The autonomous growth in revenue — to come from GDP growth and inflation — is projected at Rs1.76tr in 2023-24.

The sum of new tax measures for the fiscal year (FY24) now stands at Rs948bn. The revenue measures announced in the budget speech stood at Rs223bn, in addition to all taxes worth Rs500bn introduced in a mini-budget in mid-February. At the winding of the budget speech on June 24, another Rs215bn worth of new taxes were imposed.

In FY23, FBR missed its annual budgetary collection target by almost Rs522bn, or 8.83pc, as against Rs7.64tr projected target for FY23.