

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO. 06797/LHR/IT/2026

M/s DEL Projects Private Limited,
DESCON Headquarters, 18-KM Ferozepur Road,
Lahore.

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	:	Mr. Ahmad Shuja Khan, Advisor
Authorized Representative	:	Mr. Shoaib Ahmad, Advocate
Departmental Representative	:	Mr. Munir Sadiq, CIR, Refund Zone, LTO, Lahore
Date of Hearing(s)	:	03.07.2026

FINDINGS

The present complaint was fixed for implementation hearing in pursuance of the recommendations issued by this Office on 10.06.2026, whereby the Department was directed to dispose of the complainant's refund claim within sixty (60) days.

2. During the hearing, the learned Authorized Representative of the complainant informed this Office that, instead of implementing the aforesaid recommendations, the Department had passed an amended assessment order under section 122(1) of the Income Tax Ordinance, 2001 on 30.06.2026. The learned Commissioner Inland Revenue confirmed that such order had been passed.

3. The complainant contended that the matters now relied upon by the Department as constituting fresh information had already been examined during the earlier assessment proceedings and that the subsequent



proceedings merely revisit issues previously adjudicated. The Department disputed the said contention.

4. This Office consciously refrains from expressing any opinion on the rival submissions. Whether the amended assessment order has been validly passed, whether the information relied upon by the Department constitutes fresh material, and whether the statutory conditions for assumption of jurisdiction under section 122 of the Income Tax Ordinance, 2001 stand satisfied are matters falling exclusively within the jurisdiction of the statutory appellate fora constituted under the said Ordinance. Any observation by this Office on such issues would amount to entering a field beyond its statutory mandate.

5. Nevertheless, the chronology emerging from the record deserves notice. The sequence reflects repeated periods during which the matter remained inactive, followed by significant administrative action at crucial stages. Similar intervals of inactivity are also discernible in the complainant's pursuit of the refund claim. While this Office refrains from drawing any adverse inference on that account alone, such chronology underscores the need for greater administrative diligence, transparency and continuity in the handling of tax matters by all concerned.

6. The more significant issue arising in the present implementation proceedings concerns the manner in which the recommendations of this Office were dealt with by the Department. Once recommendations had been issued directing disposal of the refund claim within sixty days, the Department was expected to implement the same faithfully and in their true letter and spirit.

7. It is appreciated that if, subsequent to issuance of the recommendations, information came into the possession of the Department which, in its opinion, warranted exercise of statutory powers under the



Income Tax Ordinance, 2001, nothing prevented the competent authority from initiating such proceedings in accordance with law. However, the exercise of those statutory powers ought to have been harmonized with the implementation process already set in motion pursuant to the recommendations of this Office.

8. In the considered opinion of this Office, the interests of good administration would have been better served had the officer responsible for implementation first disposed of the refund claim by a reasoned order in compliance with the recommendations of this Office, appropriately dealing with the impact, if any, of the subsequently received information upon the refund claim. Thereafter, the competent assessing authority could have proceeded independently under the provisions of the Income Tax Ordinance, 2001, if otherwise considered legally justified. The two courses of action were not mutually exclusive; rather, they ought to have been pursued in a coordinated manner consistent with the requirements of good administration. Such an approach would have preserved both the integrity of the implementation process before this Office and the statutory powers vested in the tax authorities.

9. This Office also considers it appropriate to clarify that it consciously refrained from exercising any power to suspend or interfere with the proceedings initiated under the Income Tax Ordinance, 2001. Questions relating to the legality of assessment proceedings fall within the jurisdiction of the statutory appellate authorities, whereas the jurisdiction of this Office is confined to examining maladministration and ensuring meaningful implementation of its recommendations.

10. The effectiveness and credibility of the institution of the Federal Tax Ombudsman depend not merely upon acceptance of its recommendations but, more importantly, upon their timely, faithful and meaningful



implementation by the tax administration. Administrative action taken after issuance of recommendations should, therefore, reinforce, rather than inadvertently defeat or render ineffective, the implementation process. Institutional discipline in this regard is indispensable for maintaining public confidence in the statutory grievance redressal mechanism established under the Federal Tax Ombudsman Ordinance, 2000.

11. In view of the foregoing, while refraining from expressing any opinion on the legality of the amended assessment order dated 30.06.2026, this Office makes the following recommendations to the Federal Board of Revenue:

- i. Appropriate administrative instructions shall be issued to all field formations that recommendations made by the Federal Tax Ombudsman are to be implemented promptly, faithfully and in their true letter and spirit.
- ii. Where, after issuance of recommendations by this Office, any subsequent development or information necessitates proceedings under the Income Tax Ordinance, 2001, the officers concerned shall ensure, to the extent administratively practicable, that implementation of the recommendations is addressed through an appropriate speaking order and that the statutory proceedings are undertaken in a manner which preserves the integrity of the implementation process before this Office.
- iii. The Federal Board of Revenue shall examine the administrative handling of the present case, particularly the repeated periods of inactivity followed by significant action immediately before the close of the financial year, and take such administrative measures as may be considered appropriate to ensure greater diligence, continuity and accountability in the processing of refund claims and implementation of recommendations issued by this Office.
- iv. The Federal Board of Revenue may consider issuing a suitable Standard Operating Procedure (SOP) or administrative guidelines governing implementation of recommendations of the Federal Tax Ombudsman in cases where subsequent statutory proceedings are contemplated, so that implementation of



recommendations issued by this Office and exercise of statutory powers under the tax laws are harmonized in a fair, transparent and orderly manner.

12. The complainant shall remain at liberty to avail such statutory remedies against the amended assessment order dated 30.06.2026 as may be available under the Income Tax Ordinance, 2001.

13. Before parting with the matter, this Office considers it appropriate to reiterate that the statutory powers vested in the tax authorities and the recommendations issued by the Federal Tax Ombudsman are intended to operate in aid of good administration and not at cross-purposes. It is, therefore, expected that future implementation of recommendations issued by this Office shall be undertaken in a manner which preserves both the statutory rights of taxpayers and the institutional integrity of the implementation process envisaged under the Federal Tax Ombudsman Ordinance, 2000.

14. The complaint is disposed of in the above terms.


(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 03 JUL 2026

Approved for review


