THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

COMPLAINT NO.11887/ISB/IT/2026

Dated:26.06.2026* HQ Islamabad

Directorate of Estate Projects, ...Complainant
(FTN: 9010618-7)
Nur Khan Base, Chaklala Cantt, Rawalpindi.

Versus

The Secretary, ...Respondent
Revenue Division,
Islamabad.

Dealing Officer	:	Mr. Muhammad Naseer Butt, Advisor
Appraised by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	(i) Mr. Shahid Jan, Advocate (ii) Mr. Shabbir Ahmed, Squadron Leader
Departmental Representative	:	Mr. Inayat Ullah Khattak, AD (Audit), RTO, Islamabad
Date of hearing	:	03.08.2026

FINDINGS/RECOMMENDATIONS

The complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance 2000 (FTO Ordinance) and the case was fixed for comments on 10.07.2026. The department filed parawise comments, which were examined and placed on file. The complainant and DR attended. Arguments were heard and record perused and complaint is disposed of on the basis of available record as under.

2. The complainant stated he had earlier filed a complaint before the office bearing complaint No. 02277/ISB/IT/2026 for non-issuance of refund for tax year 2016, which was decided by this office on 03.02.2026 directing the respondent department to dispose of the pending refund application as per law.

3. The complainant further stated that earlier the respondent had issued a notice under section 170(4) of the Income Tax Ordinance,

* Date of registration with FTO Secretariat

2001 (Ordinance) on 15.08.2020 in response to which the complainant filed all the required documents vide reply dated 06.09.2020. The complainant further stated that after the direction issued by this forum, the respondent passed order u/s 170(4) on 18.06.2026 for tax year 2016 without providing an opportunity of being heard, which is highly objectionable. The impugned order has thus been passed in violation of the principles of natural justice, in disregard of the binding directions issued by this forum, and is consequently without lawful authority, void, and liable to be set aside.

4. The complainant prayed that the revenue division may kindly be recommended to issue the refund along with due compensation; appropriate disciplinary action may kindly be recommended against the assessing officer for deliberately making misleading, false, and untrue statements and suppressing material facts, thereby misleading the competent authority.

5. The RTO, Islamabad filed written comments wherein, they stated that the refund order has already been passed u/s 170(4) of the Income Tax Ordinance, 2001, on 18.06.2026 for tax year 2026.

6. Perusal of complaint and record shows that the complainant had earlier approached this forum against non-disposal of his pending refund application for tax year 2016. The earlier complaint was decided by his office on 03.02.2026 with the direction to the respondent department to dispose of the pending refund application strictly in accordance with law.

7. Perusal of the record further reveals that prior to passing the impugned refund order, the department had issued a notice under section 170(4) of the Income Tax Ordinance, 2001 on 15.08.2020.

In response thereto, the complainant submitted a detailed reply along with supporting documentary evidence on 06.09.2020. The department has neither denied receipt of the said reply nor produced any material on record to establish that the contents of the reply and supporting evidence were examined before passing the refund rejection order for tax year 2016 on 18.06.2026.

8. It is further observed that while passing the order under section 170(4), the assessing officer neither discussed the reply filed by the complainant nor recorded any findings on the documentary evidence furnished by him. The impugned order is completely silent regarding the explanations already available on record and appears to have been passed ex-parte order by ignoring the complainant's submissions. Such an approach is contrary to the settled principles of fair administration and reflects non-application of mind by the assessing officer.

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9. The directions issued earlier by this Forum required the department to dispose of the complainant's refund application on merits and in accordance with law. Compliance with such directions necessarily required the assessing officer to examine the material already available on record and, where necessary, provide the complainant reasonable opportunity of hearing before arriving at an adverse conclusion. Instead, the assessing officer merely passed a refund rejection order without considering the complainant's earlier reply and evidence. Such action has made this Forum's recommendations meaningless.

FINDINGS:

10.

i. The subject case presents a classic case of departmental disregard for law and fairness. The department had issued a notice under section 170(4) of the Income Tax Ordinance, 2001 for TY 2016 on **15.08.2020**. In response thereto, the complainant submitted a detailed reply along with supporting documentary evidence on **06.09.2020**. The department has neither denied receipt of the said reply nor produced any material on record to establish that the contents of the reply and supporting evidence were examined before passing the refund rejection order for tax year 2016 on **18.06.2026.** Despite lapse of 6 years neither any resh notice u/s 170(4) was issued nor findings of this office were considered nor sane mind or relevant legal provisions were applied.

ii. If the Complainant, a public sector organization an attached department of Pakistan Air Force has been meted out such treatment, what an ordinary taxpayer should expect from RTO Islamabad.

ii. <u>The conduct of the assessing officer in passing the impugned ex-parte order without considering the complainant's earlier reply and without providing fresh opportunity of hearing and examining supporting evidence is found to be arbitrary, unfair and contrary to law. Such omission tantamount to maladministration in terms of section 2(3)(i)(a) & (b) of the Federal Tax Ombudsman Ordinance, 2000</u>

<u>RECOMMENDATIONS:</u>

11. FBR to:

(i) direct the CIR (Refund Zone), RTO, Islamabad to revisit the impugned order u/s 122A for tax year 2016 in the light of law and facts of the case and pass fresh order

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after affording adequate opportunity of hearing to the complainant;

(ii) CCIR, RTO Islamabad to obtain the explanation of the author of impugned order dated 18th June, 2026 and share the same with this forum; and

(iii) report compliance within 30 days.

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 19-08-2026
Azeem

Approved for reporting.