BEFORE
THE FEDERAL TAX OMBUDSMAN
Islamabad

Complaint No.1320/MLN/IT/2022
Dated: 08.04.2022* R.O. Multan

M/s M Shah Muhammad & Sons (Pvt) Ltd,
8-C/III, Industrial Estate, ... Complainant
Multan.

Versus

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

Dealing Officer	:	Dr. Khalil Ahmad, Advisor
Appraisal by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Riaz Ahmad Raja, ITP
Departmental Representative	:	Mr. Muhammad Amjad, IRAO, RTO, Multan

FINDINGS/RECOMMENDATIONS

The complaint has been filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 for failure to credit refund into the Complainant's bank account consequent upon issuance of order dated 27.01.2021 passed under Section 170(4) of the Income Tax Ordinance, 2001 (the Ordinance) for Tax Year 2019. However, despite considerable lapse of time, the Deptt has failed to disburse the determined amount of refund into the Complainant's bank account.

2. The Complainant has also prayed for additional payment for delayed refunds in terms of Section 171(1) of the Ordinance.

3. The complaint was referred to the Secretary Revenue Division, for comments, in terms of Section 10(4) of the FTO Ordinance read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response thereto, the Chief Commissioner-IR, RTO, Multan forwarded para-wise comments of

* Date of registration in FTO Sectt.

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the Commissioner-IR, Multan Zone dated 22.04.2022 vide letter dated 22.04.2022 and admitted that refund order under Section 170(4) of the Ordinance has been passed on 27.01.2021 determining refund amounting to Rs.0.429 million. Further contended that reason for non-credit of refund might be incorrect IBAN declared by the Complainant in his registration Form under Section 181 of the Ordinance. Added that the Complainant may be directed to update IBAN and then approach FBR (HQ) for credit of refund into his bank account, if not already credited.

4. During hearing, the DR produced a copy of CIR Corporate Zone's letter dated 13.05.2022 addressed to CCIR, RTO, Multan to request to the Board for crediting refund amount in Complainant's bank account.

5. Both the parties heard and record perused.

6. Admittedly, the Deptt disposed of the Complainant's refund application for Tax Year 2019 under Section 170(4) of the Ordinance, vide order dated 27.01.2021, determining refund amounting to Rs.0.429 million.

7. However, it is a matter of record that since more than a year refund has not been issued. Upon intervention of this office a letter dated 13.05.2022 was written by the CCIR, RTO, Multan to Secretary (Revenue Budget), FBR for crediting refund amount directly in the Complainant's bank account. Inertia on the part of the Deptt, is evident.

8. Since the refund was to be issued within three months after issuance of the refund order, the Complainant is also entitled to additional payment for delayed refund in terms of Section 171(2)(c) of the Ordinance.

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FINDINGS:

9. Inordinate delay in crediting refund already determined vide Order dated 27.01.2021for Tax Year 2019,to Complainant's bank account, is tantamount to maladministration, in terms of Section 2(3)(ii) of the FTO Ordinance.

RECOMMENDATIONS:

10. FBR to -

(i) direct the Secretary (Rev. Budget) FBR to credit the Complainant's refund already determined under Section 170(4) of the Ordinance, vide order dated 27.01.2021for Tax Year 2019, directly to his bank account, as per law;

(ii) direct the Commissioner-IR, Multan to settle additional payment for delayed refund for Tax Year 2019, in terms of Section 171(2)(c) of the Ordinance; and

(iii) report compliance within 45 days.

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

Dated: 25-05- 2022
Akif

Certified to be True Copy

Deputy Registrar
FTO Secretariat
Islamabad

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