



NEWSLETTER

FEDERAL TAX OMBUDSMAN



INSIDE THIS ISSUE:

**President Calls for
More Outreach
of Federal Tax
Ombudsman**

[For details page 04](#)



**President upholds FTO directives
for FBR to address the
inconsistencies,**

[For details page 06](#)



**Excessive Tax Demands fall under
Definition of Maladministration:
Press Conference at FTO Secretariat**

[For details page 07](#)

**Hon'ble FTO Delivers
Awareness Lecture at
Punjab University**

[For details page 09](#)

**Iftar get together Arranged
in Lahore, Sargodha,
Gujranwala and Islamabad**

[For details page 11](#)

**Steel Sector: FBR decides
to apply track-and-trace
system**

[For details page 11](#)

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Dr. Asif Mahmood Jah (FTO)
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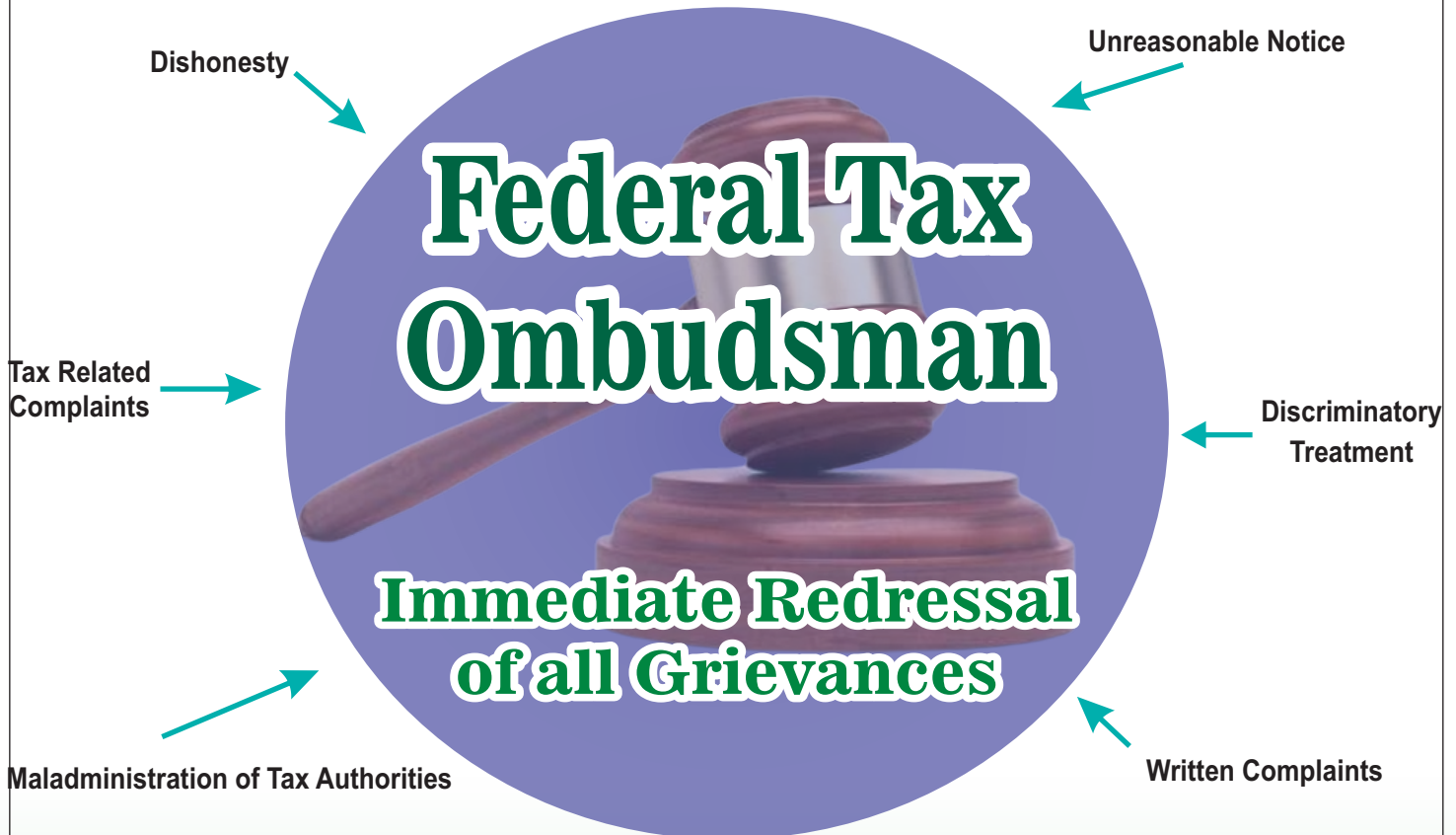


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MESSAGE OF FTO

Dear taxpayers!

The newsletter of April 2022 is in your hands. During the Holy month of Ramadan, the Federal Tax Ombudsman's Office continued to work diligently to facilitate the taxpayers in immediate redressal of their grievances.

This is a special blessing of Allah that more and more people are turning to FTO for the last 6 months. Taxpayers are now realizing that there is an institution where their problems and grievances are heard and promptly resolved. Speedy and free justice is provided to them without delay and arbitrary barriers with regard to payment of taxes are removed.

The importance and effectiveness of the institution is increasing due to the trust of the taxpayers as they are fearlessly and eagerly approaching the FTO for immediate solution of their problems. I urge the taxpayers to immediately contact the FTO if they have any grievances with the tax administration or their legitimate issues are not being resolved or they are being harassed without any reason. Contact us by letter, email, mobile app, or on WhatsApp. Insha'Allah, complaints will be addressed as soon as possible and their problem will be resolved immediately.

In March 2022, the highest number of 495 complaints were registered and 287 complaints were decided without delay.

On April 21, 2022, the Annual Report 2021 of the Federal Tax Ombudsman was presented to the President of the Islamic Republic of Pakistan, Dr. Arif Alvi. The President appreciated the performance of the FTO during the last year and called for its further improvement. It was assured to the President that performance of FTO will further improve in future. The number of complaints will also increase, and viable and practical suggestions will be sent to the Federal Board of Revenue to improve the tax culture. In the year 2021, 3371 complaints were registered and out of them 2867 complaints were decided. The FBR's acceptance response to the FTO's recommendations was 88%. Taxpayers were provided relief in most of the FTO's decisions. The President, Dr. Arif Alvi, upheld most of the FTO decisions. The FTO's decisions have started to provide relief to the common man. The Federal Tax Ombudsman declared the FBR's deduction of withholding tax from the salaries of temporary employees illegal and unlawful. This decision was not only appreciated by the Accountant General of Pakistan but also implemented. This one decision has benefitted millions of poor employees.



Similarly, the excess rate of sales tax on booking and delivery of Suzuki vehicles was declared illegal and it was ordered that the sales tax collected in excess of 12% should be refunded to the consumers. Later, the President also upheld this decision. This one decision will benefit 9000 customers who buy Suzuki vehicles and will get a refund of Rs. 600 million. Insha'Allah, there will be similar decisions in the future that will benefit the common man. May Allah Almighty help us to further serve the common taxpayers and create facilities for them. It is the responsibility of all the institutions under the Government of Pakistan to improve the performance of their institutions under their respective mandates and to facilitate the people.

The main task of the organization is to improve the tax system and to send suggestions / recommendations to the FBR for immediate resolution of taxpayers' problems. Taxpayers' problems will be solved immediately, that will increase their confidence in tax system and promote better tax culture in the country.

Pakistan Zindabad



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

President Calls for More Outreach of Federal Tax Ombudsman

Islamabad: President Dr Arif Alvi has urged the need to increase the outreach of the Federal Tax Ombudsman (FTO) and create awareness about its role in providing speedy justice to complainants against the maladministration of customs and tax authorities. He said that FTO was performing an outstanding job by providing speedy relief to traders and businessmen against the highhandedness of government authorities. The President made these remarks while talking to the Federal Tax Ombudsman (FTO), Dr. Asif Mahmood Jah, who called on him, at Aiwan-e-Sadr on 21st April, 2022. Dr. Asif Mahmood Jah presented the Annual Report-2021 highlighting the performance and achievements of the tax Mohtasib. He informed that during the year 2021, 2816 fresh complaints were registered with FTO, whereas 333 carry forward cases from the previous years were also processed. Out of these, 2867 cases were disposed of during 2021. He further stated that 88.14 % of the decisions have been implemented by the concerned quarters. The Ombudsman has decided refund claims amounting to Rs. 8499.11 million and the amount was paid to the aggrieved taxpayers by the FBR. He apprised



that in order to facilitate the taxpayers and expeditiously resolve the complaints, FTO had started informal resolution of complaints in priority cases under Section 33 of FTO Ordinance, 2000. The FTO further highlighted that the Ombudsman has directed FBR to provide a Sales Tax release worth Rs 600 million to over nine thousand buyers of vehicles by declaring the collection of Sales Tax in excess of 12.5% from the complainants as contrary to law. He also informed the President that FTO has established facilitation desks at the International airports of Islamabad, Karachi, Quetta, Lahore and Peshawar and land border stations of Chaman and Torkham to facilitate traders and businessmen. He apprised the President that the FTO, with the assistance of trade bodies and associations, was conducting seminars and awareness sessions throughout the country to create awareness about its role in providing prompt and cost free justice against the maladministration of tax authorities. The President expressed satisfaction over the performance



of FTO in providing swift justice to complainants in far-flung areas of the country.



FTO directs implementation of the decision to refund excessive tax deductions to 24 complainants by LTO Karachi in Pak Suzuki case.

Twenty four Complaints were filed against FBR Islamabad and Pak Suzuki Motor Company Limited in terms of Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against charging Sales Tax @ 17% on purchase of Suzuki Cultus vehicle 998 CC after July, 2021 as against 12.5%, which was the actual rate at that time. In this way the taxpayers were constrained to pay in excess of what was actually due. FTO had recommended that collection of the sales tax in excess of that legislated in the Finance Act, 2021 and delay in settling the tax refund tentamounts to maladministration. President of Pakistan had upheld the decision and rejected FBR's pleas against recommendation of FTO.

Dr. Asif Mahmood Jah (the FTO) had directed Advisor Income Tax Karachi to hold meetings with the stakeholders for smooth implementation of the findings/ recommendations in the referred complaints.

The representatives of LTO Karachi and M/s Pak Suzuki Company agreed to the following mechanism for implementation for the Hon'ble FTO's judgment, which has duly been endorsed by the Hon'ble President:

i. Pak Suzuki Company will furnish the refund claims



under Section 66 to LTO Karachi in respect of refund due to the subject complainants (as per list provided by the FTO Office)

ii. The refund claim will be accompanied with the relevant invoices and proof of tax paid on theses invoices. On receipt of refund claim, LTO Karachi will process the claim as per law and issue refund to Pak Suzuki Company.

iii. Pak Suzuki Company will then remit the amount to all the complainants as per their due share and submit proof of payment to LTO Karachi and FTO Office for final implementation of the order.

President upholds FTO directives for FBR to address the inconsistencies, procedural loopholes and systemic flaws and to implement e-solution

An own motion investigation was initiated under section 9 (1) of the Federal Tax Ombudsman Ordinance, 2000 regarding procedural loopholes in the Sales Tax / FED Regime. The FTO had observed that Inland Revenue officers were issuing manual Show Cause Notices which were at times scrapped as a result of illegal settlement with the Taxpayers. This practice was facilitated by the procedural shortcomings as the FBR had failed to introduce Bar Coded and System Generated Notices Regime under the Act. Neither any uniform pattern of system generated notices of the FBR's portal was being used, nor SCNs were being issued in all types of audit cases. The show cause notices were issued through Tax Audit Management

System in one category of audit. But in cases of regular audit, approved by the Commissioner, such notices were being issued manually. It was also observed that due to systemic maladministration, the show cause notices in certain cases were being misused for corrupt or improper motives falling within the ambit of Maladministration.

The FTO, Dr. Asif Jah directed FBR to address all inconsistencies, procedural loopholes and systemic flaws through an integrated FBR portal i-e IRIS. All standalone systems/software / modules/applications may be configured in single IRIS portal. Hon'ble FTO further directed FBR to implement E-solution on priority basis and direct field officers to ensure issuance of bar-coded notices so as to ward off misuse of powers by tax functionaries.

The FBR filed a representation before Hon'ble President of Pakistan against the above Recommendations. The President however rejected the FBR's appeal and held that Hon'ble FTO's direction to remove inconsistencies, loopholes and flaws and implement E-solutions were strictly within the powers conferred under FTO ordinance 2000.



Excessive Tax Demands fall under Definition of Maladministration: Press Conference at FTO Secretariat

The Federal Tax Ombudsman (FTO) Office said that the Federal Board of Revenue's creation of excessive tax demands or exaggerated tax demands against the business community falls under the purview of maladministration.

Mr. Majid Qureshi, Advisor IT / Media held a press conference on 13.04.2022 and informed the journalists that the FTO Office has received cases of excessive tax demands by the FBR's field offices. "Yes such cases are covered under the definition of mal-administration," he added.

Addressing a press conference, the FTO advisor further informed that the FTO office has barred the FBR from excessive tax deductions from the pay/wages of the low-paid employees.

The FTO had issued findings/ recommendations in the said complaint vide order dated 24th February, 2022.

The departmental representative pleaded that, "The question as to whether a person is an employee under a master-servant relationship, or a service provider is a question of fact that needs to be established in each situation. Hence, any such clarification of general nature is likely to be misused and may cause a loss of revenue."

The FTO explained to the departmental representative that in



order to determine "Employer-Employee Relationship" for the purpose of taxation under the Income Tax Ordinance, 2001, the basic parameter was the existence of a "Master-Servant Relationship" between the persons. It was further advised that regular/ad hoc/temporary/daily wages are all different shades and forms of employment and the law does not create any distinction among all these forms.

Qureshi stated that the FBR considered the FTO's point of view and resultantly, a clarification in this respect has been issued vide C No 3(3)/2022-S(CM)/81818-R dated 11.04.2022). The findings/recommendations issued by the FTO have now been fully implemented by the FBR.

It may also be mentioned that Accountant General of Pakistan Revenue has already implemented the above findings, as a result of which all low-paid contract employees at the FTO HQs office have received salary for the month of March without deduction of income tax. In view of the foregoing, the FTO has desired that all advisors at regional offices should do the following:

- (i) Widely publicize the subject findings/ recommendations as public relief order.
- (ii) Ensure implementation through respective Districts Accounts Offices.
- (iii) The Regional Offices of the Accountant General of Pakistan Revenues may also be approached by the respective regional advisors at Peshawar, Lahore, Karachi and Quetta for immediate implementation of the recommendations on the above lines, Qureshi added.

Awareness Session at the Institute of Chartered Accountants of Pakistan Islamabad



An awareness session was organized at Institute of Chartered Accountants of Pakistan (ICAP), Islamabad. Mrs. Sarwat Tahira Habib, Senior Advisor and Mr. Muhammad Majid Qureshi, Advisor participated as keynote speakers and panelist respectively. Dr. Arslan Subuktageen, (Advisor Customs, FTO) also attended the event.

Mr. Ashfaq Yousaf Tola, President ICAP welcomed the FTO team and suggested that similar interaction should continue in future. He also opined that FBR refunds have become a sort of "circular bebt" which is strangulating the economy. He offered to carry out a case study for FTO on any topic.

Ms. Sarwat Tahira, Senior Advisor made a presentation on the working of FTO Secretariat and informed the audience about FTO's jurisdiction, appeal mechanism, its role in promoting good governance in the tax administration and various other initiatives. She invited ICAP to suggest names for FTO Advisory Committee and also suggest ways for enhancing the role of FTO. The seminar remained interactive and focused

due to the fact that Chartered Accountants work is close collaboration with business community and are fully aware of taxpayers' problems. Suggestions given by the participants included the following:

- There should be a Tab for FTO in IRIS.
- An awareness session with FBR officers should be arranged to address their concerns.
- Refunds are another 'circular bebt' in making, which strangulates the business and economy. ICAP can do a Case Study for FTO in this regard.
- Disposal time for complaints should be reduced as much as possible.
- Role of FTO should be enhanced. ICAP will share proposals.
- ICAP to suggest names for Advisory Committee.
- It is expected that such interaction will motivate more taxpayers to approach FTO Secretariat for redressal of the grievances.

FPCCI chief appreciates FTO decision to refund excessive ST charged

FPCCI President Irfan Iqbal Sheikh has appreciated the decision of the Federal Tax Ombudsman (FTO) in favor of several complainants against an automobile company; filed against FBR Islamabad for charging the excessive sales tax. He added that this decision sets the right precedence for the consumer protection mechanism, keeping the sellers in check for implementing the right amount of taxes & duties and creating a sense of accountability for the tax authorities.

FPCCI President added that, as per information released by the Office of FTO, 24 complainants were wrongfully charged

17pc sales tax for a 998-cc vehicle instead of the applicable 12.5pc at that time, i.e. after July 2021 when the Finance Act 2021 had come into force. FTO not only ordered to return the excess amount collected, but he also declared the practice as a case of maladministration.

It is pertinent to note that President of Pakistan has also rejected an appeal against the aforementioned FTO decision; as the appeals against the decisions of FTO can only be filed before the President of Pakistan. All this lends credence to the trust in quality decisions given by FTO.

Hon'ble FTO Delivers Awareness Lecture at Punjab University

A lecture to create awareness about the functions of FTO Office was delivered at Punjab University on 25th April, 2022, by Federal Tax Ombudsman of Pakistan, Dr. Asif Mahmood Jah. On this occasion, Hon'ble FTO Dr. Asif Mahmood Jah interacted with the students of Mass Communication and briefed them about the role of Federal Tax Ombudsman Office. They were also apprised about the complaints filing procedure. While delivering the key note address at Punjab University, The FTO said: "Our youth is our real strength. Pakistan is a young country. I welcome all the talented students to join our internship program. This will provide a platform for young people to highlight their successes, concerns and drivers of innovation and a great contribution with their inputs to the outcomes of this Symposium." The students were also apprised regarding country wide campaign launched by the FTO secretariat with the core objective to spread awareness of the grievance redressal mechanism of



this forum so as to develop confidence amongst the taxpayers in the office of the FTO for speedy and efficacious justice against any maladministration by the Federal Tax Authorities. The students shared their views with Dr. Asif Mahmood Jah and showed great eagerness to work for the office of FTO.

"APPRECIATION LETTER"



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Ref. No.LOT/FTO/22/1

Dated: 20-04-2022

Dr. Asif Mahmood Jah,
Honorable Chairman,
Federal Tax Ombudsman (HQs),
Islamabad.

SUBJECT: LETTER OF THANKS - UNPRECEDENTED EFFORTS BY THE LEARNED ADVISOR.

Honorable Sir,

We our self and on the behalf of our client, M/s Abdul Ghaffar Traders (AOP), Rawalpindi, feel pleasure to express our sincere gratitude to the Federal Tax Ombudsman(FTO) for the best services in a case of Refund.

Sir, the complainant had filed a Complaint, against the mal-administration of Regional Tax Office, Rawalpindi with respect to a refund in year 2017. Since then, the concerned RTO was making lame excuses and was not acting as per law.

Again in January, 2022, we have filed the Complaint assigned No.0122/ISB/IT/2022 dated 12-01-2022 which was fixed for hearing before Mr. Muhammad Majid Qureshi, Honorable Advisor (Income Tax), FTO, Headquarters, Islamabad. Due to the committed efforts of the learned Advisor, our case was resolved and the Refund was paid within couple of days. Timely action and monitoring of progress on daily basis by the learned Advisor was unprecedented.

We sincerely appreciate the efforts made by good office especially by the learned Advisor. Thank you so much for your help, FTO.

Yours Truly,


The Legal Lines.



Respected Advisor Incharge
Federal Tax Ombudsman
Regional Office
Climax Garden
Gujranwala

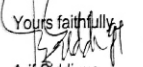
Subject: **THANK YOU LETTER – COMPLAINT NO.1114/GRW/ST/2021 OF M/S SADIQ WOOLLEN MILLS (PVT) LTD.**

Most Respectfully,

I personally and on behalf of my client M/s Sadiq Woollen Mills (Pvt) Ltd. (Chief Executive Mr. Tariq Iqbal) want to show our gratitude for your help in getting back the Sales Tax amount which illegally was withdrawn by RTO, Gujranwala. The department refunded the amount in the month of March, 2022.

I really appreciate the way you handled the complaint and followed the procedure to solve the problem. The prompt and effective action in the matter was exemplary and this increased my confidence on honorable office of FTO.

Sir, I thank you for your help once again.

Yours faithfully,

Arif Siddique
Advocate HC
Tax-Wise Law Firm

**TAX-WISE
LAW FIRM**
LAWYERS & PRACTITIONERS
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Customs Clearing Agents and Air Cargo Associations call on Advisor (Incharge) Sialkot

The office bearers of Customs Clearing Agents and Air Cargo Associations visited the office of FTO Regional Office, Sialkot on 22.04.2022. On this occasion, they were briefed about the significance and role of this institution for prompt redressal of their grievances. They were apprised that this office would discharge its national duty by addressing the genuine complaints of trade and business community within the shortest span of time. The Associations pointed out their hardships relating to import and export. Their office bearers expressed their deep satisfaction over the establishment of regional office at Sialkot for provision of justice at their door step. They immensely commended the decision of Dr. Asif Mahmood Jah, Honourable Federal Tax Ombudsman for setting up Regional Office at Sialkot and expressed the hope to bring their grievances to his notice for timely redressal of the same.



Hon'ble FTO's Public Relief Order Being Widely Acclaimed



A recent order on the complaint of Muhammad Saleem Raza, a low paid employee of Pakistan Broadcasting Corporation is being widely acknowledged as a landmark decision. The benefits of this order are expected to reach hundreds of thousands employees all over the country.

A delegation of Adhoc/ low paid employees of PBC and PTV, including Mr. Saleem Raza, Mr. Zahid Jatoi, Sardar Yousafzai and Shafiq Khan called on Dr. Asif Mahmood Jah to express their gratitude for the relief provided during the holy month of Ramadan.

Hon'ble FTO encouraged all and sundry to come forward if they are facing any hurdle in implementation of this order and avail cost free grievance redressal forum of FTO.

Honorable Lahore High Court dismissed Writ Petition against FTO Orders

While deciding the matter of FTO's jurisdiction in writ petition no. 20123-22 (ALI AUTOS VS FTO & Other) and other two associated petitions, LHC has held that FTO'S orders can only be challenged before President. As per details, Order stated that complaints filed before FTO under section 10(1), regarding delay in refund, were adjudicated after receiving para wise comments and hearing both sides that the refund application of petitioner, in terms of section 170(4) of Income Tax Ordinance 2001, had already been disposed of vide Bar code order 27.10.2020 and a legal remedy of appeal was available under section 127 of the Ordinance, which complainant didn't avail. Review filed with FTO by Petitioner was also dismissed on the above mentioned ground. Honorable Court further held that "Review Orders" of FTO declining to revisit his earlier orders, appears to be reasonable, which, prima facie, doesn't require any interference. Court further held that FTO's order could only be challenged in Representation before the President and this statutory remedy was never availed by the Petitioner.

Steel sector: FBR decides to apply track-and-trace system

ISLAMABAD: The Federal Board of Revenue (FBR) has decided to implement the Track-and-Trace system on the manufacturing units of steel sector for electronic monitoring of production and supplies of steel products.

The FBR has issued S.R.O. 541(i)/2022 here on Friday to amend Sales Tax Rules, 2006 to check sales tax evasion in the steel sector.

Sources told this scribe that the FBR has included steel sector in the list of sectors subjected to the electronic monitoring through Track and Trace system following issues raised by the Federal Tax Ombudsman (FTO) within the steel sector.

According to the amended rules, the steel products, if brought from non-tariff areas as defined in the Federal Excise Act, 2005, shall be treated as imported goods. After inclusion of the steel sector in the list of electronic monitoring, the said sector would now be required to install a track and trace system at their manufacturing premises, the sources said. Under the revised rules, the procedure shall apply to electronic monitoring, tracking and tracing of production, import and supply-chain of steel sector; tobacco products; beverages; sugar and fertilizer; cement and petroleum products.

Oil, ghee and steel sectors: Input tax adjustment disallowed on 778 goods.

Provided that any or all of the said specified goods above shall be monitored, tracked and traced in the manner provided in this procedure and any other instructions, procedures and orders issued by the Board.

Provided further that the specified goods, if brought from non-tariff areas as defined in the Federal Excise Act, 2005, shall be treated as imported goods for the purposes of this procedure, FBR added.

A tax expert told that the Federal Tax Ombudsman (FTO) has already directed the FBR to conduct a special audit in cases



relating to steel melters. FTO, while exercising own-motion power, has taken notice of gross misuse of sales tax special procedure rules after an initial inquiry confirmed glaring instances of organised fiscal fraud in the handling of cases of the steel sector.

The FTO's report revealed instances of misuse of powers, negligence, inattention, delay, incompetence, inefficiency and ineptitude of FBR officers in the administration of duties while working on cases regarding steel melters at Lahore.

FTO has directed FBR to conclude the unending trail of 'fact finding inquiries' and formal administrative proceedings based on observations made by an external audit besides ordering an inquiry against the officers who have been wreaking havoc with the state exchequer.

In addition, it also directed the FBR to conduct a special audit of all steel sector cases not only at Lahore but also other stations to gauge the quantum of similar loss in other cities.

Iftar get together Arranged in Lahore, Sargodha, Gujranwala and Islamabad

FTO Officers and Staff Secretariat arranged iftar get together in Islamabad, Lahore, Sargodha and Gujranwala. People from different walks of life were invited who included Advisors, Trade Bodies, Member of Chamber of Commerce and Business Communities, Media persons and Coordinators. Ex

FTOs and Senior Officials also graced the event namely Mr. Abdur Rauf Chaudhry (Ex FTO), Dr. Mohammad Shoaib Suddle (Ex FTO), Mr. Tariq Ahad Nawaz (Ex Advisor), Mr. Yasin Tahir (Ex Advisor), Mr. Khalid Masood (Ex Advisor), Mr. Ahmad Owais Pirzada (Ex Advisor), Mr. Abdul Khaliq (Ex Advisor),

Sardar Irshad Shaheen (Ex Advisor) and Mr. Muhammad Liaquat Munir Rao (Ex DG). Hon'ble Federal Tax Ombudsman, Dr. Asif Mahmood Jah admired the services of FTO Fraternity which truly showed commitment and devotion to FTO office.

FTO says 90pc of his decisions accepted by complainants, FBR

LAHORE: Federal Tax Ombudsman Dr Asif Mahmood Jah said on Monday that about 90 percent of the decisions announced by him have been accepted by both the complainants as well as by the Federal Board of Revenue (FBR).

Talking to Business Recorder, he said, he has recently presented the annual report of his office for the year 2021 to President Arif Alvi. The president has appreciated the efforts made by his office in dispensing justice to the taxpayers, he added.

He said his office had disposed of 2,867 complaints out of a total of 3,371 in 2021. It is encouraging to state that out of these 2,867 complaints, 2,556 (80.15%) were accepted by the complainants and the FBR, he said, adding that only in 311 cases (10.85%) either review or representation was preferred by the complainant or the Board.

Similarly, he said, 88.15% of his recommendations had been implemented during 2021. Dr Jah said his office has made recommendations for processing the refund cases to the tune of Rs8499.11 million and the same were sanctioned by the Board in 2021. He pointed out that the disposal time of complaints was reduced to 57.29 days in 2021 from 68.43 days in 2020.

"I had also undertaken 217 Own Motion investigations in 2021 (against 18 in 2020) and conducted 74 outreach and awareness as

compared to 50 such sessions in 2020", he added. He said his office has also launched mobile phone application, FTO portal, digital SMS, FTO YouTube channel, four additional regional offices at Abbotabad, Sargodha, Sukkur, and Sialkot to enhance the outreach of the organization to provide justice to taxpayers of those areas against maladministration of respective tax authorities.

He said his office has also safeguarded the public exchequer by detecting illegal refund claims through own motion investigations as well as inspection of the offices of FBR. In a recent case, he said, he had proposed strict disciplinary/criminal action against senior officers of the Board for their involvement in issuance of illegal refund amounting to Rs 123.4 million to a foreign company. He said his office was also carrying out a study through PIDE on the merger of Alternate Dispute Resolution Committees (ADRCs) with his office to expedite resolution of complaints of taxpayers in future.

He said he has also ordered an immediate crackdown against illegal luxury cars and instructed the authorities to impound smuggled and Non-Custom Paid (NCP) luxury vehicles or those with fake registration carrying documents illegal high-end cars and SUVs with an engine displacement of over 2000cc.

FTO To Provide Fair Treatment To Taxpayers

(UrduPoint 14th Apr, 2022) :Federal Tax Ombudsman (FTO) has recently made new decisions to provide relief and fair treatment to taxpayers.

The FTO has always striven to facilitate tax payers, for which we have good coordination with the Federal board Revenue (FBR) , Adviser Income Tax Investigation, Muhammad Majid Qureshi said this while addressing a press Conference here. The Adviser said that recently a lower paid employee of Pakistan Broadcasting Corporation (PBC) had complained about deduction of undue tax in his salary which was discussed with fbr and this was resolved. He said that the Auditor General of Pakistan(AGP) had implemented this in the months of March salary and thousands of employees of PBC were given relief. Now there is no tax deduction in the salary of these employees, he informed. He said that all the regional offices of FBR and other agencies have been informed about this and they will implement it.



FTO Directs Implementation of the Decision to Refund Excessive Excise Duty to 24 Complainants by LTO Karachi in Pak Suzuki Case

PRESS RELEASE

Twenty four Complainants Well filed against FBR Islamabad and Pak Suzuki Motor Company Limited, in terms of Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) for charging Sales Tax @ 170/ on purchase of Suzuki Cultus vehicle 998 CC aRer July, 2021 as against 12.5%, which was the actual rate at that time. In this way the taxpayers were constrained to pay in excess of what was actually due. FTO had recommended that collection of the sales tax in excess of being legislated in the Finance Act 2021 and delay in settling the tax refund tantamounts to maladministration. President of Pakistan had upheld the decision and rejected FBR's pleas against recommendation for refund.

Federal Tax Ombudsman Dr. Asif Mahmood Jah had directed Adviser Income Tax Karachi to hold meetings with the stakeholders for smooth imple-



mentat ion of the findings/recommendations in the referred complaints of over charge of tax by M/s Pak Suzuki.

Both the representative of LTO Karachi and M/s Pak Suzuki Company agreed to the following mechanism for implementation for the Notable FTO's judgment, which has duly been endorsed by the

Hon'ble FTO.

i. Pak Suzuki Company will furnish the refunded claims under Section 66 to LTO Karachi in respect of refund due to the subject complaint (as per list provided by the FTO Office)

ii. The refund claim will be accompanied with the relevant invoices and proof of tax paid on these invoices. On receipt of refund claim, LTO Karachi will process the claim as per law and issue refund to Pak Suzuki Company.

iii. Pak Suzuki Company will then remit the amount to all the complainants as per their due share and submit

proof of payment to LTO Karachi and FTO Office for final implementation of the order.

As per the information with the FTO Office, apart from the 21 initial complaints there are 9000 such buyers of upto 1000cc vehicles who have been chargeal to tax not due after July 1st 2022.



Saturday, April 9, 2022

FPCCI hails FTO tax refund verdict

By our correspondent

KARACHI: Federation of Pakistan Chambers of Commerce & Industry (FPCCI) on Friday hailed Federal Tax Ombudsman (FTO) decision that directed an automaker to return excessive general sales tax (GST) to its customers.

According to FTO, at least 24 complainants were wrongfully charged 17 percent sales tax for a 998cc vehicle, instead of the applicable 12.5 percent at that time, i.e. after July 2021 when the Finance Act 2021 had become applicable.

FTO not only ordered to return the excess amount collected; but, he also declared the practice as a case of maladministration, Irfan Iqbal Sheikh, president FPCCI, said. After FTO and President of Pakistan's direction, the automaker agreed to pay back up to 4.5 percent extra general sales tax (GST) taken from its customers.