

FEDERAL TAX OMBUDSMAN SECRETARIAT
Regional Office, Multan

Complaint No.FTO-MLN/0000833/2016

Dated: 25.11.2016*

Mr. Imtiaz Ahmad,
Prop: Chaudhary Traders, ... Complainant
Village No.113/12-L,
Chichawatni.

V e r s u s

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

Dealing Officer : Mr. Abdur Rehman Dogar, Advisor
Authorized Representative : Mr. Muhammad Imran Ghazi, Advocate
Departmental Representative : Mr. Sajjad Siddique, DCIR
RTO, Multan

FINDINGS/RECOMMENDATIONS

This complaint has been filed under section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against improper functioning of IRIS.

2. Brief facts of the case are that the Complainant's case for tax year 2014 was selected for audit under section 214C read with Section 177 of the Income Tax Ordinance, 2001 (the Ordinance) by the FBR. The proceedings were initiated by the Audit Officer, Unit-01, Sahiwal Zone in November, 2015. On 29.07.2016, the Commissioner IR, Sahiwal Zone transferred jurisdiction of the case from Audit Unit-1, Sahiwal Zone to Chichawatni vide jurisdiction order No.CIR/SWL/2016-2017/293. On assuming the jurisdiction, the IRO Chichawati issued computerized printed bar code notice on 28.09.2016 for hearing on 06.10.2016. Later, the Complainant

* Date of registration in FTO Sectt.

received system generated bar code assessment order dated 24.10.2016 from the DCIR, Audit Unit-01, Sahiwal. According to the Complainant, only one officer could assume jurisdiction by issuing a system printed bar code notice/order as per FBR instructions issued vide C.No.1(77)S(Ft)-Fate/2015 dated 30.06.2015. Whereas, in the instant case two different officers issued notices with bar code which was contrary to the FBR instructions on the subject. FBR has invested huge amount of funds to develop and prepare the software/IRIS, but the same has been launched without getting clearance and testing report from a reputed software company which is a necessary element in software engineering and important phase of Software Development Life Cycle (SDLC). Because of the deficiencies in the system, problems are being faced by the taxpayers. The Complainant prayed to direct the FBR to improve IRIS and fulfill formalities of testing and clearance from an international reputable software organization. Incompetent supervisory officers who failed to sort out bugs in IRIS needs to be identified and taken to task.

3. The complaint was sent for comments to Secretary Revenue Division, in terms of Section 10(4) of the FTO Ordinance. In response, the Chief Commissioner IR, RTO Multan vide letter No.CCIR/RTO-MN/8393 dated 16.12.2016 forwarded comments of the Commissioner IR, Sahiwal Zone bearing No.CIR/Legal/SWL/2770 dated 14.12.2016. On the matter pertaining to issuance of notices with bar codes simultaneously by two officers, it was stated that assessment was finalized by Audit Unit-01, Sahiwal on 23.06.2016 i.e. prior to the transfer of jurisdiction to Chichawatni on 28.09.2016. On assuming jurisdiction, IRO, Unit Chichawatni issued notice dated 28.09.2016 for hearing on 06.10.2016 without

consulting the record. However, after knowing that assessment has already been completed in the case, the said notice has been withdrawn. Further stated that IRIS is properly functioning and no bugs and flaws are available in the system.

4. Both the parties heard and record perused. So far as the issuance of notices by two different offices is concerned, there appears to be no malafide because on pointation, the notice issued by the Unit Officer, Chaichawatni has been withdrawn. However, printing of bar on the notices/ order of two different units shows that IRIS is not working properly, as such, it needs to be revisited and looked into by the FBR.

Findings:

5. Though, no maladministration could be established on the part of unit officers as notices were issued inadvertently without any malafide intention, however it puts a question mark on the working of IRIS. The issuance of notices from two units having bar code printed thereon has been confirmed by the Deptt whereas, as per laid down procedure, only one officer having proper jurisdiction can access the system in a particular case.

Recommendations:

6. FBR is directed to look into the issue and take remedial measures to improve the system and report compliance within 60 days period.


 (Abdur Rauf Chaudhry)
 Federal Tax Ombudsman

Dated: 09-3-2017
 My/zi/AH

Certified to be true copy

Registrar
 FTO Secretariat