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Can Blockchain-Based Decision-Making Transform the Adjudication Process of the Federal Tax Ombudsman in Pakistan?

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Abstract: This article examines whether the procedural framework of the Federal Tax Ombudsman ("FTO") in Pakistan, established under the Establishment of the Office of Federal Tax Ombudsman Ordinance, 2000, to adjudicate complaints of maladministration arising under federal fiscal statutes, may be strengthened through the integration of Kleros, a blockchain-based crowdsourced dispute resolution mechanism. Drawing upon an original empirical dataset of one hundred and twenty-four cases registered between January 2023 and February 2025, the article finds that the average resolution period of cases before the FTO is approximately 191.3 days, rising to 503.3 days for complex matters that traverse review, representation, and remand, whereas the Kleros mechanism resolves disputes in an average of 13.23 days across 2,111 adjudicated cases. The article also situates its findings within institutional economics, identifying the FTO as a hierarchical governance structure and the Kleros mechanism as a market-based alternative. It views the difference in resolution times as a measure of transaction costs for taxpayers and administration. By measuring these costs, the article depicts that a market-based adjudicatory system significantly reduces them, enhancing institutional efficiency. It provides empirical evidence, illustrating the welfare gains from institutional substitution in transaction cost economics and institutional change. Against this benchmark, three integration models are proposed, namely a hybrid concurrent fact-finding model, a delegated crowdsourcing model with conditional executive review, and an *amicus curiae* model for technically complex matters such as the taxation of digital assets, each anchored in the updates introduced under Kleros V2, including Soulbound Tokens that enable expert-gated juror selection. The article identifies two structural gaps that necessitate reform, namely the revolving-door capture within the FTO secretariat and the jurisprudential bottleneck created at the Presidential secretariat following the jurisprudence of the Supreme Court of Pakistan. It concludes that phased, pilot-based integration, commencing with the *amicus curiae* model in respect of complex subject-matter complaints, is jurisprudentially defensible, economically efficient, and operationally feasible within the legal framework of Pakistan.

Keywords: Federal Tax Ombudsman; Kleros Mechanism; Blockchain Adjudication; Crowdsourced Dispute Resolution; Soulbound Tokens; Administrative Justice in Pakistan

1. Introduction

The adoption of blockchain technology is on the rise with unprecedented statistics. The statistics from DemandSage reveal that over 283 million people worldwide now use blockchain technology, that blockchain wallet ownership has surged 700% since 2016, and that Asia dominates adoption with 160 million users. [1] Furthermore, 77% of executives warn that failing to integrate this infrastructure will place their organizations at a critical competitive disadvantage as the market value is projected to surge to $162.84 billion by 2027. [1] Pakistan tops the charts and is ranked among the top three of 151 countries in Chainalysis's Global Crypto Adoption Index, contributing to a regional transaction volume surge to $2.36 trillion. [2] Over 60 percent of 240 million Pakistani people are under thirty years old, making the nation a young and tech-savvy hub for blockchain innovation, and the Virtual Assets Act 2026 has formed the Pakistan Virtual Asset Regulatory Authority (hereinafter "PVARA") as the first comprehensive regulatory framework for blockchain-based businesses in Pakistan, marking the official government recognition and regulation of cryptocurrencies and virtual assets. [3]

The disjuncture between the utilization of blockchain in the form of cryptocurrencies and the corresponding user base has been recognized by the FTO, in a decision of 2025. [4] In that case, the complainant referred to the FTO, stating that he wishes to pay tax on his digital assets. [4, pp 1–2] The FTO noted a projected user base of 27.1 million and estimated market revenue of US$1.6 billion for 2025. [4, pp 2–3] Furthermore, highlighting that the input of core stakeholders should be ensured to tap into the revenue generated through cryptocurrency. [4, pp 3] Pakistan has moved toward adopting cryptocurrency as a transaction tool, and there has been no significant development in integrating the use cases of blockchain technology in the governance framework or adjudication mechanisms in Pakistan.

This article will examine the utility of blockchain technology in the adjudication mechanism of the Ombudsman in Pakistan, beyond cryptocurrency transactions, with a specific focus on the FTO, *firstly* by introducing the foundations of blockchain technology and the Kleros Mechanism as a crowdsourced adjudication use case, *secondly*, by explaining the Ombudsman framework in Pakistan, with a focus on FTO, *thirdly*, by highlighting the need to integrate blockchain technology in the FTO framework, *fourthly*, exploring the integration mechanisms of the current FTO framework and crowdsourced adjudication and *fifthly*, by analyzing the gaps in the FTO framework that necessitate the integration of blockchain technology, *sixthly*, the limitations of the integration of blockchain technology with the FTO, *seventhly*, by situating the proposed integration within an economic framework of transaction costs, efficiency, and institutional change, and *lastly*, concludes with recommendations for future implementation.

2. Research Questions

RQ1. Does the existing procedural framework of the FTO in Pakistan exhibit inefficiencies and structural gaps, necessitating the integration of an anonymous, blockchain-based, crowdsourced, expert-driven adjudication process?

RQ2. How may the architectural features of the Kleros protocol, including SBT-gated juror selection, the Schelling-coin incentive structure, and the intra-protocol appellate sequence, be lawfully and technically integrated into the statutory framework of the FTO, in compliance with the Ombudsman statutes in Pakistan?

RQ3. What are the principal legal, operational, and architectural limitations of such integration within the relevant statutory law of Pakistan, and through what targeted reforms may these limitations be addressed?

3. Research Methodology

The methodology utilized, *inter alia*, employs a mixed-method approach. In the qualitative component, descriptive legal research defines key concepts related to blockchain technology, the Kleros mechanism, Ombudsman, and the FTO framework, while comparative legal research assesses the efficiency of Kleros adjudication against FTO adjudication, including a comparison of the efficiency of their respective appeal mechanisms. Further comparisons are drawn between the FTO structural framework and the anonymous adjudication of Kleros, aimed at rectifying the inherent procedural gaps of FTO. Furthermore, the prescriptive method is employed wherein three integration models are constructed by mapping the architectural features of Kleros onto the procedural stages of the framework of the FTO, each model being calibrated to a different equilibrium between decentralized adjudication and centralized institutional authority.

The quantitative analysis comprises two distinct datasets. The first consists of statistical case records obtained from the FTO to measure institutional decision-making efficiency. This empirical dataset of 124 FTO cases was obtained from the records of the FTO on 7 May 2026 and is disaggregated by year of registration, subject-matter category, and procedural pathway. The sample is restricted to matters registered between January 2023 and February 2025 to ensure that each case has attained procedural maturity across the statutory stages of first-instance decision, review, representation, and remand. The 124 cases analyzed represent a small portion of the complaints registered with the FTO across the two full calendar years of the study window, selected to capture all major procedural pathways relevant to the research, including direct adjudication, review, representation, and remand proceedings. The second dataset is derived from the Kleros dispute resolution mechanism, this data was collected through a prior research utilizing direct digital extraction from the relevant smart contracts. The comparative findings are then interpreted through an institutional-economics framework, drawing on transaction cost economics, the theory of institutional change, and public choice, so as to characterize each adjudicatory mechanism as a governance structure and to assess the welfare implications of the proposed integration.

4. Foundations of Blockchain, Crowdsourcing and Kleros Mechanism

Prior to advancing the prescriptive integration models that constitute the core analytical contribution of this article, it is necessary to establish a comprehensive conceptual foundation regarding the technological and operational aspects of the Kleros Mechanism. This section will accordingly proceed in a structured sequence to elucidate the essential components of the proposed adjudicatory framework. Firstly, the discussion will introduce the fundamental architecture and operational principles of blockchain technology, including its defining characteristics of decentralization, immutability, and cryptographic security. Secondly, the concept of crowdsourcing will be defined and contextualized as a collaborative mechanism for harnessing distributed collective intelligence to resolve complex tasks. Thirdly, the analysis will provide a detailed exposition of the Kleros mechanism itself, tracing its procedural workflow from the initiation of a dispute through the empanelment of anonymous jurors, the application of the Schelling Coin incentive structure, the updates within the mechanism, and the execution of binding decisions via smart contracts. Fourthly, this section will present empirical data concerning the efficiency and diverse use cases of the Kleros dispute resolution mechanism, thereby establishing the evidentiary predicate for the subsequent comparative and prescriptive analysis.

4.1 Introduction to Blockchain

Blockchain is defined as a digital distributed ledger that stores data in the form of chronologically ordered “blocks” which are linked together using cryptographic hashing functions as defined by the founder of Bitcoin in 2008. [5] The foundational structure of each block comprises a header containing metadata, specifically the hash of the previous block, a timestamp, and a Merkle tree root, which creates a tamper-evident, back-linked chain. [5; 6] The operational mechanism is decentralized and trustless, i.e., when a transaction is requested, it is broadcast to a peer-to-peer network where miners or validators select it, verify its validity, and achieve consensus before appending the new block to the existing chain. [6, pp 5] Integrity is maintained through immutability, a core property wherein any retrospective alteration of a block’s data would immediately change its cryptographic hash, thereby breaking the link to subsequent blocks and invalidating the entire chain. [6, pp 6–7] This distributed architecture ensures that no single entity controls the ledger, providing a transparent, synchronized, and verifiable record of all transactions across the network. [6] To facilitate comprehension, a visual representation has been drawn to elucidate the steps involved in executing a blockchain transaction.

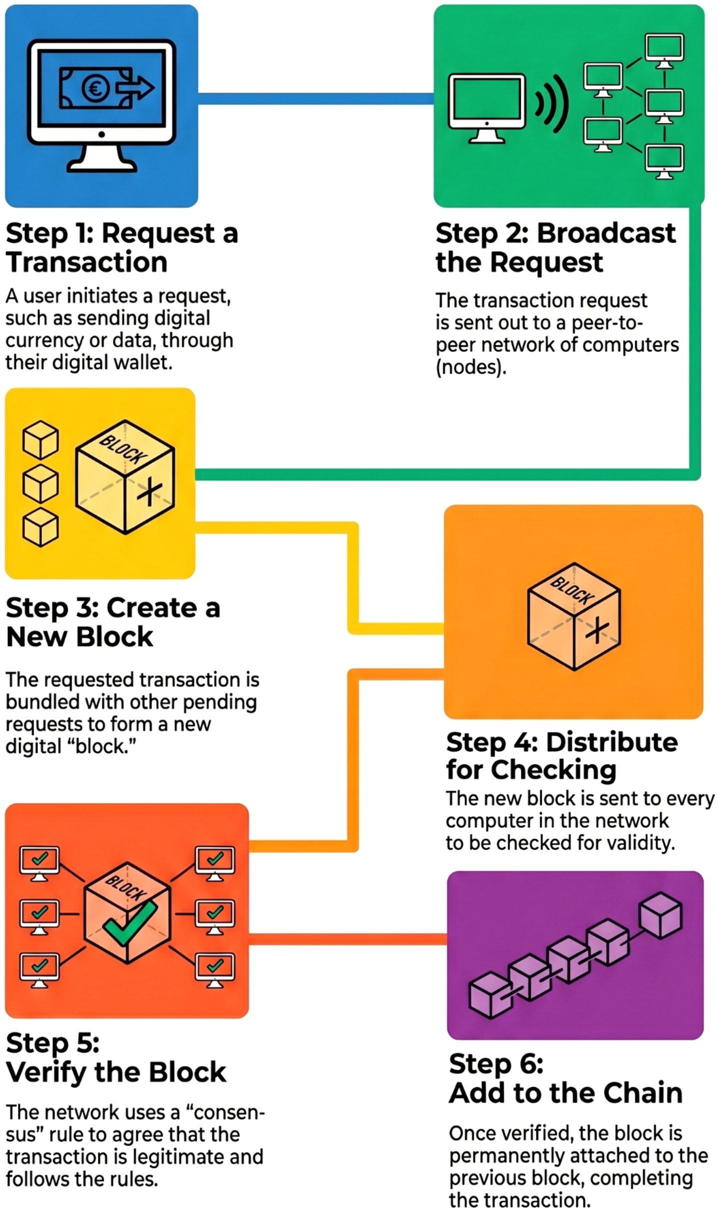

Figure 1. Working of a blockchain transaction

4.2 Introduction to Crowdsourcing

Crowdsourcing is a collaborative practice wherein an organization or individual solicits contributions, typically in the form of information, labor, or expert opinions, from a large, distributed group of people, most often facilitated by the internet, social media platforms, and specialized mobile applications. [7] Rather than relying solely on a closed internal team or a single expert, this method leverages the collective intelligence and diverse skill sets of a broad, undefined public network. The fundamental premise is to outsource specific tasks or problem-solving functions to an open crowd, thereby accessing a global reservoir of talent and perspectives that would otherwise be inaccessible due to geographic or financial constraints. [8]

Unlike traditional employment models, participation in crowdsourcing can be either voluntary, as seen when drivers report real-time traffic incidents on navigation applications like Waze, or compensated through micro-payments for freelance tasks such as graphic design or data transcription. [7] The primary utility of this approach lies in its capacity to enhance operational efficiency, significantly reduce turnaround times by dividing complex projects into smaller, manageable micro-tasks, and minimize overhead costs associated with maintaining a permanent, specialized workforce. [9]

Furthermore, crowdsourcing extends beyond simple task completion to encompass collective decision-making and validation, wherein the community itself often serves as a mechanism for quality control by evaluating or confirming the accuracy of submitted data. Ultimately, crowdsourcing represents a paradigm shift in how organizations address complex challenges and generate innovation, harnessing the wisdom of the crowd to achieve outcomes that are often more agile and comprehensive than those derived from conventional, insular methodologies. [7] For ease of understanding, a figure of the complete concept is drawn.

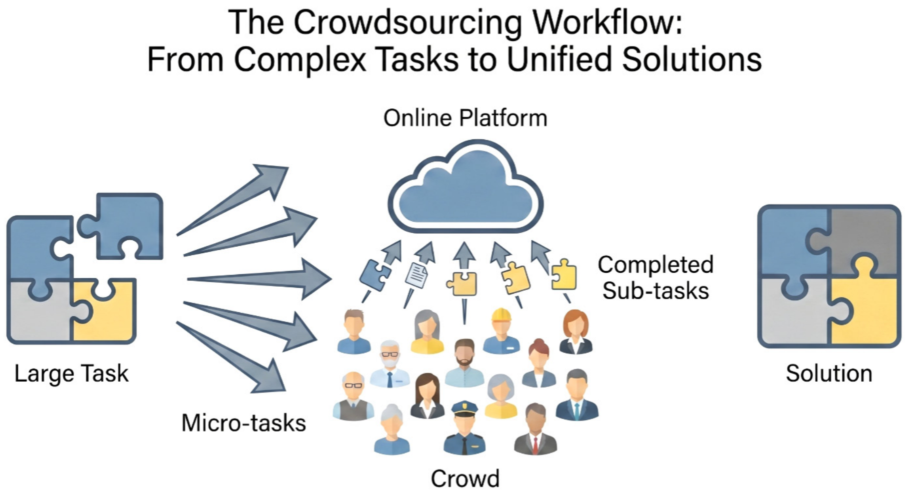

Figure 2. The Crowdsourcing Workflow

4.3 Introduction and Working of Kleros Mechanism

Kleros Mechanism, in simplistic terms, is a system based on the interplay of blockchain with crowdsourcing to resolve disputes in an online setting. [10] It is defined as a form of online dispute resolution mechanism, according to the definition given by the United Nations Commission on International Trade Law, stating that *"[...] which can assist the parties in resolving the dispute in a simple, fast, flexible and secure manner, without the need for physical presence at a meeting or hearing [...]"*. [11; 12] Authors have also termed Kleros Mechanism as Crowdsourced Online Dispute Resolution [13] and Blockchain-based Online Dispute Resolution or Blockchain Dispute Resolution. [14] At its core, Kleros involves crowdsourcing as a collective judgment-making tool and the specialized knowledge of a large group of people to make decisions on complex matters. [15] In this system, the parties to an agreement agree in advance to designate Kleros as their arbitrator, this agreement is embedded within a smart contract, which is a self-executing digital agreement stored on the blockchain. [10, pp 6–10] Unlike traditional legal processes that rely on a single judge or a formal institution, Kleros distributes the power of decision-making to a randomly selected panel of anonymous individuals who possess relevant technical expertise. [15, pp 1–17]

The process begins when a dispute occurs between two parties who have included Kleros in their initial agreement. A framework of the whole process, through the example of Alice and Bob, is provided in the Kleros Yellow Paper. [10, pp 6–11; 15, pp 3–60] Consider the case of Alice, a French entrepreneur, and Bob, a Guatemalan programmer. Alice hired Bob through an online freelancing platform to build a website. Upon completion of the project, Alice found the quality of Bob's work to be unsatisfactory and below the mutually agreed-upon standards. Because their contract contained a clause stipulating Kleros arbitration, Alice was able to command the smart contract to freeze the payment and initiate a dispute resolution procedure. This act automatically refers the case away from the freelancing platform and into the hands of the Kleros community. [10, pp 6–11; 15, pp 3–60]

Once a dispute is initiated, the system proceeds to select a panel of arbitrators, who are referred to as "jurors". The selection process relies on specialized sub-courts that correspond to different areas of knowledge, for example, website quality. An individual, such as a software developer named Chief from Nairobi, might seek to become a juror in this specific sub-court. To be eligible for selection, Chief must deposit, or “stake”, a quantity of the system’s native cryptocurrency tokens, known as Pinakion tokens (hereinafter “PNK”). For this example, Chief stakes two thousand PNK tokens, which signals his commitment to the process and his belief in his own technical expertise. The mechanism then randomly selects a panel of jurors from the pool of those who have staked tokens. Crucially, the entire process is conducted with a high degree of anonymity. The identities of Alice and Bob are hidden from Chief, and Chief’s identity is hidden from the parties, and the jurors themselves remain unaware of one another’s identities [emphasis added]. [12; 10, pp 6–11; 15, pp 3–60]

After being selected, the jurors review the evidence submitted by both Alice and Bob regarding the website’s quality. Following a period of deliberation, which in this scenario lasted three days, the panel of jurors voted on the outcome. The majority decision dictates the final ruling. [12; 10, pp 6–11; 15, pp 3–60] In the case of Alice and Bob, the jurors determined that the website was indeed not delivered according to the agreed-upon terms and quality specifications, and therefore ruled in favor of Alice, the claimant. Because the dispute resolution process is integrated with a smart contract, the enforcement of this decision is automatic and immediate. Upon the jury’s ruling, the smart contract automatically transferred the funds held in escrow back to Alice, paid the jurors their designated fees, and officially closed the case without the need for external enforcement officers. [12; 10, pp 6–11; 15, pp 3–60]

The integrity of this decision-making process is maintained through an economic incentive structure known as the “Schelling Coin Mechanism”. [15, pp 2–3] This model operates on the premise that individuals are rewarded for providing information that aligns with the consensus of the majority. Within Kleros, jurors who cast their vote in line with the final majority ruling receive a portion of the arbitration fees as a reward added to their digital wallet. Conversely, jurors who dissent and vote against the eventual majority consensus are penalized, i.e., a portion of the PNK tokens they staked is automatically deducted and redistributed to the majority voters. This financial pressure encourages jurors to vote honestly and diligently, as they are incentivized to deduce the most objectively correct answer based on the evidence rather than acting capriciously or attempting to manipulate the outcome. [12; 10, pp 6–11; 15, pp 3–60]

The Kleros system provides a structured path for appeals should a party disagree with the initial ruling. [10, pp 8; 15, pp 3–60] If the losing party, in this case Bob, believes the decision was erroneous, he may initiate an appeal. The appeal process is governed by a strict mathematical formula designed to increase the scale and legitimacy of the review panel with each subsequent round. The formula dictates that the number of jurors for an appeal round is equal to twice the number of jurors from the previous round plus one ($n \times 2 + 1$). [10, pp 8] The addition of one ensures that there is always an odd number of jurors, thereby eliminating the possibility of a deadlocked tie vote. For instance, if the initial dispute was heard by three jurors, the first appeal round would be adjudicated by seven jurors ($3 \times 2 + 1$). This progression continues until a theoretical maximum of five hundred and eleven (511) jurors is reached, at which point the case becomes final and cannot be appealed further. [10]

To summarize the workflow from initiation to conclusion, the Kleros mechanism operates as a seamless, self-contained arbitration service. First, Alice and Bob formalize their freelance agreement with a clause electing Kleros as the arbiter. Upon Bob’s delivery of the work, Alice registers her dissatisfaction with the quality, and the smart contract is triggered to lock the disputed funds in escrow. Second, an anonymous panel of jurors, such as Chief, is randomly selected based on their staked PNK tokens in the relevant sub-court. Third, these jurors analyze the evidence and render a verdict through majority vote. In the scenario provided, Alice’s claim prevails. Finally, the smart contract autonomously executes the jury’s decision by transferring the payment stored in escrow back to Alice, unless Bob initiates an appeal. Should Bob choose to appeal, the case proceeds to a new round with a larger, odd-numbered panel, a process that can continue up to the absolute cap of five hundred and eleven jurors. Once all avenues of appeal are exhausted or forfeited, the smart contract enforces the final and binding decision automatically. For ease of understanding, the figure of this framework, displayed in the Kleros Yellow Paper, is produced: [15, pp 60]

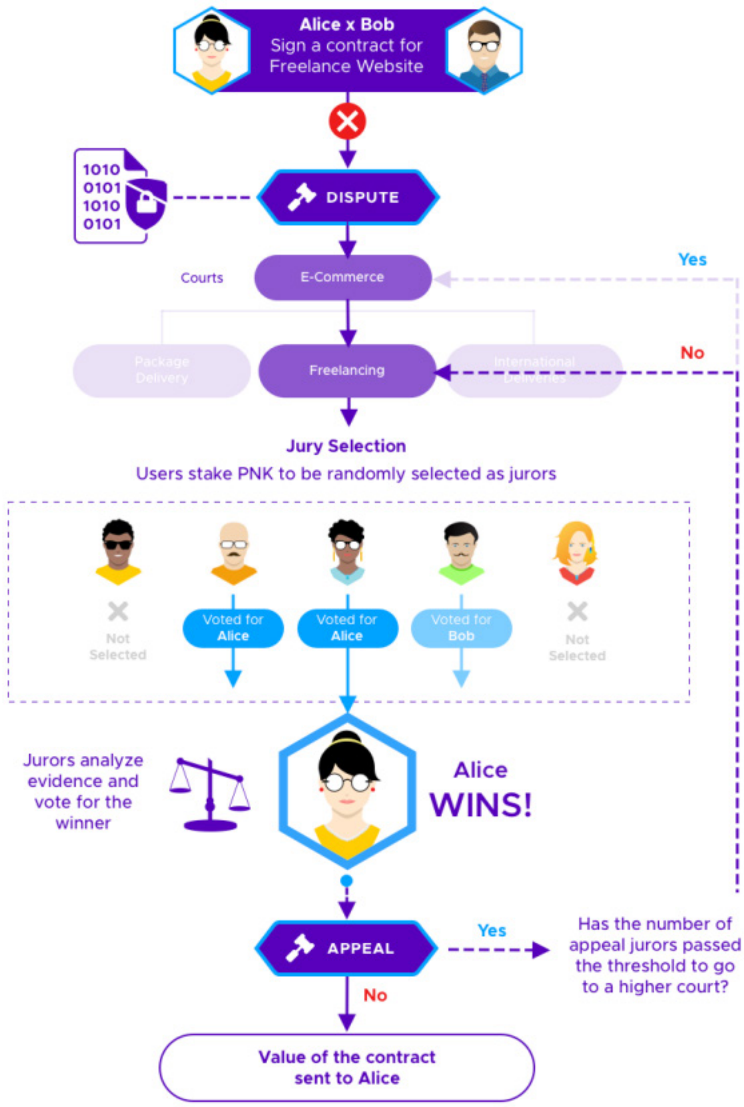

Figure 3. Working Mechanism of Kleros

4.4 The Introduction of "Experienced Juror Pool" in Kleros V2

Kleros has recently implemented a significant update to its protocol, distinguishing it from other blockchain-based dispute resolution systems. This modification represents a shift from pure crowdsourcing to experience-based crowdsourcing. Under this new framework, individuals with specific expertise in a relevant subject matter, such as taxation, are exclusively selected to serve as jurors in disputes related to that area. This advancement ensures that only jurors with pertinent experience are appointed to adjudicate disputes, addressing concerns about expertise that were present in Kleros V1, in which anyone who registered with the Kleros platform could be a juror. [16; 17; 10, pp 14]

This advancement is made possible through the integration of *Soulbound Tokens* (hereinafter "SBTs") into the juror selection process. [18] As described in the Kleros research documentation, SBTs are a form of digital credential that, unlike cryptocurrencies or other tokens, cannot be sold or transferred to another person. [19; 18] They are issued to an individual's blockchain account and serve as permanent, non-financial proof of a specific achievement, skill, or experience. For instance, an SBT might certify that a person has completed a recognized course in Solidity programming, attended a professional conference, or demonstrated verified knowledge in a field like taxation or insurance. [18]

Under the updated Kleros protocol, a sub-court dedicated to a specialized topic, such as smart contract vulnerabilities, can be configured so that a juror must possess a particular SBT, such as a "Solidity developer SBT", to be eligible for random selection. [18] This acts as a filter, ensuring that the pool of potential jurors consists exclusively of individuals who have verifiably demonstrated the specific expertise required to evaluate the technical evidence presented in a dispute.

In the simplest terms, think of an SBT like *an achievement badge that is permanently sewn onto your digital backpack*. You can show it to others to prove you have a certain skill, like a "Tax Expert" badge, but you can never take the badge off and give it to your friend to pretend they earned it. In the new version of Kleros, the system only picks people who are wearing the right badge for the job.

Considering the previously cited example of Alice and Bob arguing about the quality of the website, the dispute is sent to a group of jurors who all have the Website Quality badge stitched onto their digital identity. [10, pp 6–11; 15, pp 3–60] Because these badges cannot be faked or borrowed, Alice and Bob can trust that the people deciding their case actually understand the technical details of web development. Therefore, SBTs upgrade the Kleros mechanism from simply asking a large crowd for an opinion to specifically asking a qualified crowd of proven experts, making the final decision more reliable and informed.

4.5 Efficiency of Dispute Resolution and Use Cases in Kleros Mechanism

According to the data collection on 16th March 2025, cited in a comprehensive academic article on Kleros Mechanism, the Kleros dispute resolution mechanism operates across two primary blockchain environments, specifically the *Ethereum Mainnet* and the *Gnosis Chain*. [10, pp 8] Combined analysis of both platforms indicates a total case load of approximately 2,111 disputes. [10, pp 15–16]

On the *Ethereum Mainnet*, out of 1,660 recorded disputes, a significant majority (1,012 cases) were associated with the Proof-of-Humanity protocol, which verifies unique human identity. A further 304 disputes related to the curation of token lists, while 21 matters involved the Unslashed protocol concerning the adjudication of coverage claims for smart contract vulnerabilities. [10, pp 15]

On the *Gnosis Chain*, there have been 451 total disputes, with a notable concentration of 287 cases dedicated to the curation of blockchain data and tokens. Additionally, approximately 73 cases were customer-service arbitrations facilitated for the Argentine cryptocurrency exchange Lemon, alongside a smaller cohort of disputes pertaining to the accuracy of document translation. [10, pp 16]

An analysis of the temporal efficiency of the mechanism across the entirety of the 2,111 disputes yields a calculated average resolution period of approximately 317.62 hours. When expressed in standard calendar terms, this equates to an average duration of 13.23 days from the initiation of a dispute to its final adjudication. [10, pp 17] This figure accounts for the aggregate time elapsed across all proceedings, inclusive of those cases that utilized the appellate process and those which were resolved in the initial voting round. The figure of data collection, for ease of understanding is produced. [10, **Supplementary Data**]

The maximum number of arbitrators, or jurors, that may be drawn for a single appeal round before a dispute becomes final and unappealable is established at 511. [10, pp 8] While this represents the absolute ceiling for a single round, the proceedings in *Case No. 1170* provide a useful illustration of the multi-tiered appeal process in practice. [20] That case, which concerned an insurance claim regarding a smart contract vulnerability, underwent five appeals across six distinct voting rounds, involving a cumulative total of 246 jurors over a duration of 59 days. [20]

The highest concentration of jurors in a single, initial round occurred in *Case No. 302* and *Case No. 532*, both of which empaneled 500 jurors. [21] These particular disputes did not proceed to appeal as the initial round already approached the jurisdictional limit for further review. Notably, these two instances were not traditional legal disputes rather market resolution queries on the Omen prediction platform, i.e., *Case No. 532* addressed the outcome of the 2020 United States Presidential Election, while *Case No. 302* concerned the projected mortality rate during the early stages of the COVID-19 pandemic. [21]

Mainnet

Court No.	Total Disp.No.	Appeal No.	Hrs./Vote Round	Total Disp.Time Over All Disputes	Avg.Disp. Length/Hrs	Avg.Disp. Length in Days
0	55	3	348	20184	366.9818182	15.29090909
1	1	0	348	348	348	14.5
2	363	73	216	94176	259.4380165	10.80991736
3	15	7	444	9768	651.2	27.13333333
4	30	12	348	14616	487.2	20.3
5	1	3	348	1392	1392	58
6	2	0	348	696	348	14.5
8	63	0	174	10962	174	7.25
9	105	20	174	21750	207.1428571	8.630952381
13	3	1	280.5	1122	374	15.58333333
20	4	0	280.5	1122	280.5	11.6875
21	2	1	280.5	841.5	420.75	17.53125
23	1015	56	352.5	377527.5	371.9482759	15.49784483
24	1	0	348	348	348	14.5

Gnosis

Court No.	Total Disp.No.	Appeal No.	Hrs./Vote Round	Total Disp.Time Over All Disputes	Avg.Disp. Length/Hrs	Avg.Disp. Length in Days
0	66	0	510	33660	510	21.25
1	276	75	174	61074	221.2826087	9.220108696
3	8	0	280.5	2244	280.5	11.6875
4	3	0	280.5	841.5	280.5	11.6875
10	1	0	280.5	280.5	280.5	11.6875
11	10	0	280.5	2805	280.5	11.6875
12	1	0	280.5	280.5	280.5	11.6875
13	2	0	280.5	561	280.5	11.6875
14	8	0	280.5	2244	280.5	11.6875
16	1	1	174	348	348	14.5
17	73	0	150	10950	150	6.25
18	2	0	174	348	174	7.25

Overall Statistics	
Total Number of Disputes	2111
Total Hours Spent	670489.5
Avg. Disp. Time/Hours	317.617006
Avg. Disp. Time/Days	13.2340419

Figure 4. Data Collection on Efficiency of Kleros Dispute Resolution

5. The Ombudsman Framework in Pakistan

To understand the relevance of the integration of Kleros in the FTO framework, this section is complementary to examine the Ombudsman framework in Pakistan, *firstly*, by tracing its historical development from ancient civilizations, explaining its conceptual function in modern administrative justice, *secondly*, by outlining the legal framework of the Ombudsman system in Pakistan, *thirdly*, by detailing the procedural architecture of the FTO, from complaint filing to review and Presidential representation and lastly, by analyzing the efficiency of dispute resolution based on empirical data from 124 FTO cases registered between January 2023 and February 2025.

5.1 Historical Development of the Ombudsman Institution

With an increase in complexity, the need for institutional mediation increased to resolve the issues between administrative functionaries and citizens. [22] The concept of ombudsman was introduced, which is often used for a representative/friend of the people, which has emerged to address the bureaucratic inefficiency, abuse of power, and lack of accessible justice. [22] The historic aspect of Ombudsmanship has strong, deep roots in ancient civilizations. In Egyptian times, dedicated individuals were appointed to receive and process the citizens' complaints on Pharaoh's behalf. [23] Likewise, the Roman Empire also had tribunes who acted as intermediaries between state officials and the people. [24]

The formal Institutionalization of the modern-day Ombudsman began in Sweden, in the era of King Charles XII. In 1713, he issued an Ordinance for establishing the High Ombudsman Office. The office was given the task of supervising the legality of administrative conduct in the absence of the King. This system at that early time was primarily an element of the monarchy. [22] In 1809, an eminent step was taken by including the Ombudsman in the Swedish Constitution. [25] Article 96 of the Swedish Constitution lays down that the ombudsman acts as the parliament's representative and must supervise the administration of laws. [26]

The concept of the Ombudsman was globalized in the twentieth century. After the adaptation by Scandinavian countries, the concept was further institutionalized in New Zealand in 1962, and then in the United Kingdom in 1967. [27] The commonwealth countries like India, Australia, and Canada adopted the Concept of the ombudsman and made it an international agreement that administrative accountability needed to have independent oversight mechanisms, not affected by politics. [28]

The role of Ombudsman has been quite pertinent in developing countries, where the applicability of consolidating democracy and the grievance redressal of people owing to bureaucratic inefficiency has been exemplified through the Ombudsman. Its capacity to adapt to numerous legal and political environments has made it a reformative agent in weaker democratic environments. [29] This concept was introduced in Pakistan in the early 1980s, as it was a global trend towards modern administrative justice at that time. The idea of having an autonomous body redressing the common man's grievance was highly connected to the Islamic soul and the idea of the justice system. Particularly, the tradition of *Hisbah*, where the state functionaries had to guarantee moral and administrative morality. [30]

5.2 Legal Framework of the Ombudsman System in Pakistan

The Ombudsman system formally laid down its roots in 1983, through Presidential Order No. 01, as the Establishment of the Office of *Wafaqi Mohtasib* (Ombudsman) Order, 1983. [31] Wafaqi Mohtasib, as translated in English as Federal Ombudsman, became Pakistan's first Constitutional Ombudsman Institution. It was mandated to redress the grievances of maladministration against the Federal agencies or their officials. [32] The preamble of the Federal Ombudsman Order highlights the principles of justice, fairness, and equity towards the public of Pakistan, which emphasizes that it had a desire to conform the modern system of administrative justice to the local legal system of Pakistan. [31, Preamble]

The 18th amendment strengthened the Federal Ombudsman institution in 2010, when provincial autonomy led to the formation of ombudsman institutions, not just Federal rather on Provincial level. [33] Later, after the passage of time, the need for specialized institutional justice was observed, as the Federal Ombudsman was generalized to a broad scope. Then in the year 1999, the National Assembly and the Senate stood suspended in pursuance of the Proclamation of Emergency of the fourteenth day of October 1999, and the Provisional Constitution Order No. 1 of 1999. [34] Then, another martial law in the politics of Pakistan formalized a specialized Ombudsman, which later sustained constitutionally, as the FTO. FTO was established under the Establishment of the Office of Federal Tax Ombudsman Ordinance, 2000 (hereinafter the "FTO Ordinance"). [35]

Across this statutory landscape, every Ombudsman institution operating in Pakistan is constructed upon three constituent ingredients without which its jurisdiction cannot be lawfully invoked. The first is the existence of a vindicable public right or interest of an aggrieved person, the second is the involvement of a public functionary or agency as the respondent, characteristically a department, statutory body, or employee thereof exercising or purporting to exercise State authority, and the third is the occurrence of maladministration, a term expansively, in the FTO Ordinance, 2000, including *inter alia* to embrace decisions, processes, recommendations, acts of omission or commission which are contrary to law, arbitrary, unreasonable, unjust, biased, oppressive, or discriminatory, or which involve undue delay, inattention, negligence, incompetence, inefficiency, or the abuse of discretionary or administrative powers demarcates the threshold for invoking any Ombudsman in Pakistan. [35, Section 2(3)]

Upon these foundational elements, the Pakistani State has erected a multi-tier family of Ombudsman embracing both general and specialized institutions at the federal and provincial levels. At the federal plane, the principal offices are the Wafaqi Mohtasib, established as the general Federal Ombudsman under the President's Order No. 1 of 1983, the FTO, the Banking Mohtasib, the Federal Insurance Ombudsman, and the Federal Ombudsperson for Protection against Harassment of Women at the Workplace. [36, Section 2(c)] The regional offices of all these ombudspersons are also established in all provinces of Pakistan with a delegated power from the Federal statutes. [32] Although jurisdictionally compartmentalized, these institutions operate within a harmonized procedural matrix following the enactment of the Federal Ombudsmen Institutional Reforms Act, 2013 (Hereinafter "FOIRA"), which standardized the mechanics of review, representation, and implementation across all Ombudsmen and which, by virtue of its non-obstante clause, prevails over the parent statute of each institution to the extent of any inconsistency. [36, Section 24(2); 32]

Of these institutions, the present article is concerned exclusively with the FTO, both because the federal tax architecture generates a uniquely high concentration of technically dense disputes susceptible to algorithmic and expert adjudication, and because of the recent acknowledgment of the fiscal implications of expanding the blockchain user base of Pakistan, recorded in Complaint No. 1919/ISB/IT/2025 provides a timely reason to look at how blockchain-based decision-making can fit into the current procedures of FTO. [4]

5.3 Procedural Architecture of the FTO

The procedural framework of the FTO is constituted by an interlocking trinity of instruments, i.e, the FTO Ordinance, 2000, FOIRA, 2013, which, by virtue of the non-obstante clause in its section 24(2), prevails over the FTO Ordinance to the extent of any inconsistency and the Federal Tax Ombudsman Investigation and Disposal of Complaints Regulations, 2001 (hereinafter the "2001 Regulations"), elaborating the day-to-day mechanics of complaint handling. [35; 36, Section 24(2); 37] The substantive jurisdictional anchor of this framework lies in the FTO Ordinance, which empowers the FTO, on a complaint by any aggrieved person, on a reference by the President, the Federal Government, the Senate, or the National Assembly, on a motion of the Supreme Court or a High Court, or *suo motu*, to undertake any investigation into allegations of maladministration on the part of the Revenue Division (in present-day institutional practice, the Federal Board of Revenue (hereinafter "FBR")) or any Tax Employee thereof. [35, Section 9(1)]

The preamble to the Ordinance, which records the legislative purpose of providing for an Ombudsman *"to diagnose, investigate, redress, and rectify any injustice done to a person through maladministration by functionaries administering tax laws"*. [35, Preamble] It is framed in person-neutral terms, with the consequence that the *locus standi* extends to any aggrieved person and is not confined to a registered taxpayer, the aggrieved subject matter is correspondingly broad and encompasses grievances arising under all federal fiscal statutes together with their subordinate legislation.

The case life of an FTO matter commences with the filing of a complaint addressed to the FTO by the person aggrieved. [35, Section 10] The complaint must ordinarily be lodged within six months of the impugned act or omission, save where the FTO, for sufficient cause to be recorded in writing, condones the delay. [35, Section 10(3)] Upon receipt, the complaint is placed before the Registrar or an authorized officer of the FTO Secretariat, who undertakes a preliminary examination to determine whether the matter falls within the jurisdiction conferred by the FTO Ordinance and is not barred by any of the exclusions. [37, Regulation 4–5] The FTO Ordinance also contemplates a non-mandatory parallel and informal track, the resolution of grievances through Informal Dispute Resolution, whereby the FTO Secretariat mediates the dispute between the parties. [35, Section 33]

Where the matter proceeds upon the formal investigative track, the FTO issues notice to the Secretary of the Revenue Division and to the concerned Tax Employee, Collectorate, or Regional Tax Office, calling for a parawise reply, comments. [35, Section 10(4)] The FTO Ordinance directs that every investigation shall be conducted in private; nevertheless, the FTO retains broad procedural discretion and may adopt such procedure as he considers appropriate, obtain information from such persons, and in such manner as he thinks fit. [35, Section 10(5)] The FTO is, additionally, vested with the full panoply of powers of a civil court under the Code of Civil Procedure, 1908, in respect of summoning and enforcing the attendance of any person, the discovery and production of any document, the receipt of evidence on affidavits, the issuance of commissions for the examination of witnesses, and the requisition of public records from any office. [35, Section 14]

The FTO Ordinance fixes the substantive temporal ceiling upon the institutional adjudicatory function, i.e., if the FTO, after investigation, is of the opinion that the matter under consideration amounts to maladministration, he shall communicate his findings together with a recommendation to the Revenue Division within a period of sixty days from the date of receipt of the complaint, reference, or motion, as the case may be. [35, Section 11] Following the enactment of the FOIRA in 2013, the procedural architecture of the FTO acquired an additional, intra-institutional layer of correction. The FOIRA confers upon any party aggrieved by the findings, recommendations, order, or decision of an Ombudsman, including the FTO, the statutory entitlement to file a review petition before the Ombudsman itself within thirty days of the impugned findings, recommendations, order, or decision, and the

FTO is in turn statutorily bound to decide the review petition within forty-five days. [36, Section 13] In review, the FTO is empowered to alter, modify, amend, or recall the recommendation, order, or decision in whole or in part. [36, Section 13(3)]

Independent of, and in addition to, the review remedy, the FOIRA confers upon any person or party aggrieved by a decision, order, findings, or recommendation of the FTO the right to file a Representation directly to the President of the Islamic Republic of Pakistan within thirty days of the impugned outcome. [36, Section 14; 32] Representation is to be addressed directly to the President and not routed through any Ministry, Division, or Department. [36, Section 14(3)] Upon the filing of a Representation, the operation of the impugned decision, order, findings, or recommendation stands automatically suspended for a period of sixty days. [36, Section 14(2)] The Representation is processed in the Office of the President by a person who has been, or is qualified to be, a judge of the Supreme Court of Pakistan, or who has held office as the Wafaqi Mohtasib or the FTO. [36, Section 14(4)] The Supreme Court of Pakistan, in its authoritative interpretation of Section 14(4) of FOIRA by a bench comprising Mr. Justice Syed Mansoor Ali Shah and Mr. Justice Hasan Azhar Rizvi, has held that the decision-making power upon a Representation resides solely with the President himself, the processing officer's function is confined to the preparation of the case and the formulation of recommendations or proposals, while the ultimate determination requires the application of mind by the President personally and cannot be delegated. [38; 39] The FOIRA further mandates that the Representation must be decided within ninety days [36, Section 14(5) & Section 15]

The cumulative procedural architecture set out above, comprising the filing of the complaint, preliminary scrutiny, notice and investigation, a sixty-day window for first-instance decision, an optional review of forty-five days, an optional Representation of ninety days and a possible Presidential remand cycle resetting the clock for fresh adjudication, yields a multi-tier dispute pathway that, while comparatively expeditious by design, exhibits in actual operation the cumulative durations that are empirically dissected in section 5.4 below. It is in respect of precisely these temporal and structural pressure points, namely the post-decisional latency, the duplication between review and Representation, and the discretionary breadth of the Presidential remand, that the integration models advanced in section 6 of this article propose the surgical insertion of crowdsourced and expert-driven adjudication drawn from the Kleros mechanism. For ease of understanding, the FTO case cycle is presented in a figure as follows:

Figure 5. The FTO Procedural Architecture

5.4 Efficiency of Dispute Resolution within the FTO Framework

According to the records of the FTO Secretariat, the data collected on 7 May 2026 (attached as **Supplementary Data** to this article) consists of one hundred and twenty-four (124) cases registered with the FTO between January 2023 and February 2025 (see **Table S.1, Supplementary Data**). The temporal parameters of this sample have been deliberately confined to the aforementioned window for the reason that the matters contained therein are recent and have attained procedural maturity, having traversed to statutory stages of first-instance adjudication, review, representation, and any consequential remand. This approach ensures an accurate basis for assessing the efficiency of institutional decision-making.

Disaggregated by year of registration, the sample comprises collected data of 89 cases filed in 2023, 26 cases filed in 2024, and 9 cases filed in the months of January and February 2025 (see **Table S.1, Supplementary Data**). When disaggregated by subject matter, the dataset reflects a heterogeneous composition of tax disputes. Of the 124 matters, 47 pertain to Income Tax, 33 concern Sales Tax, 28 involve Customs, 14 are Own Motion initiatives undertaken by the FTO, and the remaining 2 relate to Federal Excise and Reference matters, respectively. This distribution reflects the broad statutory jurisdiction of the FTO across the principal categories of direct and indirect federal taxation, encompassing both party-initiated complaints and institutional *suo motu* proceedings.

A further disaggregation of the dataset by procedural pathway is instructive. Of the 124 matters, 82 cases (66.1%) were concluded through Direct FTO Disposal, that is, the matter was finally resolved by the Ombudsman without the invocation of any subsequent review, representation, or remand mechanism. A further 26 cases (21.0%) proceeded from the FTO to the Representation stage before the President of Pakistan, 5 cases (4.0%) were subjected to Review before the FTO alone, 5 cases (4.0%) traversed both Review and Representation, and the remaining 6 cases (4.8%) underwent a complex pathway involving Presidential Remand followed by fresh decisional or review proceedings.

An analysis of the temporal efficiency of the FTO framework across the entirety of the 124 matters yields a calculated average total resolution period of approximately 191.3 days, equivalent to an average duration of approximately 6.4 months from the date of registration in the FTO Secretariat to the date of final resolution, inclusive of all post-decisional stages of review, representation, and remand. Examined in isolation from any post-decisional proceedings, the average time taken by the Ombudsman to render a first-instance decision is approximately 77.5 days (approximately 2.6 months), thereby reflecting the temporal performance of the institutional adjudicatory function in the absence of any appellate or representational intervention.

Within the entire sample, the most expeditiously resolved matter is *Complaint No. 0579/ISB/IT/2023*, an Income Tax dispute originating from the Islamabad Regional Office, which was concluded through Direct FTO Disposal within a period of merely twelve (12) days from registration to final decision. Conversely, the longest period of resolution is shared by *Complaint No. 0033/OM/2023* and *Complaint No. 0032/OM/2023*, both being Own Motion matters that traversed the full FTO to Representation pathway, each consuming a cumulative period of eight hundred and eighty-six (886) days from initial registration to ultimate disposal at the executive review stage. It should be noted, in addition, that *Complaint No. 0149/OM/2023*, an Own Motion matter, recorded the longest first-instance decisional period in isolation, the Ombudsman having rendered the decision after a period of 505 days from registration, prior to the subsequent invocation of the representation mechanism.

The temporal analysis of the post-decisional cases yields further granular findings. Across the 26 matters that progressed from the FTO to the Representation before the President of Pakistan, the average total resolution time stands at approximately 445.7 days. For the 5 matters that underwent both Review and Representation, the cumulative average resolution time is approximately 299.4 days, of which the combined review and representation phases account for an average of 227.0 days. For the 6 matters categorized as Complex or involving Presidential Remand, the average total resolution time rises to approximately 503.3 days, with the post-FTO phase alone averaging 439.1 days. Considered collectively, the 41 cases (33.1% of the sample) that proceeded beyond the first-instance decision of the Ombudsman required, on average, an additional 344.2 days, equivalent to approximately 11.5 months, for ultimate resolution following the rendering of the initial FTO decision.

6. Integration Models of the FTO Framework with Kleros Mechanism

The focus of this section is to delineate three distinct models, each representing a calibrated equilibrium between decentralized crowdsourced adjudication and centralized institutional authority. Firstly, Model A is designated as the Hybrid Adjudication Mechanism, wherein the FTO and Kleros jurors conduct concurrent fact-finding to establish a consensus-based resolution. Secondly, Model B, or Delegated Crowdsourcing, is explained, which divests the FTO of primary adjudicatory responsibility in favor of a binding Kleros determination, subject to an expedited intra-protocol appellate process. Thirdly, Model C explores Kleros as an amicus curiae to furnish non-binding, expert advisory opinions on technically complex subject matter lying beyond the conventional expertise of the FTO Secretariat.

6.1 Model A. The Hybrid Adjudication Mechanism (Concurrent Fact-Finding)

The first proposed integration framework, designated as Model A, envisions a parallel and collaborative fact-finding process wherein both the institutional authority of the FTO and the distributed intelligence of the Kleros protocol operate concurrently during the initial phase of dispute resolution. Under this scheme, when a complaint pertaining to maladministration is formally registered with the FTO Secretariat, a bifurcated adjudicatory track is automatically initiated. The first track proceeds according to the existing statutory procedure, wherein the case file is prepared for review by the authorized representative of the FTO. Concurrently, and prior to the formulation of a final institutional finding, the operative facts and evidence submitted by the aggrieved taxpayer and the tax department are securely transmitted to a dedicated sub-court within the Kleros ecosystem configured specifically for Pakistani federal tax disputes.

In this parallel track, a panel of jurors is empaneled not from the general public but from a curated pool of individuals possessing verified expertise in Pakistani fiscal law, accounting standards, and tax procedure. Access to this juror pool is stringently governed by the integration of SBTs, as explained previously in this article (see Section 4.4). [18] This mechanism ensures that an individual may only serve as a juror if they hold a non-transferable, verifiable digital credential attesting to their professional standing, be it membership of a recognized accountancy body, enrollment as an advocate with experience in tax practice, or certification in public financial management, etc. The random selection of jurors from this SBT-gated pool serves a critical prophylactic function. The absolute anonymity of the jurors, i.e., neither the complainant, nor the tax department, nor the FTO Secretariat can ascertain the specific identity of the individuals comprising the Kleros panel. This ensures the safeguards against any internal or external pressure. This anonymity ensures that the juror's incentive is aligned solely with the Schelling Coin Mechanism, rewarding a vote that accurately interprets the evidence in line with the consensus of their expert peers, rather than rewarding compliance with external interests.

Model A's procedural innovation lies in merging two distinct findings, i.e., the Kleros panel's binary conclusions on factual disputes and the FTO's independent recommendations based on the same evidence. The concurring point arises when these outcomes align, establishing a consensus between the decentralized Kleros panel and the centralized authority of the FTO. In such cases, the decision can be considered final and binding, eliminating the need for further representation to the President of Pakistan. If the decision between FTO adjudication and Kleros adjudication does not align, in terms of voting, then a representation shall lie with the President for a final decision. There is no provision for a Review before the FTO in this model. This framework ensures procedural fairness through the collaboration of two epistemologically separate bodies, while the enforcement authority remains with the FTO and the FBR, preserving the jurisdiction of the FTO, while the Kleros mechanism serves as an impartial anchor for factual determinations. For ease of understanding, a figure has been drawn, as follows:

Figure 6. Model A Hybrid Adjudication Mechanism

The efficiency gains derived from Model A may be quantified by direct reference to the empirical data analyzed in the preceding sections. The average first-instance decisional period of the FTO is approximately 77.5 days, and its average total resolution period of 191.3 days across all stages, stands in marked contrast to the average resolution period of approximately 13.23 days observed within the Kleros mechanism across 2,111 adjudicated disputes. Under the concurrent fact-finding architecture proposed in Model A, the parallel transmission of evidence to the SBT-gated Kleros sub-court permits the production of an expert determination upon contested factual questions well within the temporal window already consumed by the institutional adjudicatory process of the FTO, thereby enabling the convergence of the two findings without occasioning any incremental delay upon the principal timeline. When the two determinations coincide, the removal of the representation phase holds significant implications for efficiency. The 26 matters at the representation stage in the dataset required an average of 360.2 days solely for the representation phase. However, the consensus-based finality structure in Model A is intended to eliminate this extensive timeline in the vast majority of disputes where there is alignment of understanding between both parties.

6.2 Model B. Delegated Crowdsourcing with Conditional Executive Review

Model B proposes a more restructured adjudicatory workflow through a mechanism of delegated crowdsourcing. Under this framework, the FTO divests itself of the primary fact-finding and evaluative function in specified categories of disputes, instead reorienting its role toward that of a procedural gateway and enforcement conduit for determinations rendered by the Kleros protocol. In practical terms, the FTO Secretariat would not assign the complaint for internal adjudication, rather, the institutional function would be confined to the verification of jurisdictional prerequisites, the compilation and authentication of the evidentiary record submitted by the contending parties, and the subsequent transmission of this factual dossier, to a specialized Kleros sub-court established for Pakistani federal tax matters.

This model draws significant jurisprudential support from a landmark precedent concerning the judicial recognition and enforcement of Kleros-derived arbitral awards within Mexico. [40] In a case of September 2020 and subsequently enforced by a Mexican civil court in May 2021, parties to a real estate leasing agreement located in the State of Jalisco, Mexico, had contractually agreed to resolve their dispute through a sole arbitrator who would, in turn, utilize the Kleros protocol as the decisional engine for the arbitration. [10, pp 24–25; 40] The traditional arbitrator functioned exclusively as an interface, referring the substantive dispute to a panel of three anonymous Kleros jurors and thereafter incorporating their determination into the formal arbitral award. The Mexican state court, upon application for enforcement, recognized the validity of the award, thereby establishing the first documented instance of a domestic court affirming an arbitral outcome predicated upon the crowdsourced adjudication of the Kleros mechanism. This precedent, while singular, furnishes compelling evidence that the integration of blockchain-based dispute resolution into a state-sanctioned adjudicatory framework is not merely a theoretical abstraction but a legally viable architecture capable of withstanding judicial scrutiny in a civil law jurisdiction.

Building upon this precedent, Model B incorporates a structured, multi-tiered appellate sequence within the Kleros ecosystem prior to the re-engagement of any state-level review mechanism. Once the factual dossier has been transmitted to the Kleros protocol, a panel of jurors, selected from the SBT-gated pool of fiscal experts as previously described, renders an initial decision based upon majority consensus. [18] A party aggrieved by this primary determination is entitled to invoke an appeal within the Kleros system, which triggers the constitution of a larger, odd-numbered panel of jurors in accordance with the Kleros protocol's established formula ($n \times 2 + 1$). [10, pp 8] To preserve the temporal efficiency gains that constitute a core justification for the adoption of this technology, a compressed timeline is proposed for the exhaustion of intra-protocol appellate remedies. Specifically, it is recommended that both the initial Kleros adjudication and a maximum of two successive appeals be concluded within a cumulative period of 15 calendar days from the date of case submission. This expedited schedule is readily achievable given the asynchronous, global participation of jurors and the automated execution of the voting and reward distribution processes.

The exhaustion of this intra-protocol appellate process serves as a jurisdictional prerequisite, or condition precedent, for any subsequent recourse to executive review. Under Model B, a party may only seek a representation to the President of Pakistan if that party has prevailed in at least one of the adjudicatory or appellate rounds conducted within the Kleros system. In other words, a party that has been unsuccessful at both tiers of the crowdsourced, expert-driven determination, including the initial vote and any subsequent appeals, is deemed to have forfeited the right to invoke the executive review mechanism of the FTO. This conditional access provision is designed to filter out frivolous or dilatory appeals that are often employed as a tactic to prolong the process and defer compliance. Conversely, if a party has secured a favorable outcome at any of the two stages of the Kleros proceedings, the matter may then be escalated to the President for Representation, at which point the institutional apparatus of the FTO would reassume jurisdiction and the final, binding directive would be issued and enforced through the conventional statutory channels. Similar to Model A, there is no provision of a Review before the FTO, and the enforcement power remains wholly vested in the Ombudsman and the relevant tax authorities. In this model, the Kleros protocol provides an immutable, incorruptible, highly efficient foundation upon which the sovereign enforcement power may confidently rest. For ease of understanding, a figure has been drawn as follows:

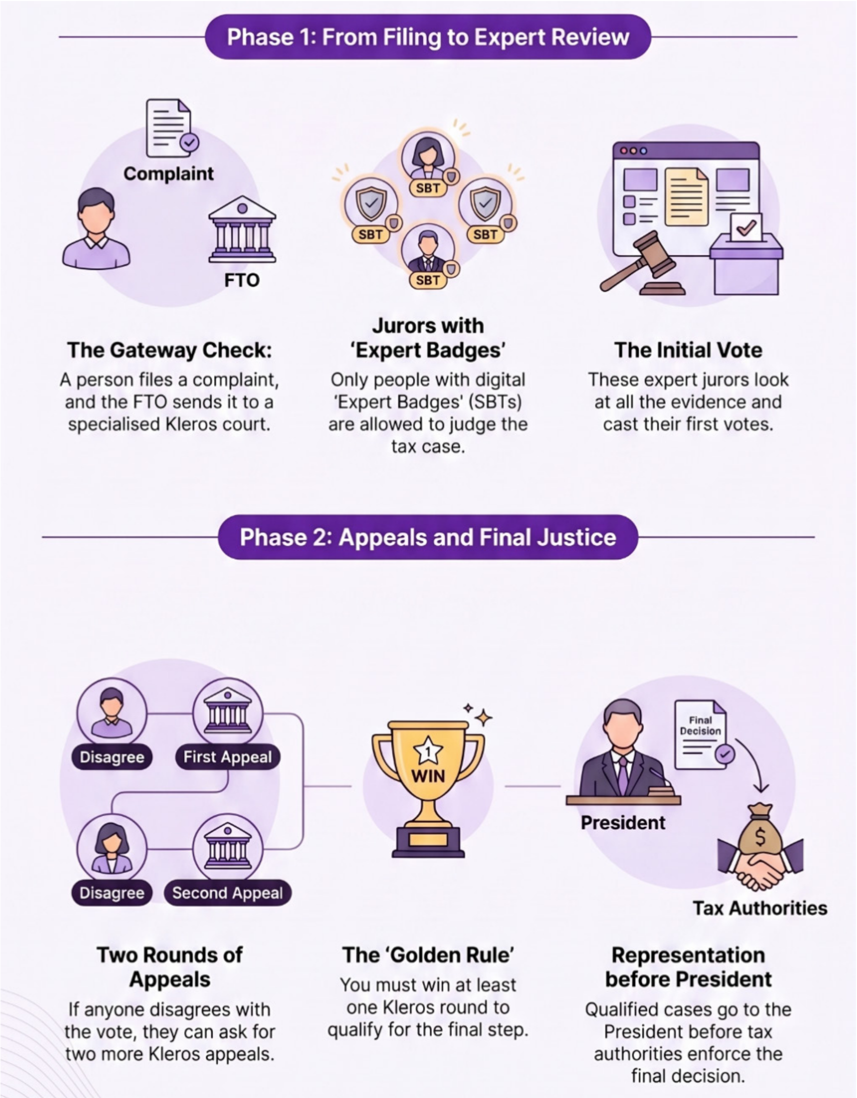

Figure 7. Model B Delegated Crowdsourcing

The reasoning to choose Model B becomes clear when the temporal data from the FTO framework is analyzed. In the aforementioned dataset, 41 contested cases went through the post-first instance FTO process. On average, these cases took an extra 344.2 days to be resolved after the initial decision. Among these, 6 complex cases or those needing further review took even longer, with an average of 503.3 days. The longest cases, Complaint No. 0033/OM/2023 and Complaint No. 0032/OM/2023, each took 886 days from start to finish. Model B suggests replacing the evaluation role of the FTO with Kleros adjudication. This includes, for example, a swift 15 day appeal decision period. Additionally, there is a rule that limits access to the representation phase to only those who have won at least once in the Kleros system. This filters out simpler and straightforward cases seeking executive review. Currently, the representation phase takes an average of 360.2 days for the 26 cases that have gone through it in the existing system.

6.3 Model C. Kleros as *amicus curiae* (Advisory on Technical Subject Matter)

The third integration model proposes that the FTO utilize the Kleros mechanism as a non-binding advisory resource in cases presenting complex or novel technical subject matter that exceeds conventional institutional expertise. Unlike the preceding models, this framework does not delegate any adjudicatory authority to the Kleros mechanism, rather, it positions the protocol as an *amicus curiae* whose function is limited to the provision of an expert-informed, persuasive opinion to guide the FTO in the formulation of the final statutory decision. Upon encountering a dispute that raises intricate technical questions, for example, the valuation methodology for digital assets, the characterization of on-chain transactions for income or capital gains purposes, etc., the FTO may, *suo motu* or upon application, formulate a specific interrogative reference and transmit the authenticated evidentiary record to a specialized Kleros sub-court.

This model derives its immediate relevance from proceedings such as Complaint No. 1919/ISB/IT/2025, wherein the FTO expressly acknowledged the necessity of developing institutional capacity to address the fiscal implications of Pakistan's substantial cryptocurrency user base. [4] A panel of anonymous Kleros jurors, selected exclusively from a pool of individuals possessing SBT-verified expertise in blockchain analytics and digital asset taxation, would deliberate upon the technical questions posed and issue a reasoned advisory opinion recorded immutably on the blockchain. The FTO would retain unfettered discretion to adopt, modify, or reject the findings contained therein. The opinion serves as a transparent, incorruptible, and expert evidentiary input that enhances the qualitative foundation of the FTO's final determination without in any manner impinging upon the institution's statutory jurisdiction or enforcement authority, which remains wholly vested in the FTO and other statutory authorities. For ease of understanding, an image has been drawn as follows:

Figure 8. Model C Kleros as amicus curiae

7. Gaps in the FTO Framework that Necessitate the Integration of Kleros

The integration models advanced in this article are predicated principally upon considerations of temporal efficiency, the present section proceeds upon a distinct, though cognate, axis of justification. This section examines, *firstly*, the structural overlap between the FTO Secretariat and the FBR in terms of prior service, including potential personal stakes, and the corrective potential of the anonymous and SBT-gated Kleros panel. *Secondly*, the bottleneck created at the Presidential Secretariat by the construction placed upon section 14(4) of the FOIRA in the recent pronouncement of the Supreme Court jurisprudence, and the consequent need for an upstream filtering mechanism that the Kleros integration models may furnish.

7.1 Past Service in Financial Bodies, the Element of Stakes, and the Kleros Anonymity Solution

The FTO Ordinance, 2000, in its provisions concerning the staff and Advisors of the FTO, contains no statutory restriction precluding the appointment of persons who have previously served within the Revenue Division or the FBR. In the resulting institutional practice, the cadre of Advisors and senior officers of the FTO Secretariat has, over the years, drawn substantially from retired or seconded officers of the financial bodies in Pakistan. [41] This pattern, while doubtless conducive to technical competence and institutional memory, simultaneously generates a structural element of stakes, in that the very officers tasked with adjudicating maladministration on the part of the financial taxation bodies, in the immediately antecedent phase of their careers, have been part of the institutional culture, hierarchy, and inter-personal network of the respondent department.

The scholarly literature on adjudication and regulatory governance recognizes that prior institutional affiliations may, even in the absence of overt corruption, condition the framing, weighing, and disposition of contested factual narratives, a phenomenon variously described in the regulatory governance literature as agency capture or revolving-door capture. [42] The element of stakes need not manifest as conscious partiality, it operates rather at the level of professional reflex, deference towards former colleagues, and shared frameworks of evidentiary interpretation. In a system whose substantive jurisdiction is grounded in an expansive definition of maladministration and whose decisions directly affect financial bodies, the structural insulation of the decisional moment from these subtle influences assumes a particular importance. [31, Preamble]

The Kleros mechanism furnishes a direct and architecturally embedded response to this concern. The juror-selection protocol aforementioned described in this article operates upon principles opposed to those in the FTO Secretariat, namely random selection from an SBT-gated pool of qualified jurors, mutual anonymity as between the parties and the jurors and *inter se* among the jurors themselves, and an economic incentive structure aligned with the Schelling-coin equilibrium that rewards alignment with the consensus of objectively reasoned peers rather than fidelity to any institutional patron (see Sections 4.3–4.4). When Model A or Model B is used, the key facts of the dispute are presented to a panel that is completely independent from both the complainant and the financial body (see Sections 6.1–6.2). The members of this panel are motivated by fairness in the decision-making process, eliminating any potential conflicting interests that might exist right from the start.

7.2 The Section 14(4) Bottleneck and the Filtering Function of Kleros Integration

The second potential gap, conceptually distinct from the foregoing yet equally consequential, arises at the post-decisional stage and concerns the operational workload borne by the Presidential Secretariat in the disposition of Representations filed under the FOIRA. [36, Section 14] As previously discussed, the Supreme Court of Pakistan, in its interpretation of section 14(4) of the FOIRA, has ruled that the substantive decisional power regarding a Representation lies solely with the President of Pakistan. [39; 38] This judgment prohibits any delegation of the determination and mandates that the President must personally review each Representation on its merits.

This authoritative construction, while jurisprudentially sound and constitutionally proper, generates a significant operational consequence. The President, who concurrently discharges a wide spectrum of constitutional functions, must now personally apply his mind to every Representation arising not only from the FTO but from the Wafaqi Mohtasib, the Banking Mohtasib, the Federal Insurance Ombudsman, and the Federal Ombudsperson for Protection against Harassment of Women at the Workplace (see Section

5.2). The empirical data analyzed records that, within the FTO alone, 26 matters in the sample of 124 (21.0%) proceeded to the Representation stage, with an average resolution period of 360.2 days for the Representation phase alone (see **Table S.1, Supplementary Data**). Out of this fairly condensed sample size of one adjudicatory body under FOIRA, when this number is analyzed, it becomes clear that the total amount of important decisions requiring the personal attention of the President is overwhelming.

The integration models discussed in this article serve an important, unexamined purpose, i.e., they act as an upstream filtering mechanism to significantly reduce the number of cases reaching the Presidential Secretariat. Model A ensures that when the FTO determination aligns with the Kleros panel, those decisions cannot escalate to the Representation stage (see Section 6.1). Model B establishes a requirement for success in the intra-Kleros appellate process before reaching Representation, effectively filtering out frivolous claims that currently overwhelm the Presidential Secretariat (see Section 6.2). Model C enhances the initial determination of FTO by incorporating expert opinions from an SBT-gated panel, thereby lowering the chances of subsequent challenges due to technical issues that the current system struggles to address (see Section 6.3).

The Kleros integration, accordingly, performs a triple corrective function, it neutralizes the structural element of stakes at the first-instance level and operates as a calibrated filter that preserves the constitutional personal involvement of the President while restoring to the Presidential Secretariat a manageable volume of substantive Representations consistent with the jurisprudence of the Supreme Court of Pakistan.

8. Limitations of the Integration of Kleros with the FTO

The previously discussed integration models, their legal justifications, and the efficiency gains require a critical assessment of their limitations. A thorough academic analysis must also address the architectural and operational challenges associated with the proposed integration.

While recognizing that there can be numerous limitations of the proposed models, the prevalent limitations that would be discussed are, *firstly*, the determination of "winner" and "loser" in Kleros adjudication and the distribution of PNK tokens in a FTO cost-free environment. *Secondly*, the funding and resource-allocation challenges for establishing a Pakistani tax-specific sub-court within the Kleros ecosystem. *Thirdly*, the societal and institutional understanding of blockchain-based adjudicatory systems and the need for capacity building in light of the favorable demographic and regulatory conditions of Pakistan. *Lastly*, the legal compatibility of anonymous adjudicators with the FOIRA and FTO Ordinance.

8.1 The Reward Architecture and the Adversarial Cost Asymmetry

The Kleros mechanism is based on an incentive system that assumes there are two parties with equal rights in a dispute. The costs of arbitration and the benefits of winning are shared based on the decision made during the process (see Section 4.3). Under the Schelling-coin equilibrium, the prevailing party is reimbursed the arbitration fee, while the losing party bears the cost, and the jurors who voted with the majority are rewarded with a share of that fee, with dissenting jurors forfeiting a portion of their staked PNK tokens. [15; 11; 10] This structure assumes a commercial dispute between two similar private parties, which does not readily conform to the context of the FTO. In the context of the FTO, the process is free for the complainant, and the respondent is not a private entity, but rather a government body, specifically the FBR or its related officials (see Section 5.3).

The asymmetry presents a structural difficulty, while FTO adjudication is free for the complainant, imposing a token-staking requirement on the aggrieved taxpayer as a precondition for using the Kleros sub-court effectively transforms a free administrative remedy into a fee-bearing private arbitration. Additionally, identifying a "loser" and deducting staked tokens is problematic when the State is involved, as it neither stakes nor recovers tokens in its sovereign capacity.

A practical solution involves separating the cost responsibility from the parties in dispute. Notably, if the Kleros panel finds that the alleged maladministration is due to any State body, the costs of the Kleros process, including arbitration fees and juror rewards, can be charged to the responsible department, based on the remedial powers in the FTO Ordinance (see Section

5.3). Conversely, if the decision favors the State, those costs will be covered by a dedicated administrative-justice fund from the FTO Secretariat's budget. This dual cost-allocation model achieves three goals, i.e., it ensures that aggrieved taxpayers pay nothing, it enforces financial accountability on the relevant State body for proven maladministration, and it creates a self-sustaining revenue source for the Kleros sub-court and the FTO Secretariat's operations.

8.2 Funding the Pilot Implementation and Establishment of a Pakistani Tax Sub-Court

The architectural transition from a conventional Ombudsman framework to a Kleros-integrated framework requires, as a *sine qua non*, the establishment of a dedicated Pakistani federal tax sub-court within the Kleros ecosystem, the allocation of SBTs to qualifying tax-law specialists, the configuration of smart contracts adapted to the procedural requirements of the FOIRA and the FTO Ordinance, and the operational integration of the FTO Secretariat's case-management system with the Kleros protocol. Each of these elements entails non-trivial initial expenditure.

The question of funding admits of several sources, none of which is, in isolation, sufficient. *Firstly*, the FTO Secretariat may seek dedicated funding through the Public Sector Development Programme based on a project framework articulating the projected efficiency gains analyzed in this article (see Sections 5.4–6 of this article). [43] *Secondly*, international donor agencies operating in the field of administrative justice reform, including the World Bank GovTech, have historically supported pilots of comparable technological reform and may be approached based on the empirical comparative data set out in this article. [44]

The establishment of the Pakistani federal tax sub-court itself does not require the development of a parallel blockchain infrastructure, rather, it requires the configuration of a new sub-court within the existing Kleros ecosystem, the parameters of which may be set in accordance with the standard governance procedures of the Kleros Decentralized Autonomous Organization. [45] The principal initial investment is, accordingly, located not in the underlying technology, which is already mature and operational across the Ethereum Mainnet and the Gnosis Chain (see Section 4.5), but in the institutional and human-capital architecture surrounding the integration.

In monetary terms, the protocol-level costs are themselves modest and recurring rather than capital in character, the creation of the sub-court attracting only nominal transaction fees on the underlying chain and the cost of adjudication taking the form of per-dispute arbitration fees that scale with the number of jurors empaneled and are denominated in cryptocurrency, such that they vary with case volume and prevailing exchange rates rather than constituting a fixed outlay. [15] Because that integration is bespoke to the FTO's processes and has no public benchmark, a defensible order-of-magnitude figure for initial establishment cannot responsibly be stated, and the present analysis therefore characterizes this cost qualitatively rather than assigning to it a spurious quantum.

8.3 Societal and Institutional Comprehension of Blockchain Systems

A third limitation arises from the need to cultivate, both within the FTO Secretariat and within the broader taxpaying public, a working comprehension of blockchain-based adjudicatory mechanisms sufficient to sustain confidence in the integrity of the outcomes. The Kleros mechanism, by its very nature, operates upon technological substrates that are at considerable conceptual distance from the experiential frame of reference of an ordinary aggrieved taxpayer, and the transparency that constitutes one of its principal architectural virtues, namely the immutable on-chain recording of votes, can be operationally accessible only to those who possess the requisite digital literacy.

This limitation must be viewed in the context of the demographic and digital-adoption profile of Pakistan. As aforementioned, Pakistan ranks among the top three of 151 countries in the Chainalysis Global Crypto Adoption Index, with over 60% of its 240 million population under thirty, while also having a regulatory framework for blockchain businesses through the Virtual Assets Act, 2025. [1 ; 2; 3] These demographic, technological, and regulatory factors position Pakistan favorably for piloting a Kleros-integrated administrative-justice mechanism.

The corrective measures to this limitation include, *firstly*, the development of a multilingual taxpayer-facing portal (in Urdu, English, and the principal regional languages) explaining the integrated workflow in non-technical terms, *secondly*, the training of FTO Advisors and Registrars in the procedural mechanics of the Kleros sub-court through a dedicated capacity-building programme conducted in collaboration with the PVARA and the relevant Judicial Academies, and *thirdly*, the publication of periodic public reports detailing the outcomes of cases adjudicated through the integrated mechanism, thereby cultivating institutional credibility through demonstrable performance.

8.4 The Anonymous Adjudicator and the Statutory Framework

The fourth limitation pertains to the legal compatibility of the anonymous-juror architecture of the Kleros mechanism with the statutory framework of the FOIRA and the FTO Ordinance. The latter instruments contemplate adjudication by a named, identifiable FTO whose qualifications, mode of appointment, oath of office, and tenure are specifically prescribed by statute, and whose findings and recommendations bear his signature as a public functionary (see Section 5.3). The integration of a panel of mutually anonymous jurors, whose identities are not merely undisclosed to the parties but structurally unascertainable even by the FTO Secretariat itself, sits in apparent tension with the personalized adjudicatory model contemplated by the existing legislation.

A guiding precedent in this respect is supplied by the Mexican Jalisco case discussed in this article, in which a state court of a civil-law jurisdiction recognized and enforced an arbitral award predicated upon the adjudication of an anonymous panel of three Kleros jurors (see Section 6.2). [40; 10, pp 24–25] The recognition was effected through a legal architecture wherein a named arbitrator served as the interface between the Kleros protocol and the formal arbitral process, incorporating the determination of the anonymous panel into a signed and reasoned award (see Section 6.2). [40, pp 16–65; 10, pp 24–25] This intermediary configuration is directly transposable to the Pakistani FTO context, in that the FTO himself, as the named statutory officer, may serve as the interface through which the determination of the anonymous Kleros panel is incorporated into a formal FTO recommendation issued under the FTO Ordinance (see Section 5.3). [35, Section 11]

A targeted legislative amendment to the FOIRA and the FTO Ordinance would be advisable, expressly recognizing the validity of determinations rendered through SBT-gated, anonymous, and blockchain-based panels in respect of contested factual questions, with the formal recommendation continuing to issue from the named office of the FTO. Such an amendment would, in operational terms, provide the statutory clarity that the conservative regulatory culture of Pakistan would, in any event, require.

9. Economic Analysis, Transaction Costs, Efficiency, and Institutional Change

The foregoing legal and procedural analysis may be situated within the framework of institutional economics, which supplies a complementary vocabulary for the efficiency claims advanced in this article. Transaction cost economics, originating in the work of Coase and elaborated by Williamson, treats adjudication as a governance structure whose comparative merit is assessed by reference to the costs it imposes upon the transacting parties. [46; 47] On this view, the FTO is properly characterized as a hierarchy, in which a named public functionary resolves disputes through administrative authority, whereas the Kleros mechanism approximates a market, in which dispute resolution is procured from a decentralized pool of jurors coordinated by price-like incentives. The hybrid models proposed (see section 6) occupy an intermediate position, combining hierarchical enforcement with market-based fact-finding.

The resolution-time data reported above may accordingly be read as a measure of transaction costs. The average disposal period of 191.3 days before the FTO, rising to 503.3 days for matters traversing review, representation, and remand, set against an average of 13.23 days under Kleros, represents the temporal cost borne by taxpayers and the administration in securing a determination. This cost is concentrated at the contested margin, in that the majority of complaints are disposed of directly, while the 33.1% of matters that proceed to review, representation, or remand require an average of 344.2 additional days, a figure that isolates the marginal transaction cost of contestation (see **Supplementary Data**). A precise monetary valuation lies beyond the scope of this study, yet even a conservative estimate, obtained by applying an ordinary daily opportunity cost to the differential in resolution time, indicates that protracted adjudication imposes a substantial and recurring burden, the reduction of which constitutes the principal efficiency gain of the proposed integration. These assumptions are necessarily approximate, and the figures are advanced as indicative rather than determinative.

The reason these costs continue to exist can be explained by institutional change theory. This theory suggests that inefficient practices persist because of past decisions (path dependence) and highlights that changes in costs, such as the declining price of decentralized verification, can spur new ways of doing things (institutional innovation). [48] The structural gaps identified (see Section 7) are, in turn, susceptible to a public choice reading, in that the revolving-door affiliation of FTO personnel and the bottleneck created by the exclusive representation power of the Presidency reflect the rent-seeking and collective-action problems that the literature associates with insulated administrative bodies. [49] The random, SBT-gated selection of anonymous Kleros jurors operates as an institutional safeguard against precisely these failures.

Two further economic implications follow. Firstly, the verification and networking efficiencies that blockchain introduces, as analyzed by Catalini and Gans, reduce the deadweight loss generated by prolonged administrative disputes, while the Schelling-coin reward structure aligns the incentives of jurors with accurate determination. [50] Secondly, a shorter resolution period lowers the compliance cost confronting taxpayers, and a lower compliance cost is associated in the public economics literature with improved voluntary compliance and a corresponding contraction of the shadow economy. [51] The proposed models are, on this analysis, defensible not merely as legal reforms but as institutional innovations that economize on the transaction and compliance costs of administrative tax justice, a contribution that this article offers to the literatures on transaction cost economics, institutional change, and tax administration.

10. Suggestions and Conclusion

"Law must be stable and yet it cannot stand still." [52]

Roscoe Pound's classical aphorism frames the conclusion of this article. The Ombudsman framework in Pakistan, from its ancient roots to its Swedish influence and the enactment of the Establishment of the Office of Wafaqi Mohtasib Order 1983, to the FTO Ordinance 2000, provides a stable institutional foundation. The FOIRA 2013, was created to expedite Ombudsman adjudication and deliver timely relief to citizens, highlighting that even established institutions must adapt their procedures to meet current needs.

The following practical, calibrated, and implementable suggestions are advanced:

Firstly, the initial pilot implementation should be confined to Model C (see Section 6.3), the *amicus curiae* configuration, in respect of a specifically defined and demonstrably technical category of disputes, namely those involving the fiscal characterization of cryptocurrency and digital-asset transactions. The non-binding character of the Model C output further insulates the pilot from any premature challenge upon questions of statutory recognition.

Secondly, a targeted legislative amendment to the FOIRA and the FTO Ordinance should be drafted, in due course and predicated upon the empirical performance of the Model C pilot, expressly recognizing the validity of determinations rendered by SBT-gated, anonymous, and blockchain-based panels in respect of contested factual questions, while preserving the formal recommendation as an output of the named office of the FTO.

Thirdly, the cost-allocation framework proposed (see Section 8.1) should be legally established, based on the broader remedial powers in the FTO Ordinance (see Section 5.3). The financial department responsible for maladministration should cover Kleros adjudication costs if found at fault. Additionally, a dedicated administrative-justice fund under the FTO Secretariat should handle costs in the opposite scenario. This approach maintains the free remedy for taxpayers while ensuring financial accountability for verified institutional errors.

Fourthly, capacity-building programs for the FTO Secretariat, the Advisors, and the Registrars should be undertaken in collaboration with the Federal Judicial Academy and the PVARA, accompanied by a multilingual taxpayer-facing portal explaining the integrated workflow in non-technical terms. The cultivation of institutional and societal comprehension is, in the long run, as decisive a determinant of the success of the proposed reform as the technological architecture itself.

In conclusion, this article has examined whether the integration of Kleros, a blockchain-based crowdsourced dispute resolution mechanism, can address the procedural inefficiencies and structural gaps that presently burden the FTO. The empirical and doctrinal investigation undertaken in the preceding sections supplies an affirmative answer to each of the three research questions framed (see Section 2), as follows:

In response to RQ1, the dataset of one hundred and twenty-four FTO matters registered between January 2023 and February 2025 establishes that the procedural framework of the FTO exhibits significant inefficiencies and structural gaps. The average resolution period of 191.3 days, rising to 503.3 days for complex matters and to as much as 886 days for the most protracted case, falls short of the legislative objective of speedy administrative justice that underlies both the FTO Ordinance, 2000, and FOIRA, 2013. Beyond the temporal dimension, two further structural concerns merit attention, i.e., first, the recurrent practice of staffing the FTO Secretariat with former officials of the financial bodies, which generates a structural element of stakes even in the absence of overt impropriety, and second, the post-decisional bottleneck created at the Presidential Secretariat following the interpretation of section 14(4) of FOIRA, 2013 by the Supreme Court of Pakistan, which requires personal application of mind by the President to every Representation arising across all federal Ombudsman bodies. Taken together, these findings justify the integration of an anonymous, blockchain-based, crowdsourced, expert-driven adjudication process.

In response to RQ2, this article has constructed three integration models that map the architectural features of the Kleros protocol onto the procedural stages of the FTO. Model A, the Hybrid Concurrent Fact-Finding model, preserves the institutional centrality of the FTO while drawing a parallel determination from an SBT-gated Kleros panel, with finality where the two determinations converge. Model B, the Delegated Crowdsourcing model with Conditional Executive Review, reorients the role of the FTO toward procedural gatekeeping and enforcement of Kleros-derived determinations, with access to Presidential Representation conditioned upon success in at least one round of the intra-protocol appellate sequence. Model C, the Kleros as Amicus Curiae model, positions Kleros as a non-binding expert advisory resource for technically complex matters such as the taxation of digital assets. The Mexican Jalisco precedent, in which a state court recognized and enforced a Kleros-derived arbitral award, supplies an instructive comparative anchor for the legal viability of these models.

In response to RQ3, the article has canvassed four principal limitations, i.e., the adversarial cost asymmetry inherent in transposing a private-party arbitration model onto a free administrative remedy, the funding and resource-allocation challenges in establishing a Pakistani federal tax sub-court within the Kleros ecosystem, the demographic and institutional comprehension barriers arising from the technical character of blockchain adjudication, and the legal compatibility tension between the anonymous-juror architecture and the personalized adjudicatory model contemplated by the FTO Ordinance and FOIRA. For each limitation, a targeted corrective has been advanced, ranging from a dual cost-allocation framework chargeable either to the responsible department or to a dedicated administrative-justice fund, to a phased capacity-building programme conducted in collaboration with the PVARA and the Federal Judicial Academy, to a targeted legislative amendment expressly recognizing determinations rendered through SBT-gated, anonymous, blockchain-based panels while retaining the named office of the FTO as the formal locus of recommendation.

Beyond these doctrinal findings, the article contributes to the economic analysis of administrative justice. It treats resolution time as a measurable transaction cost and demonstrates that substituting a market-based adjudicatory structure for a hierarchical one can lower that cost substantially, improving institutional efficiency and, through stronger voluntary compliance, the administration of revenue. These findings extend transaction cost economics and the theory of institutional change to the under-examined setting of public-sector tax adjudication in a developing economy.

The analysis suggests a legally sound framework, backed by evidence, and operationally practical within the legal system of Pakistan. With over 60% of the population under 30, and the newly established regulatory framework through the Virtual Assets Act, 2025, and PVARA, conditions are favorable for a pilot integration of blockchain technology. The initial approach should focus on the Model C amicus curiae setup for specific cryptocurrency disputes, with a shift to Models A or B depending on evidence and legal approval. The FTO in Pakistan stands at a juncture where the established stability of administrative justice meets the emergent possibilities of decentralized adjudication. The integration of Kleros offers a means of preserving the former while harnessing the latter, in service of the constitutional promise of a timely, impartial, and accessible remedy to every aggrieved taxpayer.

Conflict of Interest

One of the authors: Ms Munimah Riaz, is employed by the Federal Tax Ombudsman Secretariat and has accessed institutional records in that professional capacity. The analysis and conclusions are those of the authors and do not necessarily represent the official position of the FTO Secretariat.

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Supplementary Data of the Federal Tax Ombudsman Case Record, January 2023 – February 2025[1]

Sr. No.	Case Reference No.	Tax Type	Date of Registration in FTO Secretariat	Date of Decision by the FTO	Days to FTO Decision	Review Filling Date*	Order In Review Date*	Representation Filling Date*	Representation Decision Date*	Final Resolution Date	Total Resolution Days	Procedural Pathway	Remanded/ Reopened
1.	**0413/KHI/IT/2025**	Income Tax	08.01.2025	16.04.2025	**98 days**	-	-	26.06.2025	05.01.2026	05.01.2026	**362 days**	FTO → Representation	No
2.	**1551/KHI/IT/2025**	Income Tax	28.01.2025	06.03.2025	**37 days**	-	-	-	-	06.03.2025	**37 days**	Direct FTO Disposal	No
3.	**1712/PWR/ CUST/2025**	Customs	31.01.2025	07.04.2025	**66 days**	26.05.2025	25.07.2025	22.08.2025	19.11.2025	19.11.2025	**292 days**	FTO → Review → Representation	No
4.	**1719/MLN/IT/2025**	Income Tax	03.02.2025	27.03.2025	**52 days**	-	-	-	-	27.03.2025	**52 days**	Direct FTO Disposal	No
5.	**1919/ISB/IT/2025**	Income Tax	05.02.2025	09.04.2025	**63 days**	-	-	-	-	09.04.2025	**63 days**	Direct FTO Disposal	No
6.	**2178/MLN/IT/2025**	Income Tax	10.02.2025	25.03.2025	**43 days**	-	-	-	-	25.03.2025	**43 days**	Direct FTO Disposal	No
7.	**2551/KHI/IT/2025**	Income Tax	14.02.2025	16.09.2025	**214 days**	-	-	-	-	16.09.2025	**214 days**	Direct FTO Disposal	No
8.	**3529/KHI/ST/2025**	Sales Tax	20.02.2025	18.06.2025	**118 days**	-	-	-	-	18.06.2025	**118 days**	Direct FTO Disposal	No
9.	**4249/KHI/ CUST/2025**	Customs	26.02.2025	16.04.2025	**49 days**	-	-	-	-	16.04.2025	**49 days**	Direct FTO Disposal	No
10.	**0128/KHI/ST/2024**	Sales Tax	04.01.2024	08.05.2024	**125 days**	-	-	-	-	08.05.2024	**125 days**	Direct FTO Disposal	No
11.	**0001/OM/2024**	Own Motion	16.01.2024	29.05.2024	**134 days**	-	-	-	-	29.05.2024	**134 days**	Direct FTO Disposal	No
12.	**0636/GWL/ST/2024**	Sales Tax	31.01.2024	19.04.2024	**79 days**	-	-	04.06.2024	18.12.2024	18.12.2024	**322 days**	FTO → Representation	No
13.	**0875/LHR/Cust/2024**	Customs	12.02.2024	20.05.2024	**98 days**	27.05.2024	21.06.2024	11.07.2024	16.09.2024	16.09.2024	**217 days**	FTO → Review → Representation	No
14.	**0002/OM/2024**	Own Motion	13.02.2024	21.06.2024	**129 days**	-	-	-	-	21.06.2024	**129 days**	Direct FTO Disposal	No
15.	**0134/Ref/POP/2024**	Reference	14.02.2024	15.03.2024	**30 days**	-	-	-	-	15.03.2024	**30 days**	Direct FTO Disposal	No

[1] Collected from official records by a co-author affiliated with the Federal Tax Ombudsman Secretariat.

* Only applicable in the case where either party, if, files a Review before the Hon'ble Federal Tax Ombudsman or files a Representation before the President.

Continuation Table:

Sr. No.	Case Reference No.	Tax Type	Date of Registration in FTO Secretariat	Date of Decision by the FTO	Days to FTO Decision	Review Filling Date*	Order In Review Date*	Representation Filling Date*	Representation Decision Date*	Final Resolution Date	Total Resolution Days	Procedural Pathway	Remanded/ Reopened
16.	**1075/LHR/IT/2024**	Income Tax	19.02.2024	30.05.2024	**101 days**	-	-	-	-	30.05.2024	**101 days**	Direct FTO Disposal	No
17.	**1751/LHR/Cust/2024**	Customs	11.03.2024	14.06.2024	**95 days**	12.07.2024	30.08.2024	08.04.2025	25.04.2025	25.04.2025	**410 days**	FTO → Review → Representation	No
18.	**2296/SGD/Cust/2024**	Customs	28.03.2024	13.05.2024	**46 days**	-	-	06.06.2024	08.06.2024	08.06.2024	**72 days**	FTO → Representation	No
19.	**2630/KHI/Cust/2024**	Customs	02.04.2024	17.05.2024	**45 days**	-	-	-	-	17.05.2024	**45 days**	Direct FTO Disposal	No
20.	**2671/MLN/IT/2024**	Income Tax	02.04.2024	04.06.2024	**63 days**	-	-	-	-	04.06.2024	**63 days**	Direct FTO Disposal	No
21.	**2749/FSD/IT/2024**	Income Tax	05.04.2024	06.06.2024	**62 days**	-	-	-	-	06.06.2024	**62 days**	Direct FTO Disposal	No
22.	**2800/KHI/ST/2024**	Sales Tax	08.04.2024	03.10.2024	**178 days**	-	-	-	-	03.10.2024	**178 days**	Direct FTO Disposal	No
23.	**0012/OM/2024**	Own Motion	02.05.2024	12.08.2024	**102 days**	-	-	19.09.2024	24.02.2025	24.02.2025	**298 days**	FTO → Representation	No
24.	**0009/OM/2024**	Own Motion	03.05.2024	03.07.2024	**61 days**	-	-	28.08.2024	08.04.2025	08.04.2025	**340 days**	FTO → Representation	No
25.	**3805/ISB/IT/2024**	Income Tax	10.05.2024	10.07.2024	**61 days**	-	-	-	-	10.07.2024	**61 days**	Direct FTO Disposal	No
26.	**5072/ISB/Cust/2024**	Customs	13.06.2024	24.07.2024	**41 days**	-	-	-	-	24.07.2024	**41 days**	Direct FTO Disposal	No
27.	**0023/OM/2024**	Own Motion	11.07.2024	11.10.2024	**92 days**	-	-	-	-	11.10.2024	**92 days**	Direct FTO Disposal	No
28.	**0024/OM/2024**	Own Motion	11.07.2024	28.10.2024	**109 days**	-	-	-	-	28.10.2024	**109 days**	Direct FTO Disposal	No
29.	**0025/OM/2024**	Own Motion	19.07.2024	21.10.2024	**94 days**	-	-	-	-	21.10.2024	**94 days**	Direct FTO Disposal	No
30.	**0030/OM/2024**	Own Motion	13.08.2024	15.04.2025	**245 days**	-	-	-	-	15.04.2025	**245 days**	Direct FTO Disposal	No
31.	**7274/ISB/ST/2024**	Sales Tax	01.09.2024	09.10.2024	**38 days**	-	-	-	-	09.10.2024	**38 days**	Direct FTO Disposal	No
32.	**8069/LHR/IT/2024**	Income Tax	16.09.2024	05.11.2024	**50 days**	-	-	-	-	05.11.2024	**50 days**	Direct FTO Disposal	No
33.	**0642/ISB/Cust/2024**	Customs	01.02.2024	15.04.2024	**74 days**	-	-	21.08.2024	08.04.2025	08.04.2025	**432 days**	FTO → Representation	No

Continuation Table:

Sr. No.	Case Reference No.	Tax Type	Date of Registration in FTO Secretariat	Date of Decision by the FTO	Days to FTO Decision	Review Filling Date*	Order In Review Date*	Representation Filling Date*	Representation Decision Date*	Final Resolution Date	Total Resolution Days	Procedural Pathway	Remanded/ Reopened
34.	**10983/KHI/ST/2024 (Case is remanded back by President)**	Sales Tax	09.12.2024	21/02/2025 Final date of decision: 09.04.2026	**74 days**	21.03.2025	10.04.2025 Remanded back review final date: 10.02.2026	07.11.2025 New Representation: 07.04.2026	29.01.2026 Final date (remanded back): 07.04.2026	09.04.2026	**486 days**	FTO → Review → Representation → Presidential Remand → Fresh Review → New Representation	Yes
35.	**10938/KHI/ST/2024**	Sales Tax	09.12.2024	21.02.2025	**74 days**	-	-	-	-	21.02.2025	**74 days**	Direct FTO Disposal	No
36.	**11407/KHI/ST/2024**	Sales Tax	18.12.2024	24.02.2025	**68 days**	-	-	-	-	24.02.2025	**68 days**	Direct FTO Disposal	No
37.	**0149/OM/2023**	Own Motion	20/12/2023	08/05/2025	**505 days**	-	-	26.06.2025	07.04.2026	07.04.2026	**839 days**	FTO → Representation	No
38.	**1874/ISB/CUST/2023**	Customs	05/04/2023	29/05/2023	**54 days**	01.06.2023 Another review filed 12.07.2024	26.07.2023 Decision of New Review 15.08.2024	04.10.2023	25.01.2024	15.08.2024	**498 days**	FTO → Review → Representation → Second Review	Yes
39.	**0085/OM/2023**	Own Motion	20/11/2023	01/02/2024	**73 days**	-	-	-	-	01/02/2024	**73 days**	Direct FTO Disposal	No
40.	**0010/OM/2023**	Own Motion	31/05/2023	15/04/2024	**320 days**	-	-	-	-	15/04/2024	**320 days**	Direct FTO Disposal	No
41.	**0148/OM/2023**	Own Motion	14/12/2023	02/04/2024	**110 days**	-	-	-	-	02/04/2024	**110 days**	Direct FTO Disposal	No
42.	**0133/OM/2023**	Own Motion	30/11/2023	26/03/2024	**117 days**	-	-	-	-	26/03/2024	**117 days**	Direct FTO Disposal	No
43.	**3019/LHR/IT/2023**	Income Tax	29/05/2023 Remanded back on 29/02/2024	01/08/2023 New decision after Remand back 14/03/2024	**64 days**	09.04.2024	24.05.2024	28.08.2023	25.01.2024	24.05.2024	**361 days**	FTO → Representation → Presidential Remand → Fresh Decision → Review	Yes

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Sr. No.	Case Reference No.	Tax Type	Date of Registration in FTO Secretariat	Date of Decision by the FTO	Days to FTO Decision	Review Filling Date*	Order In Review Date*	Representation Filling Date*	Representation Decision Date*	Final Resolution Date	Total Resolution Days	Procedural Pathway	Remanded/ Reopened
44.	**3014/LHR/IT/2023**	Income Tax	29/05/2023 Remanded back on 30/01/2024	09/08/2023 New decision after Remand back 14/03/2024	**72 days**	31.07.2024	09.10.2024	04.09.2023	30.01.2024	09.10.2024	**499 days**	FTO → Representation → Presidential Remand → Fresh Decision → Review	Yes
45.	**0144/OM/2023**	Own Motion	30/11/2023	16/02/2024	**78 days**	-	-	-	-	16/02/2024	**78 days**	Direct FTO Disposal	No
46.	**0050/OM/2023**	Own Motion	31/07/2023	16/02/2024	**200 days**	-	-	-	-	16/02/2024	**200 days**	Direct FTO Disposal	No
47.	**7546/ISB/CUST/2023**	Customs	29/12/2023	17/01/2024	**19 days**	26.01.2024	02.02.2024	12.02.2024	11.03.2024	11.03.2024	**73 days**	FTO → Review → Representation	No
48.	**6757/KHI/ST/2023**	Sales Tax	20/11/2023	12/02/2024	**84 days**	16.04.2024	06.08.2024	09.09.2024	08.04.2025	08.04.2025	**505 days**	FTO → Review → Representation	No
49.	**7312/ISB/IT/2023**	Income Tax	18/12/2023	29/01/2024	**42 days**	-	-	-	-	29/01/2024	**42 days**	Direct FTO Disposal	No
50.	**0146/OM/2023**	Own Motion	30/11/2023	25/01/2024	**56 days**	-	-	-	-	25/01/2024	**56 days**	Direct FTO Disposal	No
51.	**0056/OM/2023**	Own Motion	31/07/2023	08/01/2024	**161 days**	-	-	-	-	08/01/2024	**161 days**	Direct FTO Disposal	No
52.	**0017/OM/2023**	Own Motion	06/06/2023	01/02/2024	**240 days**	-	-	-	-	01/02/2024	**240 days**	Direct FTO Disposal	No
53.	**0084/OM/2023**	Own Motion	20/11/2023	26/12/2023	**36 days**	-	-	06.02.2024	02.01.2026	02.01.2026	**774 days**	FTO → Representation	No
54.	**0078/OM/2023**	Own Motion	31/08/2023	21/12/2023	**112 days**	-	-	19.01.2024	02.01.2026	02.01.2026	**854 days**	FTO → Representation	No
55.	**6854/KHI/ST/2023**	Sales Tax	24/11/2023	28/12/2023	**34 days**	-	-	-	-	28/12/2023	**34 days**	Direct FTO Disposal	No
56.	**6263/SUK/IT/2023**	Income Tax	25/10/2023	07/12/2023	**43 days**	-	-	-	-	07/12/2023	**43 days**	Direct FTO Disposal	No
57.	**6019/LHR/ CUST/2023**	Customs	12/10/2023	06/12/2023	**55 days**	27.12.2023	18.04.2024	-	-	18.04.2024	**189 days**	FTO → Review	No
58.	**5883/KHI/ST/2023**	Sales Tax	09/10/2023	14/11/2023	**36 days**	-	-	20.12.2023	21.08.2024	21.08.2024	**317 days**	FTO → Representation	No

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59.	**0081/OM/2023**	Own Motion	06/09/2023 Remanded back case received: 10/10/2024	30/11/2023 Remanded back decision: 23/10/2024	**85 days**			08.01.2024	16.09.2024	23.10.2024	**413 days**	FTO → Representation → Presidential Remand → Fresh Decision	Yes
60.	**0080/OM/2023**	Own Motion	31/08/2023	03/01/2024	**125 days**	-	-	15.04.2024	02.01.2026	02.01.2026	**855 days**	FTO → Representation	No
61.	**0043/OM/2023**	Own Motion	31/07/2023	02/11/2023	**94 days**	-	-	-	-	02/11/2023	**94 days**	Direct FTO Disposal	No
62.	**4366/LHR/IT/2023**	Income Tax	31/07/2023	14/11/2023	**106 days**	-	-	-	-	14/11/2023	**106 days**	Direct FTO Disposal	No
63.	**4849/ISB/CUST/2023**	Customs	21/08/2023	27/10/2023	**67 days**	28.11.2023	26.01.2024	-	-	26.01.2024	**158 days**	FTO → Review	No
64.	**0035/OM/2023**	Own Motion	31/07/2023	30/10/2023	**91 days**	-	-	-	-	30/10/2023	**91 days**	Direct FTO Disposal	No
65.	**0067/OM/2023**	Own Motion	11/08/2023	11/10/2023	**61 days**	-	-	-	-	11/10/2023	**61 days**	Direct FTO Disposal	No
66.	**0033/OM/2023**	Own Motion	31/07/2023	24/10/2023	**85 days**	-	-	07.12.2023	02.01.2026	02.01.2026	**886 days**	FTO → Representation	No
67.	**0032/OM/2023**	Own Motion	31/07/2023	24/10/2023	**85 days**	-	-	07.12.2023	02.01.2026	02.01.2026	**886 days**	FTO → Representation	No
68.	**5007/PWR/IT/2023**	Income Tax	25/08/2023	10/10/2023	**46 days**	-	-	-	-	10/10/2023	**46 days**	Direct FTO Disposal	No
69.	**5300/ISB/IT/2023**	Income Tax	07/09/2023	24/10/2023	**47 days**	-	-	29.11.2023	27.02.2024	27.02.2024	**173 days**	FTO → Representation	No
70.	**3084/LHR/ST/2023**	Sales Tax	31/05/2023	25/10/2023	**147 days**	-	-	29.11.2023	22.08.2024	22.08.2024	**449 days**	FTO → Representation	No
71.	**0074/OM/2023**	Own Motion	24/08/2023	21/09/2023	**28 days**	-	-	-	-	21/09/2023	**28 days**	Direct FTO Disposal	No
72.	**0073/OM/2023**	Own Motion	23/08/2023	21/09/2023	**29 days**	-	-	-	-	21/09/2023	**29 days**	Direct FTO Disposal	No
73.	**0072/OM/2023**	Own Motion	22/08/2023	21/09/2023	**30 days**	-	-	-	-	21/09/2023	**30 days**	Direct FTO Disposal	No
74.	**0069/OM/2023**	Own Motion	11/08/2023	21/09/2023	**41 days**	-	-	-	-	21/09/2023	**41 days**	Direct FTO Disposal	No

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75.	**4159/ISB/FE/2023**	Federal Excise (Sales Tax)	21/07/2023	12/09/2023	**53 days**	-	-	-	-	12/09/2023	**53 days**	Direct FTO Disposal	No
76.	**3739/QTA/IT/2023**	Income Tax	03/07/2023	06/09/2023	**65 days**	10.10.2023	28.11.2023	-	-	28.11.2023	**148 days**	FTO → Review	No
77.	**0063/OM/2023**	Own Motion	07/08/2023	31/08/2023	**24 days**	-	-	18.10.2023	02.01.2026	02.01.2026	**879 days**	FTO → Representation	No
78.	**3944/KHI/ST/2023**	Sales Tax	12/07/2023	04/09/2023	**54 days**	-	-	18.10.2023	18.03.2024	18.03.2024	**250 days**	FTO → Representation	No
79.	**0019/OM/2023**	Own Motion	19/07/2023	30/08/2023	**42 days**	-	-	-	-	30/08/2023	**42 days**	Direct FTO Disposal	No
80.	**4150/KHI/ST/2023**	Sales Tax	20/07/2023	25/08/2023	**36 days**	-	-	-	-	25/08/2023	**36 days**	Direct FTO Disposal	No
81.	**3172/ISB/ST/2023**	Sales Tax	05/06/2023	09/08/2023	**65 days**	-	-	21.09.2023	21.08.2024	21.08.2024	**443 days**	FTO → Representation	No
82.	**3855/KHI/IT/2023**	Income Tax	0/07/2023	11/08/2023	**32 days**	-	-	-	-	11/08/2023	**32 days**	Direct FTO Disposal	No
83.	**2217/KHI/ CUST/2023**	Customs	26/04/2023	01/08/2023	**97 days**	-	-	-	-	01/08/2023	**97 days**	Direct FTO Disposal	No
84.	**0006/OM/2023**	Own Motion	27/03/2023	10/08/2023	**136 days**	-	-	-	-	10/08/2023	**136 days**	Direct FTO Disposal	No
85.	**3554/QTA/IT/2023**	Income Tax	15/06/2023	07/08/2023	**53 days**	-	-	13.09.2023	18.03.2024	18.03.2024	**277 days**	FTO → Representation	No
86.	**3653/KHI/IT/2023**	Income Tax	23/06/2023	01/08/2023	**39 days**	-	-	-	-	01/08/2023	**39 days**	Direct FTO Disposal	No
87.	**1597/KHI/ST/2023**	Sales Tax	24/03/2023	27/07/2023	**125 days**	-	-	-	-	27/07/2023	**125 days**	Direct FTO Disposal	No
88.	**3177/FSD/IT/2023**	Income Tax	05/06/2023	24/07/2023	**49 days**	12.03.2025	13.03.2025	-	-	13.03.2025	**647 days**	FTO → Review	No
89.	**2987/ISB/CUST/2023**	Customs	25/05/2023	26/07/2023	**62 days**		-	-	-	26/07/2023	**62 days**	Direct FTO Disposal	No
90.	**3152/ISB/IT/2023**	Income Tax	01/06/2023	19/07/2023	**48 days**			15.08.2023	03.10.2023	03.10.2023	**124 days**	FTO → Representation	No
91.	**2673/KHI/ CUST/2023**	Customs	15/05/2023	11/07/2023	**57 days**			11.08.2023	18.09.2024	18.09.2024	**492 days**	FTO → Representation	No

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92.	**3589/KHI/IT/2023**	Income Tax	19/06/2023	12/07/2023	**23 days**	-	-	-	-	12/07/2023	**23 days**	Direct FTO Disposal	No
93.	**3234/ISB/IT/2023**	Income Tax	07/06/2023	06/07/2023	**29 days**	-	-	-	-	06/07/2023	**29 days**	Direct FTO Disposal	No
94.	**2842/ISB/IT/2023**	Income Tax	19/05/2023	05/07/2023	**47 days**	-	-	-	-	05/07/2023	**47 days**	Direct FTO Disposal	No
95.	**2632/KHI/IT/2023**	Income Tax	11/05/2023	06/07/2023	**56 days**			15.08.2023	18.03.2024	18.03.2024	**312 days**	FTO → Representation	No
96.	**2500/QTA/IT/2023**	Income Tax	08/05/2023	26/06/2023	**49 days**	-	-	-	-	26/06/2023	**49 days**	Direct FTO Disposal	No
97.	**2123/ISB/ST/2023**	Sales Tax	17/04/2023	17/05/2023	**30 days**	-	-	-	-	17/05/2023	**30 days**	Direct FTO Disposal	No
98.	**2387/KHI/ST/2023**	Sales Tax	02/05/2023	16/06/2023	**45 days**	-	-	25.07.2023	11.01.2024	11.01.2024	**254 days**	FTO → Representation	No
99.	**1994/ISB/IT/2023**	Income Tax	11/04/2023	19/06/2023	**69 days**	-	-	-	-	19/06/2023	**69 days**	Direct FTO Disposal	No
100.	**1200/SGD/ST/2023**	Sales Tax	06/03/2023	08/06/2023	**94 days**	-	-	-	-	08/06/2023	**94 days**	Direct FTO Disposal	No
101.	**2108/LHR/ST/2023**	Sales Tax	14/04/2023	08/06/2023	**55 days**	-	-	-	-	08/06/2023	**55 days**	Direct FTO Disposal	No
102.	**1718/PWR/ST/2023**	Sales Tax	30/03/2023	01/06/2023	**63 days**	-	-	-	-	01/06/2023	**63 days**	Direct FTO Disposal	No
103.	**1973/ISB/IT/2023**	Income Tax	10/04/2023	01/06/2023	**52 days**	-	-	-	-	01/06/2023	**52 days**	Direct FTO Disposal	No
104.	**1595/LHR/FE/2023**	Federal Excise (Sales Tax)	24/03/2023	29/05/2023	**66 days**	-	-	-	-	29/05/2023	**66 days**	Direct FTO Disposal	No
105.	**1633/LHR/ CUST/2023**	Customs	27/03/2023	18/05/2023	**52 days**	-	-	-	-	18/05/2023	**52 days**	Direct FTO Disposal	No
106.	**0003/OM/2023**	Own Motion	16/02/2023	11/05/2023	**84 days**	-	-	-	-	11/05/2023	**84 days**	Direct FTO Disposal	No
107.	**1785/MLN/ST/2023**	Sales Tax	03/04/2023	16/05/2023	**43 days**	-	-	-	-	16/05/2023	**43 days**	Direct FTO Disposal	No
108.	**0851/QTA/ CUST/2023**	Customs	16/02/2023	05/05/2023	**78 days**	-	-	-	-	05/05/2023	**78 days**	Direct FTO Disposal	No
109.	**1333/HUB/ST/2023**	Sales Tax	10/03/2023	05/05/2023	**56 days**	-	-	08.06.2023	16.01.2024	16.01.2024	**312 days**	FTO → Representation	No

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110.	**1566/KHI/IT/2023**	Income Tax	22/03/2023	27/04/2023 Remanded back and decided on 23/04/2025	**36 days**	-	-	12.06.2023	18.03.2024	23/04/2025	**763 days**	FTO → Representation → Presidential Remand → Fresh Decision	Yes
111.	**1345/ISB/IT/2023**	Income Tax	13/03/2023	27/04/2023	**45 days**	-	-	-	-	27/04/2023	**45 days**	Direct FTO Disposal	No
112.	**0958/PWR/ CUST/2023**	Customs	22/02/2023	27/04/2023	**64 days**	-	-	01.06.2023	11.01.2024	11.01.2024	**323 days**	FTO → Representation	No
113.	**1105/QTA/ CUST/2023**	Customs	02/03/2023	26/04/2023	**55 days**	-	-	-	-	26/04/2023	**55 days**	Direct FTO Disposal	No
114.	**1657/KHI/IT/2023**	Income Tax	28/03/2023	26/04/2023	**29 days**	-	-	-	-	26/04/2023	**29 days**	Direct FTO Disposal	No
115.	**0854/LHR/ST/2023**	Sales Tax	17/02/2023	17/04/2023	**59 days**	-	-	-	-	17/04/2023	**59 days**	Direct FTO Disposal	No
116.	**0699/LHR/ CUST/2023**	Customs	10/02/2023	10/04/2023	**59 days**	15.05.2023	21.06.2023	-	-	21.06.2023	**131 days**	FTO → Review	No
117.	**0714/KHI/ CUST/2023**	Customs	13/02/2023	07/04/2023	**53 days**	-	-	-	-	07/04/2023	**53 days**	Direct FTO Disposal	No
118.	**0550/MLN/IT/2023**	Income Tax	02/02/2023	24/03/2023	**50 days**	-	-	-	-	24/03/2023	**50 days**	Direct FTO Disposal	No
119.	**0197/MLN/ CUST/2023**	Customs	12/01/2023	15/03/2023	**62 days**	-	-	-	-	15/03/2023	**62 days**	Direct FTO Disposal	No
120.	**0256/ISB/ST/2023**	Sales Tax	17/01/2023	20/03/2023	**62 days**	-	-	-	-	20/03/2023	**62 days**	Direct FTO Disposal	No
121.	**0060/LHR/ST/2023**	Sales Tax	05/01/2023	06/03/2023	**60 days**	-	-	-	-	06/03/2023	**60 days**	Direct FTO Disposal	No
122.	**0579/ISB/IT/2023**	Income Tax	03/02/2023	15/02/2023	**12 days**	-	-	-	-	15/02/2023	**12 days**	Direct FTO Disposal	No
123.	**5265/ISB/ST/2023**	Sales Tax	05/09/2023	14/11/2023	**70 days**	-	-	-	-	14/11/2023	**70 days**	Direct FTO Disposal	No
124.	**4400/LHR/IT/2023**	Income Tax	01/08/2023	23/10/2023	**83 days**	-	-	-	-	23/10/2023	**83 days**	Direct FTO Disposal	No

Table S.1. *Supplementary Data, Federal Tax Ombudsman Secretariat, Adjudicatory Records Covering Matters Registered between January 2023 and February 2025.*

Sr. No.	Procedural Pathway	Number of Cases	Average Resolution Time	Fastest Case	Longest Case
1	**Direct FTO Disposal**	83 cases (66.9%)	Avg. FTO Decision: 77.2 days Avg. Total Resolution: 77.2 days	0579/ISB/IT/2023 (12 days)	0010/OM/2023 (320 days)
2	**FTO → Representation**	25 cases (20.2%)	Avg. FTO Decision: 86.4 days Avg. Total Resolution: 461.0 days Avg. Representation Phase: 374.6 days	2296/SGD/Cust/2024 (72 days)	0033/OM/2023 and 0032/OM/2023 (886 days each)
3	**FTO → Review Only**	5 cases (4.0%)	Avg. FTO Decision: 59.0 days Avg. Total Resolution: 254.6 days Avg. Review Phase: 195.6 days	0699/LHR/CUST/2023 (131 days)	3177/FSD/IT/2023 (647 days)
4	**FTO → Review → Representation**	5 cases (4.0%)	Avg. FTO Decision: 72.4 days Avg. Total Resolution: 299.4 days Avg. Review + Rep. Phase: 227.0 days	7546/ISB/CUST/2023 (73 days)	6757/KHI/ST/2023 (505 days)
5	**Complex / Presidential Remand**	6 cases (4.8%)	Avg. FTO Decision: 64.2 days Avg. Total Resolution: 503.3 days Avg. Post-FTO Phase: 439.1 days	3019/LHR/IT/2023 (361 days)	1566/KHI/IT/2023 (763 days)
TOTAL	**All Pathways Combined**	**124 cases (100%)**	**Avg. Total Resolution: 191.3 days** **Avg. FTO Decision: 77.5 days** Median FTO Decision: 62.0 days Median Total Resolution: 91.5 days	0579/ISB/IT/2023 (12 days)	0033/OM/2023 and 0032/OM/2023 (886 days each)

Table S.2. *Summary of Table S.1*

METRIC	VALUE / FINDING
Total Cases in Sample (Jan 2023 to Feb 2025)	124 cases
Cases by Year of Filing	2023: 89 cases | 2024: 26 cases | Jan-Feb 2025: 9 cases
Cases by Tax Type	Income Tax: 47 | Sales Tax: 33 | Customs: 28 | Own Motion: 14 | Others (Federal Excise, Reference): 2
OVERALL DISPUTE RESOLUTION TIME (ALL 124 CASES)	
Average Total Resolution Time (full process, all stages)	**191.3 days (approx. 6.4 months)**
Median Total Resolution Time (all cases)	91.5 days (approx. 3.1 months)
FIRST FTO DECISION TIME	
Average First Ombudsman Decision Time (all 124 cases)	**77.5 days (approx. 2.6 months)**
REPRESENTATION / APPEAL PHASE STATISTICS	
Cases with post-FTO proceedings (any review, representation, or remand)	41 cases (33.1% of sample)
Average additional time after FTO decision (41 contested cases only)	**344.2 days (approx. 11.5 months)**
Average Representation Phase alone (25 FTO to Representation cases)	374.6 days

Continuation Table:

METRIC	VALUE / FINDING
Average Review Phase alone (5 FTO to Review Only cases)	195.6 days
Average Review plus Representation Phase (5 FTO to Review to Rep cases)	227.0 days
Average total for Complex / Presidential Remand cases (6 cases)	**503.3 days**