LAHORE HIGH COURT RAWALPINDI BENCH RAWALPNDI

No 20154 **/Writ**

From

The Deputy Registrar (Judicial),
Lahore High Court Rawalpindi Bench,
Rawalpindi.

To,

1. **The Secretary Finance**, *Finance Division, Government of Pakistan, Pak Secretariat, Islamabad.*
2. **The Chairman,** *Federal Board of Revenue, FBR Headquarter, Constitution Avenue, Islamabad*
3. **The Commissioner,** *Inland Revenue, City Zone, Tax House, 12 Mayo Road, Regional Tax Office, Rawalpindi*

25 MAY 2026

M(2)

Subject: **CIVIL PETITION LEAVE TO APPEAL NO.2721 OF 2025**
Ch. Qaiser MEhmood
Versus
Federation of Pakistan through Secretary Finance, Islamabad & another

CIVIL PETITION LEAVE TO APPEAL NO.2727 OF 2025
Mobeen Akmal
Versus
Federation of Pakistan through Secretary Finance, Islamabad & another

25 MAY 2026

CIVIL PETITION LEAVE TO APPEAL NO.2728 OF 2025
Sajjad Haider
Versus
Federation of Pakistan through Secretary Finance, Islamabad & another

On Appeal from the Judgment/Order of the Lahore High Court, Rawalpindi Bench, Rawalpindi dated 18.03.2025 In ICA 74-23, 82-23 and 86-23.

Please circulate

Rawalpindi dated 21/5/**2026**

Memo,

In continuation of this Court's letter No.13425-27/Writ dated 27.03.2025, I am directed to forward herewith a Copy of Federal Constitutional Court of Pakistan, Islamabad order dated 07.05.2026 ~~28.11.2025~~*, passed in* **Civil Petition Leave to Appeal No.2721, 2727, 2728 OF 2025,** *alongwith its enclosures for information and immediate compliance in the above noted case.*

2/6

(Waqar Ahmed)
Assistant Registrar (Writ)
For Deputy Registrar (Judl)
20.05.2026

Endst.______**/Writ** **Dated**______**/2026**

Copy is forwarded to:-

The Court Associate for Registrar, Federal Constitutional Court of Pakistan, Islamabad, *with reference to his letter No.C.P.L.As.1442-K, 1443-K, 1444-K, 1445-K, 1446-K, 1447-K, 1448-K, 1449-K, 1540-K/2022 etc. FCPLA. No. s 845, 846/2026 etc, T. CASE No's 14,15,16,17,18,19,20,21,22 etc-FCCP Federal Constitutional Court of Pakistan, Islamabad, dated 12.05.2026.*

-sd-

(Waqar Ahmed)
Assistant Registrar (Writ)
For Deputy Registrar (Judl)

REGISTERED
FCA. Nos. 74 TO 3[illegible]/2026
(ARISING OUT OF)
CPLAs. 1442-K, 1443-K, 1444-K, 1445-K, 1446-K, 1447-K, 1448-K, 1449-K, 1450-K/2022 etc.
FCPLA. Nos. 845, 846/2026 etc.
T. CASE Nos. 14, 15, 16, 17, 18, 19, 20, 21, 22 etc.-FCCP
Federal Constitutional Court of Pakistan.

Islamabad, Dated. 12.05.2026

Diary No. 9921
Dated 14-05-26

14.5.26
A.R (writ)

From,

The Registrar,
Federal Constitutional Court of Pakistan,
Islamabad.

To,

1. **The Registrar,**
   Lahore High Court,
   Lahore.

2. **The Registrar,**
   High Court of Sindh,
   Karachi.

3. **The Additional Registrar,**
   Lahore High Court, Rawalpindi Bench,
   Rawalpindi.

4. **The Registrar,**
   Islamabad High Court,
   Islamabad.

5. **The Registrar,**
   Peshawar High Court,
   Peshawar.

6. **The Registrar,**
   High Court of Balochistan,
   Quetta.

Subject: FEDERAL CIVIL APPEAL. Nos. 74 TO 3[illegible]/2026 (ARISING OUT OF) CPLAs. 1442-K, 1443-K, 1444-K, 1445-K, 1446-K, 1447-K, 1448-K, 1449-K, 1450-K/2022 etc.
FEDERAL CIVIL PETITION FOR LEAVE TO APPEAL Nos. 845, 846/2026 etc.
TRASNFER CASE Nos. 14, 15, 16, 17, 18, 19, 20, 21, 22 etc.

Contd. Next Page

<u>C.P.L.A.3206/2024</u> *[against the judgment dated 15.02.2024 passed by the Lahore High Court, Lahore in I.C.A.60182/2023]*	Sh. Fezan Majid Kapur *Vs.* The Commissioner Inland Revenue, Lahore and others
<u>C.P.L.A.3207/2024</u> *[against the judgment dated 15.02.2024 passed by the Lahore High Court, Lahore in I.C.A.60328/2023]*	Jawad Arshad *Vs.* The Commissioner Inland Revenue, Lahore and others
<u>C.P.L.A.3208/2024</u> *[against the judgment dated 15.02.2024 passed by the Lahore High Court, Lahore in I.C.A.65110/2023]*	Sh. Amer Majid Kapur *Vs.* The Commissioner Inland Revenue. Lahore and others
<u>C.P.L.A.3209/2024</u> *[against the judgment dated 15.02.2024 passed by the Lahore High Court, Lahore in I.C.A.65125/2023]*	Sh. Muhamamd Majid Kapur *Vs.* The Commissioner Inland Revenue. Lahore and others
<u>C.P.L.A.3267/2024</u> *[against the judgment dated 15.02.2024 passed by the Lahore High Court, Lahore in I.C.A.60244/2023]*	Imran Mukhtar Chaudhary and another *Vs.* The Commissioner Inland Revenue, Large Taxpayer Office, Income Tax, Lahore and others
<u>C.P.L.A.3266/2024</u> *[against the judgment dated 08.05.2024 passed by the High Court Of Sindh, Karachi in Const.P.2141D/2024]*	Mr. Sohail Yasin & others *Vs.* The Federation of Pakistan thr. Secretary Revenue, Islamabad & another
<u>C.P.L.A.2616-L/2024</u> *[against the judgment dated 15.02.2024 passed by the Lahore High Court, Lahore in I.C.A.57311/2023]*	Rana Nasim Ahmad *Vs.* The Commissioner Inland Revenue, Lahore
<u>C.P.L.A.214-L/2025</u> *[against the judgment dated 15.02.2024 passed by the Lahore High Court, Lahore in I.C.A.59934/2023]*	Muhammad Omer Monnoo *Vs.* Commissioner Inland Revenue, Lahore and others
<u>C.P.L.A.215-L/2025</u> *[against the judgment dated 15.02.2024 passed by the Lahore High Court, Lahore in I.C.A.59674/2023]*	Hamayun Monnoo *Vs.* Commissioner Inland Revenue, Lahore
<u>C.P.L.A.220-L/2025</u> *[against the judgment dated 15.02.2024 passed by the Lahore High Court, Lahore in I.C.A.58949/2023]*	Farah Humayun Monnoo *Vs.* Commissioner Inland Revenue, Lahore
<u>C.P.L.A.544-L/2025</u> *[against the judgment dated 15.02.2024 passed by the Lahore High Court, Lahore in I.C.A.59021/2023]*	Muhammad Adrees *Vs.* Commissioner Inland Revenue and others
<u>C.P.L.A.817-L/2025</u> *[against the judgment dated 10.12.2024 passed by the Lahore High Court, Lahore in W.P.77342/2024]*	Mrs. Munaza Khurram *Vs.* Federation of Pakistan through Secretary Finance, Islamabad and others
<u>C.P.L.A.2721/2025</u> *[against the judgment dated 18.03.2025 passed by the Lahore High Court, Rawalpindi Bench. Rawalpindi in I.C.A.74/2023]*	Ch. Qaiser Mehmood *Vs.* Federation of Pakistan, through Secretary Finance Islamabad and others

C.P.L.A.2727/2025 *[against the judgment dated 18.03.2025 passed by the Lahore High Court, Rawalpindi Bench, Rawalpindi in I.C.A.82/2023]*	Mobeen Akmal *Vs.* Federation of Pakistan through Secretary Finance Pak Islamabad and others
C.P.L.A.2728/2025 *[against the judgment dated 18.03.2025 passed by the Lahore High Court, Rawalpindi Bench, Rawalpindi in I.C.A.86/2023]*	Sajjad Haider *Vs.* Federation of Pakistan through Secretary Finance Islamabad and others
C.P.L.A.2736/2025 *[against the judgment dated 09.04.2025 passed by the Lahore High Court, Rawalpindi Bench, Rawalpindi in W.P.2598/2022]*	Rawalpindi Chamber of Commerce and Industries, Rawalpindi through its President *Vs.* Federation of Pakistan through Secretary Law and Justice, Islamabad and another
C.P.L.A.2109-L/2025 *[against the judgment dated 10.10.2025 passed by the Lahore High Court, Lahore in W.P.59685/2025]*	Muhammad Azam *Vs.* The Federation of Pakistan through Secretary Finance, Islamabad and Others
C.P.L.A.5688/2024 *[against the judgment dated 17.10.2024 passed by the Peshawar High Court, Peshawar in W.P.5787P/2023]*	Commissioner Inland Revenue, Regional Tax Office, Income Tax Officer, Peshawar *Vs.* Haji Khayal Badshah through Attorney, Mir Zaman Khan, Islamabad
C.P.L.A.690-L/2025 *[against the judgment dated 09.04.2025 passed by the Lahore High Court, Lahore in W.P.20783/2025]*	Sajid Saleem Minhas *Vs.* The Federation of Pakistan through Secretary Finance, Islamabad and others
C.P.L.A.167-Q/2024 *[against the judgment dated 31.05.2024 passed by the High Court Of Balochistan, Quetta in C.P.2058/2022]*	Commissioner Inland Revenue Zone-I, Regional Tax Office, Quetta *Vs.* Quetta Chamber of Commerce & Industry Through its representative
C.P.L.A.168-Q/2024 *[against the judgment dated 31.05.2024 passed by the High Court Of Balochistan, Quetta in C.P.958/2023]*	Commissioner Inland Revenue Zone-I, Regional Tax Office, Quetta *Vs.* Usama Zaheer
T.Case8/2026 *[I.C.A.113/2024 transferred from Islamabad High Court, Islamabad]*	Commissioner Inland Revenue Zone-AEOI *Vs.* Waheed Ashraf & others
T.Case9/2026 *[I.C.A.136/2024 transferred from Islamabad High Court, Islamabad]*	Commissioner Inland Revenue, LTO *Vs.* Muhammad Tariq & others
T.Case10/2026 *[I.C.A.137/2024 transferred from Islamabad High Court, Islamabad]*	Commissioner Inland Revenue, LTO Zone-II *Vs.* Muhammad Kaleem Ullah & others
T.Case11/2026 *[I.C.A.138/2024 transferred from Islamabad High Court, Islamabad]*	Commissioner Inland Revenue, LTO Zone-II *Vs.* Muhammad Asad & others
T.Case12/2026 *[I.C.A.139/2024 transferred from Islamabad High Court, Islamabad]*	Commissioner Inland Revenue, LTO Zone-II *Vs.* Muzaffar Ahmad Virk & others
T.Case13/2026 *[I.C.A.140/2024 transferred from Islamabad High Court, Islamabad]*	Commissioner Inland Revenue, LTO Zone-II *Vs.* Muhammad Naeem & others

SHORT ORDER

AMIN-UD-DIN KHAN, CJ.- The insertion of Section 7E in the Income Tax Ordinance, 2001, through the Finance Act, 2022, was assailed before all the provincial High Courts, including the Islamabad High Court, on constitutional grounds. The Peshawar High Court and the High Court of Balochistan declared the impugned provision to be ultra vires the Constitution and struck it down. The Islamabad High Court, while not invalidating the provision in its entirety, read it down and declared subsection (2) thereof to be ultra vires the Constitution. Against the judgment of the Single Judge of the Islamabad High Court, I.C.As were pending before the division bench of the Islamabad High Court and two writ petitions were also pending, which were requisitioned vide order dated 06.04.2026 in the light of Article 175E(5) of the Constitution and same were transferred to this Court. A learned Single Judge of the Lahore High Court allowed the writ petitions; however, the said judgment was reversed in intra-court appeals by a Division Bench, which allowed the appeals and dismissed the petitions. The High Court of Sindh similarly dismissed the constitutional petitions. Consequently, the taxpayers assailed the judgments of the Lahore High Court and the High Court of Sindh, whereas the Federal Government/Federal Board of Revenue/Commissioner Inland Revenue challenged the judgments rendered by the Peshawar, Balochistan, and Islamabad High Courts.

2. Having heard the learned counsel for the parties at considerable length and upon due deliberation, we are persuaded to hold that Section 7E of the Income Tax Ordinance, 2001, is ultra vires the Constitution, and is accordingly struck down, being void ab initio. For the reasons to be recorded separately, all the civil petitions filed by the taxpayers against the judgments of the High Court of Sindh and the Lahore High Court are converted into

T. Case 41/2026
[W.P. 1366/2024 transferred from Islamabad High Court, Islamabad]

Ahmed Ibrahim ***Vs.*** *The Federation of Pakistan, through Secretary Finance & others*

Dear Sir,

I am directed to enclose herewith a certified copy of the Short-Order of this Court dated 07/05/2026 that all the civil petitions filed by the taxpayers against the judgments of the High Court of Sindh and Lahore High Court are converted into appeals and allowed while Civil petitions filed by the FBR/CIR against the judgments of the Peshawar High Court and the High Court of Balochistan are dismissed The transferred cases are disposed of accordingly. Consequently, all actions, proceedings, and notices initiated or taken by the FBR/CIR under section 7E are declared to be without lawful authority and are hereby set aside in the above cited cases in the terms stated therein for information and further necessary action.

The Operative part of this Court Short-order is reproduced here as under:

> ***"... all the civil petitions filed by the taxpayers against the judgments of the High Court of Sindh and Lahore High Court are converted into appeals and allowed while civil petitions filed by the FBR/CIR against the judgments of the Peshawar High Court and the High Court of Balochistan are dismissed. The transferred cases are disposed of accordingly. Consequently, all actions, proceedings, and notices initiated or taken by the FBR/CIR under section 7E are declared to be without lawful authority and are hereby set aside"***

Please acknowledge receipt of this letter along with its enclosure immediately.

Encl: Short-Order

ASSISTANT REGISTRAR (IMP)

appeals and allowed while civil petitions filed by the FBR/C.I.R against the judgments of the Peshawar High Court and the High Court of Balochistan are dismissed. The transferred cases are disposed of accordingly. Consequently, all actions, proceedings, and notices initiated or taken by the FBR/C.I.R under Section 7E are declared to be without lawful authority and are hereby set aside.

Sd/-

Sd/-

Certified to be True

Senior Court Associate
Federal Constitutional Court of Pakistan
Islamabad

Announced in Open Court at Islamabad on 07/05/2026.

APPROVED FOR REPORTING

06.05.2026
RajaAhsan/-

Certified to be True Copy
21 MAY 2026
Examiner Copy Supply Section
Authorised under Article-87
Qanun-e-Shahadat Order-1984