

**THE REPUBLIC OF UGANDA**

**IN THE TAX APPEALS TRIBUNAL REGISTRY AT KAMPALA**

**APPLICATION TAT NO. 103 OF 2025**

**AGGREKO INTERNATIONAL SERVICES LTD .....APPLICANT**

**VERSUS**

**UGANDA REVENUE AUTHORITY ..... RESPONDENT**

**BEFORE: MS. CRYSTAL KABAJWARA, MS. PROSCOVIA R NAMBI,**

**MRS. STELLA NYAPENDI CHOMBO**

**RULING**

**I. Introduction**

1. This ruling is in respect of a preliminary objection raised by the Respondent seeking a declaration that:
  - (i) This application is dismissed with costs to the Respondent for failure to comply with the statutory requirement to pay 30 percent of the tax assessed, or that part of the tax assessed not in dispute.

**II. Background Facts**

2. The Applicant is a foreign company that previously carried on the business of electricity generation and supply in Uganda. To facilitate its business operations in Uganda, the Applicant registered for various taxes.
3. On 17 May 2023, the Respondent issued the Applicant a reminder notice requiring the Applicant to pay Shs. 44,608,947,330, comprising VAT of Shs.43,327,140,159, income tax of Shs.1,277,233,136 and PAYE of Shs.4,57,036. The Applicant filed this application challenging the methodology used by the Respondent to allocate payments to the Applicant's ledger. This created a liability of Shs. 33,718,915,000 on the Applicant's tax ledger.

4. When the matter came up for conferencing on 21 August 2025, the Respondent raised a preliminary objection that the application is improperly before the Tribunal because the Applicant did not pay 30 per cent of the assessed tax as required by Section 15(1) of the Tax Appeals Tribunal Act.

### III. Issues for Determination

5. The issue to be determined is whether the Applicant is required to pay 30 percent of the tax assessed or that part of the tax assessed not in dispute.

### IV. Representation

6. The Respondent was represented by Mr. Bruno Kalibaala and Mr. Bruno Amanya Edwin, while Mr. Nuwaha Barnabas represented the Respondent.

### V. The Respondent's written submissions on the preliminary point of law

7. The Respondent submitted that this application is not properly before the Tribunal because the Applicant has not complied with the requirement to pay 30 percent of the tax assessed as per section 15 of the Tax Appeals Tribunal Act, Cap. 341 ("the TAT Act")
8. The Respondent submitted that **Section 15 of the Tax Appeals Tribunal Act Cap 341** provides:

*"A taxpayer who has lodged a notice of objection to an assessment shall, pending final resolution of the objection, pay 30 percent of the tax assessed or that part of the tax assessed not in dispute, whichever is greater."*

9. The Respondent cited ***Nile Breweries Authority V Uganda Revenue Authority Civil Appeal No. 014 of 2022***, where Hon. Justice Stephen Mubiru held:

*"Self-assessment is technically not a mere report of taxable income by the taxpayer that forms part of their tax returns; it is an actual assessment of the amount of tax payable. It thus fits within the type of assessment that is envisaged by Section 15(1) of the Tax Appeals Tribunal Act."*

10. That section, therefore, does not exclusively refer to an assessment by the tax administrator; it also includes a self-assessment. The obligation to pay 30% tax before resolution applies only after a tax dispute is submitted to the jurisdiction of the Tribunal. Tax disputes arise when there is a disagreement between taxpayers and the tax authority regarding the interpretation or application of tax laws.

11. The Respondent also cited the case of ***Uganda Projects Implementation and Management Centre Vs. Uganda Revenue Authority, Supreme Court Constitutional Appeal No. 2 of 1999***, where the court held:

*"The statutory requirement in the then VAT Act (similar to s.15 of the TAT Act), requiring a taxpayer who has lodged a notice of objection to an assessment to, pending final resolution of the objection, pay 30 percent of the tax assessed or that part of the tax assessed not in dispute, whichever is greater, is constitutional, and did not infringe on the right to a fair hearing, under the Constitution of Uganda and the right to equal treatment before and under the law."*

12. The Respondent further relied on the case of ***Elgon Electronic Versus Uganda Revenue Authority HCCA 11 OF 2007***, where the Hon. Justice Geoffrey Kiryabwire held that the provisions of Section 15(1) of the Tax Appeals Tribunal Act are mandatory and that the requirement is a legal doctrine that is in line with the "pay now and argue later" principle.
13. The Respondent submitted that the Applicant disputed the outstanding tax of Shs. 33,718,915,000 as reflected on their tax ledger balance at the time of filing the TAT Application. The basis of their challenge is that they allegedly paid all the principal tax liabilities, and the Respondent allegedly applied payments illegally and erroneously. Further, the Respondent allegedly failed to waive interest and penalties outstanding as of 30 June 2020.
14. Furthermore, the Respondent contended that the tax in dispute is expressly affirmed in paragraph 2(d) of the Applicant's own application. Therefore, the Applicant ought to have deposited 30% of the amount in dispute, which translates to Shs. 10,115,674,500 before proceeding. However, no such payment has been made.
15. The Respondent relied on ***Nile Breweries Authority V Uganda Revenue Authority Civil Appeal No. 014 of 2022***, where Hon. Justice Stephen Mubiru clarified the scope of Section 15 of the Tax Appeals Tribunal Act as follows:

*"Appeals to the Tribunal are preferred on the basis of taxation decisions or objection decisions. Section 15 (1) of The Tax Appeals Tribunals Act*

*requires the deposit to be made pending final resolution of the objection. It therefore applies to the scope of the amount in dispute submitted to the jurisdiction of the Tribunal. Sometimes the entire amount will be in dispute, while on other occasions only a part of it may be in dispute. Where the entire amount demanded is in dispute, the 30% deposit requirement will be applied to the entire amount in dispute. Where only a part of the amount assessed is in dispute, the 30% deposit requirement will be applied either to that part of the amount assessed that is not in dispute or to the part that is in dispute, whichever is greater."*

16. In addition to the above, the Respondent also cited ***Bullion Refinery Limited V Uganda Revenue Authority, TAT Application No. 36 of 2021***, where the Tribunal found that the application was not properly before the Tribunal on account of the failure to pay 30% of the tax in dispute.
- VI. The Applicant's submission in reply to the preliminary objection
17. The Applicant submitted that it self-assessed and paid a total liability of Shs 190,651,645,662, comprising VAT of Shs 155,667,654,961, Income tax of Shs. 32,714,956,884, and PAYE of Shs. 2,269,033,817, fully discharging its tax liability. However, the Respondent allocated portions of these payments to clear alleged accumulated interest, resulting in the contested outstanding balance of Shs. 33,718,915,000. The Applicant contests this position, which is a result of the Respondent's erroneous allocation of payments.
  18. The Applicant submitted that the obligation to pay 30% is inapplicable in this case because the alleged liability arises from the Respondent's contested allocation of payments and not from any assessment. The Applicant also argues in the alternative that, should the Tribunal find that an assessment exists, the obligation to pay 30% has already been satisfied.
  19. The Applicant further submitted that the dispute before this Honourable Tribunal (methodology and manner of allocating Applicant's payments) is entirely a question of law in respect of which the obligation to pay 30% does not arise.
  20. The Applicant submitted that the Respondent's preliminary objection hinges on Section 15 (1) of the TAT Act, which requires a taxpayer who has lodged a notice of objection to an assessment to pay 30% of the tax assessed or that part of the tax assessed not in dispute, whichever is higher.

21. The Applicant submitted that Section 15 (1) of the TAT Act provides:

*"A taxpayer who has lodged a notice of objection to an assessment shall, pending final resolution of the objection, pay 30 percent of the tax assessed or that part of the tax assessed not in dispute, whichever is greater."*

22. The Applicant submitted that a plain reading of the above provision clearly shows that for it to apply, two conditions must exist, i.e., there has to be an assessment, and secondly, the taxpayer against whom such an assessment has been issued must have lodged a notice of objection to such an assessment. For reasons explained below, neither condition exists in this case.

23. The Applicant submitted that the Respondent's submission on the decision of the High Court in ***Nile Breweries Limited Vs Uganda Revenue Authority, Civil Appeal No. 014 of 2022***, that the Applicant's returns are assessments, is misleading and simplistic. Further, the Respondent's arguments disregard the procedural architecture of Section 15 (1) of the TAT Act and the Tax Procedure Code Act Cap 343 ("TPCA"), which conditions its applicability to a taxpayer lodging a notice of objection to an assessment.

24. The Applicant further submitted that Section 15 (1) of the TAT Act must be interpreted harmoniously with the procedural scheme of assessments and objections provided for under the TPCA.

25. In ***Uganda Revenue Authority v COWI A/S (Civil Appeal 34 of 2020)***, the High Court, while discussing the harmonious rule of statutory interpretation, stated:

*"The harmonious rule of legislative interpretation is adopted when there is a conflict between two or more statutes or between two provisions of the same statute. The rule requires that a legislative instrument must be construed on the prima facie basis that its provisions are intended to give effect to harmonious goals. The provisions of one statute should be interpreted in harmony with the tenor of other statutory provisions or the overall statutory purpose..."*

26. The Applicant submitted that while the TPCA defines “tax assessment” to include self-assessments, this definition cannot be transplanted into Section 15(1) of the TAT Act in isolation of the attendant procedural architecture. A self-assessment is voluntarily declared by the taxpayer through the respective returns and cannot sensibly be the subject of a notice of objection (envisaged under Section 15(1) of the TAT Act) since one cannot logically object against their own return.
27. The Applicant further submitted that a taxpayer who wishes to alter any aspect of their self-assessment would only amend the respective return in accordance with Section 25(3) of the TPCA. The law, read as a whole, does not envisage a taxpayer lodging a notice of objection against their own return/assessment.
28. The Applicant submitted that Section 15 (1) of the TAT Act applies only to assessments initiated by the Respondent, i.e. default assessments, advance assessments, and additional assessments, against which a taxpayer has lodged a notice of objection.
29. Furthermore, the Applicant submitted that the Respondent has not provided evidence of any default, advance, or additional assessment issued by it in respect of the contested sum, against which the Applicant would have lodged a notice of objection to trigger the applicability of Section 15 (1) of the TAT Act. Indeed, no such assessment exists because the contested sum arises only from the Respondent's erroneous allocation of payments made by the Applicant.
30. The Applicant cited the Tribunal's decision in ***Alpha Woolen (U) Limited Vs Uganda Revenue Authority TAT No 40 of 2023*** where the Tribunal dismissed the Respondent's preliminary objection due to failure by the Respondent to provide evidence of an assessment, thereby lacking a basis for enforcing the obligation to pay the 30% deposit.
31. The Applicant further submitted that in this case, the Applicant's tax ledgers, prepared and maintained by the Respondent itself, show that there were no assessments raised or issued against the Applicant. The Applicant prayed that the Tribunal reject the Respondent's preliminary point of law on the basis that there is no assessment as envisaged under Section 15 (1) of the TAT Act.

32. The Applicant further submitted that in the alternative and without prejudice to the foregoing, if self-assessment returns are taken to be assessments for purposes of S. 15 (1) of the TAT Act, then the obligation to pay 30% of the tax assessed or that part of the tax assessed not in dispute, whichever is greater, has already been satisfied. The Applicant further submitted that the contested sum is part of the tax declared in the Applicant's self-assessment returns and, in some instances, interest and penalties. Whereas the Applicant's position is that the total amount declared under its self-assessment returns has been paid, with interest and penalties being waived by the law, the Respondent alleged that Shs 33,718,915,000 of the same remained outstanding.
33. The Applicant submitted that the Respondent's preliminary objection appears to be based on a proposition that Shs. 33,718,915,000, is the assessed tax for Section 15(1) of the TAT Act. The assessments in this case would be the Applicant's self-assessment returns and therefore, the assessed tax is the total amount declared under the respective returns (and the attendant penalties and interest).
34. The Applicant further submitted that the total self-assessed tax is Shs. 242,811,198,329, and the undisputed payments made by the Applicant are Shs. 190,413,221,064. That alone accounts for more than 50% of the assessed tax, and therefore, the requirement to pay 30%, pursuant to Section 15 (1) of the TAT, would be satisfied.
35. The Applicant stated that going by the case of ***Nile Breweries (supra)***, the Applicant's position is that the requirement has already been satisfied. In the case, the Honourable Justice Stephen Mubiru reasoned that;
- “...Where only a part of the amount assessed is in dispute, the 30% deposit requirement will be applied either to that part of the amount assessed that is not in dispute or to the part that is in dispute, whichever is greater.”*
36. The Applicant submitted that applying the above approach, the Applicant would be required to pay either 30% of the amount in dispute, or 30% of the amount not in dispute, whichever is greater. Going by the extracted ledgers, the disputed amount is Shs. 33,718,915,000, 30% of which is Shs.

10,115,674,500. The amount not in dispute is Shs. 190,413,221,064, 30% of which is UGX 57,123,966,319.

37. Therefore, the Applicant has already paid the deposit and the Respondent, vide its ledgers, has acknowledged payment of the entire amount not in dispute. Therefore, the Applicant has satisfied the 30% requirement.
38. The Applicant also submitted that the obligation to pay 30% does not arise in this case because the dispute is purely a question of law. The dispute arose in 2022 when the Applicant discovered anomalies in its ledger, which showed that although the Applicant had paid all its self-assessed tax, a liability existed. After a detailed reconciliation, the Applicant discovered, among other issues, a misallocation of payments by the Respondent.
39. The Applicant submitted that it engaged the Respondent on the misallocation of its payments, which resulted in artificial liabilities being shown on the Applicant's ledger. After a series of engagements, the Respondent vide a letter dated 10 March 2025 insisted that its allocation of the payments made by the Applicant was done in accordance with the law, prompting the Applicant to file this application.
40. The Applicant submitted that the only point of contention between the parties is whether payments made by the Applicant were properly and lawfully allocated by the Respondent. In the case of *Nile Breweries Limited v Uganda Revenue Authority, Civil Appeal No. 14 of 2022*, the High Court defined a question of law as one concerning the correct legal test, interpretation, or application.
41. The Applicant relied on *Fuelex (U) Limited v Uganda Revenue Authority, Constitutional Petition No.1 of 2009* where the Constitutional Court, in interpreting section 15 (1) of the TAT Act, held that the section applies to disputes about the amount of tax assessed but does not extend to cases where the dispute is of a different nature, for instance, where a taxpayer asserts exemption, a waiver, non-taxpayer status, or a challenge that the tax was assessed under a wrong or non-existent law.
42. In addition to the above, the Applicant submitted that the court further cautioned that applying the 30 percent requirement to disputes that are purely legal or technical in nature would raise constitutional concerns. The

present matter, which challenges the legality of payment allocation, falls within this protected category.

VII. The Determination of the Tribunal

43. Having read the submissions of both parties, this is the Tribunal's decision.
44. The Respondent raised a preliminary point of law that the Applicant has not paid 30 per cent of the tax in dispute as required by section 15 of the TAT Act. The section provides:

*“A taxpayer who has lodged a notice of objection to an assessment shall, pending final resolution of the objection, pay 30 percent of the tax assessed or that part of the tax assessed not in dispute, whichever is greater.”*

45. The Applicant contends that they are not required to pay the deposit since the Respondent has not raised an assessment, as required under section 15 of the TAT Act. Further, the Applicant submitted that the dispute is purely a question of law arising from the misallocation of tax payments on the Applicant's ledger. Consequently, it falls within the exception formed by the Fuelex case, where it was held that the requirement under section 15 of the TAT Act does not apply to disputes that are entirely questions of law.
46. On the other hand, the Respondent contends that the 30 per cent deposit is payable. Specifically, the Respondent has argued that the term “assessment” as used in section 15 of the TAT Act includes a self-assessment which can also form the basis of the deposit.
47. We have considered all the arguments and counterarguments and we determine as follows:

**(i) The absence of an assessment**

Section 15 of the TAT Act requires a taxpayer who has lodged a notice of objection to an assessment to pay 30 percent of the tax assessed. Therefore, an assessment, against which an objection has been lodged, is a prerequisite for the 30 per cent deposit.

48. In *Rabika Fashions Limited V Uganda Revenue Authority, TAT Application No.259 of 2024*, it was held that the requirement to pay the 30 per cent deposit does not apply to a challenge where there is no formal assessment.

49. Further, in the case of *Alpha Woolen (U) Limited Vs Uganda Revenue Authority, TAT Application No. 40 of 2023*, the Tribunal found that in the absence of an assessment, the deposit was not due as there was no basis upon which the said tax liability could be paid.

50. Section 15 of the TAT Act clearly envisages an assessment that has been issued by the Respondent, challenging the Applicant's self-declaration/ self-assessment. Furthermore, the taxpayer is required to have objected to the assessment. A taxpayer cannot object to a self-assessment, which has been voluntarily filed as their self-declaration. This goes against the letter and spirit of both Section 26 of the TPCA and section 15 of the TAT Act, which deal with objections against tax decisions.

51. Section 26 of the TPCA provides:

*"A person who is dissatisfied with a tax decision may lodge an objection with the Commissioner General within forty-five days after receiving notice of the tax decision."*

52. The above provision shows that the objection and appeals process is hinged on a dissatisfied taxpayer. To simplify the analysis, we have developed a basic line of questioning below:

- (i) What would the taxpayer be dissatisfied with? A tax decision.
- (ii) Who makes a tax decision? The Respondent (URA).
- (iii) What is a tax decision? It includes an assessment.
- (iv) What does the taxpayer do if they are dissatisfied with the decision? They lodge an objection.
- (v) To whom? The Commissioner General
- (vi) When? Within 45 days of receiving the notice of the tax decision.
- (vii) Who would have issued the notice of the tax decision? The Respondent.

53. Let's turn to section 26 (5) of the TPCA, which provides:

*"The Commissioner General may make a decision on an objection ..."*

- (i) What happens after a taxpayer lodges an objection? The Commissioner makes a decision.

Let's go further to section 27 of the TPCA, which provides:

*“A person dissatisfied with an objection decision may, within thirty days after being served with a notice of the objection decision, lodge an application with the Tribunal for review of the objection decision.”*

Lastly, let's return to section 15 of the TAT Act, which provides:

*“A taxpayer who has lodged a notice of objection to an assessment shall...”*

54. Looking at the totality of all the above provisions, and adopting a harmonious interpretation, is it logically possible for a taxpayer to object to their own self-assessment? No. This is also supported by publicly available information on the Respondent's website as shown below.



## Objections and Appeals

An objection is a formal communication from a taxpayer showing dissatisfaction of an assessment raised by URA.

55. Having considered all the above and established that an assessment against which an objection is lodged cannot be a self-assessment, we now turn to the facts of the present case.
56. In the present case, the purported liability arises from the Applicant's tax ledger. A taxpayer's ledger is not an assessment. A ledger is a record of a taxpayer's transactions, such as provisional and final tax returns filed, assessments raised by the Respondent, penalties, interest, payments made, tax waivers etc. Since the ledger contains a column dedicated to assessments, one would have expected all assessments raised by the Respondent to reflect on the ledger. In the present case, there are currently no outstanding assessments reflected on the Applicant's ledger.
57. The importance of assessments cannot be overemphasised - they provide both the taxpayer and the revenue authority with certainty as to the tax liability. They are a tool for enforcing compliance, accountability and

transparency. A tax liability that the Respondent believes to be due and payable must be assessed and not theoretical.

**(ii) The alternative argument**

58. In response to the Respondent's argument that the term "assessment" as used in section 15 of the TAT Act includes a self-assessment, the Applicant countered that the proposition would result in the Applicant not paying the 30 per cent deposit. This is because the self-assessed tax, which is the tax not in dispute, is greater than or exceeds the tax in dispute.

59. The Applicant premised their argument on section 15 of the TAT Act, which requires the taxpayer to:

*"pay 30 percent of the tax assessed or that part of the tax assessed not in dispute, whichever is greater."*

60. The Applicant submitted that the tax not in dispute is greater than the tax assessed. This is because the Applicant's total self-assessed tax is Shs. 242,811,198,329, of which the undisputed payments made by the Applicant total to Shs. 190,413,221,064. 30 percent of this undisputed amount is Shs. 57 million, it exceeds 30% of the purported liability of Shs. 33,718,915,000, which is Shs. 10.11 million.

61. Therefore, following through the Respondent's argument to its logical conclusion, Applicant would be considered to have fulfilled the 30 percent requirement.

62. While we appreciate the Applicant's analysis, we have already concluded that the Respondent's argument that the term "assessment" as used in section 15 of the TAT Act includes a self-assessment would create an absurdity that was never contemplated by the Legislature. This is because it is highly improbable that a taxpayer can object to their own self-declaration. Therefore, adopting both the Respondent's argument and the Applicant's counterargument would lead us down the path of academic debate rather than the practical and real-world application of the tax law.

**(iii) Whether the dispute falls within the Fuelex exception**

63. The Respondent has submitted that the requirement to pay the 30 per cent deposit is mandatory. On the other hand, the Applicant has argued that the

dispute falls within the exception created by the **Fuelex (supra)** case. The exception is that the 30 per cent deposit is not mandatory where the dispute concerns the interpretation or application of the tax law, i.e., questions of law. However, where the dispute is both arithmetic and legal, the deposit applies.

64. In the Fuelex Case, the Hon. Justice Kakuru held:

*"It appears to me quite clearly that, the reference to an assessment in that section is in respect of an amount payable by the taxpayer as assessed by the tax authority, that amount from the wording of the section must be in dispute."*

65. In the case of **Bullion Refinery Limited v URA (Supra)**, the Tribunal distinguished the implication of the **Fuelex case** on disputes about questions of law only from those that are arithmetic only or a combination of both, the Tribunal stated:

*"... where a taxpayer objects to an assessment and also to a legal interpretation of a decision, the taxpayer will still be required to pay 30 per cent of the tax assessed in the objection...."*

66. In the present case, there is no assessment from the tax authority and nor has the taxpayer such assessment. The applicant's objection concerns the methodology used by the Respondent in allocating payments made by the taxpayer to its ledger. This methodology is provided for under section 41 of the Tax Procedure Code Act.

67. Section 41 of the TPCA states;

*"When a taxpayer is liable for penal tax and interest in relation to a tax liability and the tax payer makes a payment that is less than the total amount of tax, penal tax and interest due, the amount is applied in the following order-*

*(a) In payment of the principal tax*

*(b) In payment of the penal tax; and*

*(c) the balance remaining is applied against the interest due."*

68. From the foregoing, it is clear that this dispute does not challenge the quantum of an assessment. It challenges whether the Respondent treated

the Applicant's tax payments correctly as required by section 41 of the TPCA.

69. In the case of *James Mansa v Uganda Revenue Authority, Misc. Application No. 23 of 2025*, the Tribunal held that the Fuelex case established a critical exception to dispute - Section 15(1) is only applicable to cases that concern the arithmetic accuracy of the tax amounts as assessed. However, it is unconstitutional when it compels a taxpayer whose challenge is not regarding the tax assessed to pay the deposit.
70. It is therefore our considered view that the dispute entirely concerns a question of the interpretation and application of section 41 of the TPCA to the Applicant's tax payments. In the circumstances, the preliminary objection fails and is hereby dismissed with the following orders:
- (i) In the absence of an assessment, the Applicant is not required to pay the 30 percent deposit;
  - (ii) The Tribunal shall proceed to hear the main application on its merits; and
  - (iii) Costs shall abide in the main cause.

Dated at Kampala this 7<sup>th</sup> day of November 2025.



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**MS. CRYSTAL KABAJWARA**  
**CHAIRPERSON**



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**MS. PROSCOVIA R NAMBI**  
**MEMBER**



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**MRS. STELLA NYAPENDI CHOMBO**  
**MEMBER**