

**THE REPUBLIC OF UGANDA**  
**IN THE TAX APPEALS TRIBUNAL AT KAMPALA**  
**MISCELLANEOUS CAUSE NO. 21 OF 2025**

**ASIIMWE EUNICE T/A ASSY LODGES..... APPLICANT**

**VERSUS**

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

**BEFORE: MS. PROSCOVIA R. NAMBI, MS. ROSEMARY NAJJEMBA, MS. GRACE SAFI**

**RULING**

This ruling is in respect of an application brought under section 16(2) and section 22 of the Tax Appeals Tribunal Act, Cap 341, Rules 11 and 30 of the Tax Appeals Tribunals (Procedure) Rules, Section 98 of the Civil Procedure Act, Cap 282 and Order 52 Rules 1, 2, and 3 of the Civil Procedure Rules seeking judicial relief and orders that:

- i) The time within which to lodge an application for the Tax Appeals Tribunal to review the Respondent's objection decision be extended.
- ii) Provision for costs of this application be made.

**1. Background facts**

Asiimwe Eunice, operating Assy Lodges in Katuna Town Council, Kabale District, declared and paid income tax liability Ugx. 276,000 for the period 01 July 2021 to 30 June 2022. Subsequently, the Respondent issued an unexpected additional tax assessment on 11 October 2023, totalling UGX 26,868,000, citing unexplained loans and non-declaration of the landlord's Tax Identification Number (TIN).

Asiimwe objected to this additional assessment on 17 March 2024. The URA requested supporting documentation on 19 March 2024. Due to alleged difficulties accessing email communications, Asiimwe did not provide this documentation. The URA subsequently issued an objection decision on 13 June 2024, disallowing the objection.

On 07 August 2024, the Applicant applied for ADR with the Respondent. This ADR process involved meetings and the submission of additional information, including a loan agreement from the Applicant's sister. The ADR process concluded with a

decision on 11 November 2024, upholding the additional assessment. Hence this application for an extension of time to file an application for review before the Tribunal

The grounds for this application are stated in the affidavit in support of the application deposed by Ms. Asiimwe Eunice on 13 February 2025 stating as follows;

- i. She consistently filed income tax returns and paid taxes since 2016 when she started operating her guesthouse business
- ii. For the period 01 July 2021 to 30 June 2022, she declared chargeable income of Ugx. 4,800,000 and an income tax payable of Ugx. 276,000, which she duly paid.
- iii. She was unexpectedly issued an Administrative Additional Income Tax Notice of Assessment on 10 November 2023 for the same period, totalling Ugx. 26,868,000. She disputes this additional assessment.
- iv. The Respondent did not provide justifiable grounds for the additional assessment, only citing “unexplained loan with no corresponding loan interest and non-declaration of the landlord's TIN.”
- v. Due to the unexpected additional assessment, which she only noticed while examining her taxpayer ledger with the Respondent, she filed an application (Notice DT – 4052) seeking permission to lodge an objection after the statutory period had elapsed. This application was approved on 02 July 2024.
- vi. Under ADR process, a taxpayer engagement meeting was held on 19<sup>th</sup> September 2024 with the Respondent's officials where she was asked to provide a letter from her sister confirming the source of the money that was considered an unexplained loan. This letter was provided on 20 September 2024.
- vii. Despite providing further information, the Respondent still maintained the additional assessment in its decision issued on 11 November 2024, citing inadequate support for the loan amount. The Respondent also requested the Applicant to make arrangements to settle the outstanding tax liability of Ugx. 26,340,000/= to avoid further accumulation of interest and penalties.
- viii. She cites financial difficulties with existing loans as the reason for the delay in filing an application for review of the Respondent's objection decision well within the time set by the law.

- ix. The Applicant believes it is in the interest of justice that this application for an extension of time is granted to allow them to properly challenge the Respondent's objection decisions.
- x. The Applicant has been advised by their lawyers that the Respondent will not be prejudiced if this application is granted.

The Respondent provided their reply an Affidavit in Reply and a supplementary Affidavit in Reply, both sworn by Mr. Edmond Agaba (on 24 February 2025 and 25 February 2025 respectively), who is employed as a Legal Officer in the Legal Services and Board Affairs Department of the Uganda Revenue Authority. In the Affidavit in Reply, the Respondent states the following:

- i. The Respondent highlights that applications for review must be filed within 30 days of receiving the objection decision notice. The objection decision was issued on 13 June 2024, meaning the application for review should have been filed by 13 July 2024. The Applicant's application was filed significantly later.
- ii. The Respondent asserts that instead of filing an application to review the objection decision, the Applicant opted to pursue the Alternative Dispute Resolution option with the Respondent and applied for the same.
- iii. The Respondent contends that the Applicant has not advanced a justifiable reason to warrant a grant of an extension of time to file an application for review of the Respondent's objection decision.
- iv. The Respondent claims that the outstanding tax is a debt to the Government and the same is due and payable by the Applicant.
- v. The Respondent states that the Applicant has not paid 30% of the tax in dispute required before making this Application.
- vi. The Respondent concludes by stating that it is in the interest of justice that the orders prayed for in the Applicant's Application are not granted.

In summary, the Respondent opposes the Applicant's application for an extension of time to file a review of their objection decision. They argue that the Applicant was outside the statutory timeframe, has not provided sufficient justification for the delay, and has not met the requirement of paying 30% of the disputed tax. They also contradict the timeline presented by the Applicant regarding the objection decision date.



The Respondent's supplementary affidavit in reply clarifies and adds to their previous arguments. The key points therein include:

- i. The Respondent corrects the date of the Applicant's objection to 17 March 2024, not 05 August 2024, as previously stated. This is supported by Objection reference number KA0124017741556.
- ii. The Respondent requested for supporting documents 19 March 2024. (Document A). The Applicant's failure to provide these documents led to the objection decision.
- iii. The objection decision was issued on 13 June 2024. (Document B).
- iv. The communication from the Respondent on 11 November 2024, was an Alternative Dispute Resolution (ADR) decision, not a further objection decision.
- v. The Respondent emphasizes that participation in ADR does not prevent the need to timely file an application for review of the objection decision with the Tax Appeals Tribunal.

In essence, this supplementary affidavit refines the timeline of events and reiterates that the Applicant failed to meet the deadline for filing a review application, even considering the ADR process. The lack of supporting documentation provided by the Applicant remains a central point in the Respondent's objection.

## **2. Representation**

The Applicant was represented by Mr. Ahimbisibwe Federiko and the Respondent by Ms. Mpumwire Christine and Ms. Eseza Victoria Ssendege.

## **3. Issues for determination**

- i. Whether the Applicant may be granted time within which to apply for an extension of time to review the decision by the Respondent.
- ii. What remedies are available?

## **4. Submissions of the Applicant**

The Applicant submitted that on 10 November 2023, the Respondent issued an Administrative Additional Income Tax Assessment of Shs. 26,868,000 due to an alleged "unexplained loan with no corresponding loan interest and non-declaration of

the landlord's TIN." She averred that she was unaware of this assessment as she did not have an active email linked to her TIN and only discovered it in June 2024.

The Applicant contended that upon discovering the assessment, she sought and obtained the Respondent's permission to file an objection out of time, which she did on 05 August 2024. She stated that following an engagement meeting with the Respondent on 19 September 2024, she provided the necessary documentation, but the Respondent, in a letter dated 11 November 2024, declined to vary the assessment.

She asserted that due to financial constraints, she was unable to file an application for review within the prescribed time. She argued that the delay in filing was not intentional but was occasioned by her lack of access to the Respondent's notices and her financial incapacity to engage legal representation. She maintained that the delay was not inordinate and that she had a meritorious case with a high likelihood of success.

The Applicant further submitted that the Respondent did not specify the date on which the objection decision was served on her. She contended that since she only became aware of the decision later, the Tribunal should exercise its discretion under Section 16(2) of the Tax Appeals Tribunal Act to extend the time for filing the application for review.

She relied on *Farid Meghani v Uganda Revenue Authority Misc. Application No. 185 of 2020* and *FRES Uganda Limited v Uganda Revenue Authority Misc. Cause No. 67 of 2024*, which set out the factors for granting an extension of time, including the length of the delay, the reason for the delay, the chances of success, and any prejudice to the Respondent.

The Applicant concluded that she had demonstrated sufficient cause for the delay and prayed that the application be allowed.

## **5. Respondent's submissions**

The Respondent opposed the application, arguing that it was time-barred. The Respondent highlights the significant delay—eight months—between the issuance of the objection decision on 13th June 2024 and the Applicant's application for an extension on 14th February 2025. This delay, they argue, far exceeds the statutory

timeframe and lacks sufficient justification. The Respondent submitted that the Applicant's delay of eight months was inordinate and unjustified.

The Respondent emphasizes the statutory timeframe of 30 days for filing an application to the Tribunal for review after being served with a notice of the objection decision, and the 6-month time limits for filing applications for extensions as stipulated in **Section 16 (2) and Section 16 (7) of the Tax Appeals Tribunal Act**. The Respondent reinforces this by citing the precedent of *Uganda Revenue Authority Vs Consolidated Properties Ltd Court of Appeal Civil Appeal No. 31 of 2000*, emphasizes that these timelines are not mere technicalities but matters of substantive law and that statutory timelines must be strictly followed.

Furthermore, the Respondent argues that the Applicant has failed to demonstrate "reasonable cause" or "sufficient ground" for the significant delay in filing the application. The Respondent disputes the Applicant's claims regarding communication difficulties and argue that the Applicant's pursuit of ADR demonstrates a lack of diligence in pursuing a timely appeal. The Respondent points out the Applicant's choice to use the Alternative Dispute Resolution (ADR) process instead of promptly filing an appeal as another indication of a lack of urgency in resolving the issue.

The Respondent also argued that the Applicant's decision to pursue ADR instead of filing an appeal before the Tribunal was a voluntary choice, and she could not now claim ignorance or inability to act within time. Further, the Applicant's reliance on the Respondent's acceptance of her late objection to the assessment was misplaced, as the extension granted under **Section 26(4) of the Tax Procedures Code Act** does not apply to applications for review before the Tribunal.

Relying on *Eco Bus Company Ltd v Uganda Revenue Authority Misc. Application No. 28 of 2023*, the Respondent submitted that the Tribunal lacks discretion to extend time where an application is filed beyond the statutory six-month limit. The Respondent prayed that the application be dismissed with costs.

The Respondent also argues that the Applicant's conduct reveals a lack of diligence in pursuing their case. While the Applicant mentioned engaging in discussions with the Respondent's officials in Kabale and pursuing Alternative Dispute Resolution, the

Respondent argues that these actions do not absolve the Applicant of their responsibility to file a timely application with the Tax Appeals Tribunal.

The Respondent concludes by requesting that the Tribunal dismiss the Applicant's application for an extension, citing the excessive delay, insufficient justification, and relevant legal precedents supporting their position. They also request that the Tribunal award them costs.

## 6. Determination by the Tribunal

The **Legal Framework** relevant to this case is set out below:

**Section 27 (1) of the Tax Procedures Code Act 343** provides that a person dissatisfied with an objection decision may, within 30 days after being served with the notice of the objection decision, lodge an application with the Tax Appeals Tribunal for review of the objection decision.

**Section 16 (1) (c) of the Tax Appeals Tribunal Act, Cap. 341** provides that an application to the Tribunal for review of a taxation decision shall be lodged with the Tribunal within 30 days after the person making the application has been served with notice of the decision. Section 16 (2) of the Tax Appeals Tribunal Act states that a Tribunal may, upon application in writing, extend the time for making of application for review.

**Section 16 (7) of the Tax Appeals Tribunal Act** provides that an application for review of a taxation decision shall be made within six months after the date of the taxation decision.

The Respondent has correctly pointed out the mandatory nature of the statutory timelines as established by the TAT Act and the TPC Act and the precedent set in ***Uganda Revenue Authority Vs Consolidated Properties Ltd Court of Appeal Civil Appeal No. 31 of 2000***, which emphasizes that timelines set by statutes are matters of substantive law and must be strictly complied with.

Therefore, **determination of the appropriate date for calculating the appeal timeframe**—the objection decision date or the ADR decision date—is central to this case. The Respondent contends that 13 June 2024, the objection decision date should be used, resulting in a delay exceeding the six-month limit under Section 16(7)



of the Tax Appeals Tribunal Act. The Applicant argues that 11 November 2024, ADR decision date is the relevant date, placing their application for an extension well within the six-month period.

Section 1(i)(k) of the Tax Appeals Tribunal Act defines "taxation decision" broadly as encompassing "any assessment, determination, decision, or notice." This broad definition necessitates careful consideration of the nature and effect of both the initial objection decision and the subsequent ADR decision.

The Applicant's request for an extension cites an unexpected additional tax assessment, communication difficulties with the Respondent, financial constraints hindering timely legal counsel, and participation in ADR proceedings.

The Respondent, opposing the extension, emphasizes the statutory timelines for applications for review (Section 16(7) of the Tax Appeals Tribunal Act) and cites relevant precedents supporting strict adherence to these deadlines (***Uganda Revenue Authority v Consolidated Properties Ltd, Civil Appeal No. 31 of 2000; Eco Bus Company Ltd v Uganda Revenue Authority, Misc. Application No. 28 of 2023***). They argue the ADR process did not excuse the delay.

The Tribunal finds the ADR decision of 11 November 2024, to be the more appropriate "taxation decision" for calculating the appeal timeframe in this case. This is because the ADR process provided a comprehensive and final determination of the tax liability, effectively superseding the preliminary objection decision of 13 June 2024. This ADR process involved meetings and the submission of additional information, including a loan agreement from the Applicant's sister, which the Respondent reviewed. The ADR decision therefore represents the conclusive determination of the tax liability dispute upon which the Applicant's right to appeal rests. Using the earlier date would disregard the substantive resolution reached through the formally agreed-upon ADR process. The Applicant's subsequent actions were directly influenced by the ADR outcome.

This interpretation aligns with the broad definition of "taxation decision" in Section 1(1)(k) while prioritizing a fair and equitable application of the law. Calculating from 11th November 2024, the application for extension falls comfortably within the six-month timeframe of Section 16 (7).



Using the 11th November 2024, the Applicant still ought to have filed its application for review by 11<sup>th</sup> December 2024. The Tribunal agrees with the Respondent that the extension granted under Section 26(4) of the Tax Procedures Code Act to allow the Applicant file its late objection against an assessment does not apply to applications for review of taxation decisions before the Tribunal.


Therefore, the Tax Appeals Tribunal has to determine if the Applicant has demonstrated sufficient grounds for the Tribunal to exercise its discretion and grant an extension of time to file the application for review, despite it being filed outside the statutorily prescribed period.


The Tribunal relies on the precedent set in case of **Boney Katatumba vs. Waheed Karim SCCA No. 27 of 2007**, where the Supreme Court held that:

*“What constitutes ‘sufficient reason’ is left to the Court’s unfettered discretion. In this context, the Court will accept either a reason that prevented an Applicant from taking the essential step in time, or other reasons why the intended appeal should be allowed to proceed though out of time. For example, an application that is brought promptly will be considered more sympathetically than one that is brought after unexplained inordinate delay. But even where the application is unduly delayed, the Court may grant the extension if shutting out the appeal may appear to cause injustice.”*

The Tribunal is satisfied that Applicant has demonstrated sufficient reasons for the delay. The Tribunal therefore grants the Applicant's application for an extension of time. Each party shall bear its costs.

DATED at Kampala this 21<sup>st</sup> day of March 2025.

  
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**PROSCOVIA R. NAMBI**  
CHAIRPERSON

  
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**ROSEMARY NAJJEMBA**  
MEMBER

  
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**GRACE SAFI**  
MEMBER

