THE REPUBLIC OF UGANDA
IN THE TAX APPEALS TRIBUNAL AT KAMPALA
MISCELLANEOUS APPLICATION NO. 220 OF 2025
(ARISING FROM TAT APPLICATION NO. 283 OF 2025)

CHESTNUT UGANDA LIMITED...APPLICANT

VERSUS

UGANDA REVENUE AUTHORITY..RESPONDENT

BEFORE: HON. PROSCOVIA REBECCA NAMBI, HON. KABAKUMBA MASIKO, MS. CHRISTINE KATWE

RULING

I. Introduction

1. This application was brought under Section 98 of the Civil Procedure Act, Order 41 rule 1 & 9 Section 31(1) of the Tax Appeals Tribunal Act, and Rule 30 of the Tax Appeals Tribunal Rules, seeking a temporary injunction restraining the Respondent from enforcing tax collection measures in respect of tax assessed totalling Shs. 1,726,795,702 pending determination of the substantive appeal before the Tribunal.

II. Background Facts

2. The Applicant is a Ugandan company engaged in real estate and property development. The Respondent commenced an audit of the Applicant covering January 2019 to December 2022. Thereafter, on 28 March 2025, the Respondent issued additional assessments for VAT of Shs. 370,800,600 and

rental income tax of Shs. 410,540,917, and also issued a management letter dated 31 March 2025 indicating an overall tax exposure of Shs. 781,341,517.48. The Applicant objected to the assessments on 17 June 2025 electronically and on 19 June 2025 manually. The Applicant's case is that notwithstanding the objection, the Respondent continued to issue demand notices, prompting the filing of the substantive TAT Application No. 283 of 2025.

3. On 19 September 2025 an interim order was granted restraining enforcement, subject to payment of 30% of the tax in dispute. The Respondent's position is that the Applicant has not complied with that condition. The Applicant's position is that it sought to satisfy that requirement through offset against an admitted VAT refund credit of Shs. 6,861,016,520 and filed a refund application on 17 October 2025, but the Respondent did not act on it. The Applicant further states that, notwithstanding the interim order, agency notices were later issued to its bankers.

III. Issues

The central issue for determination is whether the Applicant has satisfied the legal requirements for the grant of a temporary injunction pending determination of the main application.

IV. Representation and evidence

4. The Applicant was represented by Ms. Belinda Nakiganda and Mr. Jonathan Rukikaire while Ms. Christine Mpumwire represented the Respondent.

5. The application is supported by the affidavit of Ndivho Patrick Mamathuba, a director of the Applicant company, and a rejoinder affidavit responding to the Respondent's affidavit in reply sworn by Doreen Amutuhire, an officer of the Uganda Revenue Authority. The parties filed written submissions.

V. Submissions of the Applicant

6. The Applicant submitted that this Tribunal has jurisdiction to grant a temporary injunction where it is necessary to preserve the subject matter of the dispute

and to ensure the effectiveness of the proceedings before it. Counsel argued that the circumstances of the present case warrant the exercise of that discretion in favour of the Applicant so as to prevent enforcement of the disputed tax assessments pending determination of the substantive application.

7. In support of this position, the Applicant relied on **Francis Kayanja v Diamond Trust Bank Ltd HCMA No. 300 of 2008**, where the High Court held that the grant of a temporary injunction is a matter of judicial discretion to be exercised upon consideration of established principles. The Applicant also cited **Kiyimba Kaggwa v Haji Abdu Nasser Katende (Civil Suit No. 2109 of 1984) [1985] HCB 43**, in which Odoki J observed that the purpose of granting a temporary injunction is to preserve the status quo until the dispute before court is finally determined.

8. The Applicant further submitted that the legal principles governing temporary injunctions have been clearly articulated in **American Cyanamid Co Ltd v Ethicon Ltd [1975] AC 396**, where the court outlined the general considerations to guide the exercise of judicial discretion. These include:

   - Whether there is a serious issue to be tried (prima facie case);
   - Whether damages would be an adequate remedy (irreparable injury);
   - Where the balance of convenience lies; and
   - Whether there are any special circumstances.

Ground One: Prima Facie Case with a Probability of Success

9. The Applicant submitted that it has established a prima facie case with a probability of success. In support of this argument, reliance was placed on **Imelda Gertrude Basudde v Tereza Mwewulize & Another Misc. Application No. 402 of 2003**, where the court held that a prima facie case is established where the evidence placed before court discloses a genuine triable issue in the main suit and demonstrates that the claim is not frivolous.

10. Counsel further submitted that the Tribunal in ***AG Investments Finance Ltd & Others v Uganda Revenue Authority*** held that at the interlocutory stage an applicant need only demonstrate the existence of triable issues before the

tribunal, and not that the case will necessarily succeed. It was therefore argued that the present application raises substantial questions of law and fact requiring determination by the Tribunal. In particular, the Applicant identified the following issues in the substantive appeal:

a) VAT Treatment – The Applicant contends that deferred rent incentives granted to its lessees constitute discounts and therefore should not be treated as taxable supplies for purposes of Value Added Tax.

b) Income Tax Loss Carry Forward – The Applicant argues that it is entitled to carry forward losses incurred in 2022 prior to the relevant amendment to the law and that such losses cannot be retrospectively capped.

c) Rental Income Assessment – The Applicant disputes the Respondent's assessment of rental income in the sum of SHS. 1,059,799,415, asserting that the figure was generated through an auto-populated return in the Respondent's system which did not allow the Applicant to correctly input its actual rental income or the losses carried forward.

11. On the basis of the foregoing, the Applicant submitted that the appeal raises serious issues that merit consideration by this Tribunal and that the application cannot be characterised as frivolous or vexatious.

Ground Two: Irreparable Injury

12. The Applicant further submitted that it would suffer irreparable injury if the temporary injunction is not granted. Reliance was placed on ***Kiyimba Kaggwa v Katende (1988) HCB 43,*** where the court held that irreparable damage refers to harm that is substantial in nature and cannot adequately be compensated by an award of damages.

13. Counsel argued that the Respondent has issued several demand notices for substantial sums of money, including **Shs. 943,019,318; Shs. 406,727,031; SHS. 253,350,106; and SHS. 1,127,121,707**, and has further issued agency notices to financial institutions in an attempt to recover the disputed tax. The

Applicant contended that enforcement of these demands would severely affect its cash flow, operational capacity, and ability to meet contractual obligations.

14. The Applicant also relied on **Luwalulwa Investments Ltd v Uganda Revenue Authority HCMA No. 1336 of 2022**, where the High Court recognised that enforcement measures which significantly affect a business's cash flow may result in irreparable commercial harm.

15. It was further submitted that the agency notices issued by the Respondent would damage the Applicant's creditworthiness and reputation with financial institutions. According to the Applicant, such reputational and commercial damage cannot adequately be compensated through an award of damages.

16. The Applicant also informed the Tribunal that it is willing to comply with the statutory requirement to pay **30% of the tax in dispute** and has applied for a **VAT refund credit amounting to Shs. 6,861,016,520** from the Respondent. They submitted that the Applicant subsequently wrote to the Commissioner for Legal Services and Board Affairs requesting that the required 30% deposit be offset against the VAT credit. However, the Respondent has not responded to this request and continues to issue demand notices.

17. The Applicant argued that it would be unjust for the Respondent to demand payment of the disputed tax while at the same time retaining funds belonging to the Applicant. In this regard, the Applicant relied on **Red Chilli Hideaway Ltd v Uganda Revenue Authority TAT Application No. 38 of 2018**, where the Tribunal held that the Commissioner ought to apply excess tax payments held by the authority to reduce the taxpayer's outstanding liabilities before imposing penalties or enforcing recovery. The Applicant therefore submitted that it would suffer irreparable harm if enforcement measures were allowed to proceed before the substantive appeal is determined.

Ground Three: Balance of Convenience

18. The Applicant further submitted that the balance of convenience favours the grant of the injunction. The Applicant again relied on ***American Cyanamid v Ethicon Ltd [1975] AC 396***, where the court held that once a serious issue to

be tried has been established, the court should consider where the balance of convenience lies.

19. The Applicant also cited **Victor Construction Works Ltd v Uganda National Roads Authority HCMA No. 601 of 2010**, where Lugayizi J approved the decision in **J.K. Sentongo v Shell (U) Ltd [1995] 111 KLR 1**, emphasising that where a prima facie case and potential injury are demonstrated, the court should preserve the status quo pending determination of the dispute.

20. The Applicant argued that the balance of convenience overwhelmingly favours maintaining the status quo for several reasons:

a) The Applicant has already applied for the 30% deposit to be offset against its VAT credit, but the Respondent has not processed the refund application.

b) The Applicant submitted that it applied for the refund on 2nd and 17th October 2025, yet the Respondent has not refunded the credit within the statutory timeframe and continues to issue enforcement notices.

c) If enforcement proceeds, the Applicant's business operations may be significantly disrupted and the main dispute before the Tribunal rendered nugatory.

d) Conversely, the Respondent will not suffer prejudice if enforcement is temporarily restrained, because the substantive tax dispute is already before the Tribunal and the Respondent may recover the tax should it ultimately succeed.

21. On the basis of the foregoing submissions, the Applicant prayed that this Honourable Tribunal grant a temporary injunction restraining the Respondent, its agents and employees from enforcing the disputed tax assessments pending determination of the main application.

VI. Submissions of the Respondent

a) The Respondent submitted that the principles governing the grant of temporary injunctions are well settled in ***Kiyimba Kaggwa v Katende, Giella v Cassman Brown, and American Cyanamid v Ethicon Ltd***. An applicant must establish:

   a) A prima facie case with probability of success
   b) That they will suffer irreparable injury not compensable by damages
   c) Where court is in doubt, the matter is decided on the balance of convenience

22. The Respondent further submitted that the purpose of an injunction is to preserve the status quo, not to alter it. The Respondent submitted that the key question is: What was the status quo at the time of filing this application? The Respondent submitted it is a statutory body mandated to assess and collect revenue for national development. In disallowing the objection, the Respondent followed the procedures laid down under the tax laws after conducting due diligence. Accordingly, the prevailing status quo was that tax was due and enforceable.

Ground One: Status Quo

23. The Respondent submitted that granting an injunction would not preserve the status quo rather alter it by suspending lawful tax enforcement. This would unjustifiably hinder the Respondent's statutory mandate. Courts have consistently held that injunctions should not be used to stop lawful tax collection where assessments remain valid.

24. The Respondent submitted that the Applicant must show that he has a prima facie case in the pending suit with a probability of succeeding in that case. The words used in the *locus classicus* is "serious issue to be tried. This has received judicial interpretation in Uganda as noted by Byamugisha, J. in the case of ***Daniel Mukwaya vs. Administrator General HCCS 630 of 1993 IV KALR 1*** that the applicant has to satisfy court that there is a serious question to be investigated and he has a reasonable chance of succeeding in the main suit.

25. The Respondent submitted that the Applicant has not demonstrated a prima facie case with probability of success. The tax assessments arose from an audit that revealed:

a) A variance of Shs. 2,060,003,326 between declared income for Income Tax and VAT purposes
b) Non-declaration of rental income

26. The Respondent submitted that the objection was considered and disallowed after engagements and verification. The Applicant's grievances relate to tax computation and interpretation, which are matters for determination in the main application, not grounds for halting revenue collection.

27. In addition to the above, the Respondent further submitted that a mere dispute over tax liability does not amount to a prima facie case warranting an injunction against a revenue authority. From the above findings the Applicant does not have any prima facie case and the main TAT Application No.283 of 2025 will not succeed.

Ground Two: Irreparable Injury

28. The Respondent submitted that in **Kiyimba v Katende (supra) Odoki** J held that irreparable injury means the injury must be substantial or material one, i.e.one that cannot be adequately compensated for in damages. The catch phrase is "adequately atoned".

29. The Respondent submitted that the Applicant has not demonstrated that it will suffer irreparable injury. The alleged injury is purely monetary. Courts have consistently held that financial loss is compensable by damages. Furthermore: the High Court in the case of ***Bullion Refinery Ltd & others Verus Attorney General & Uganda Revenue Authority, HCMA No.0132 OF 2023(Arising from HCCS No.0092 of 2023)*** held that;

> Since the Respondents have demonstrated that the injury being complained of in the application is monetary nature,

i) The Respondent (URA) is a government agency mandated with revenue collection.

ii) Taxes are creatures of statute and there are procedures for refund of any taxes overpaid or wrongly paid which the Applicants can explore in the event this Honourable Court decided the main suit in their favour or if the 2nd Respondent collects revenue and court finds that such revenue should not have been collected, URA has capacity to refund any revenue erroneously collected.

Ground Three: Balance of Convenience

30. The Respondent further submitted that another factor to consider before the grant of an interlocutory injunction is the balance of convenience The Respondent cited Sir ***John Donaldson MR. Expanded*** on the same theme ***Francome vs. Mirror Group Newspapers [1984] 1 WLR 892 at 898*** where it was stated:

> "I *stress, once again, that we are not at this stage concerned to determine the rights of the parties. Our duty is to make such orders, if any as are appropriate pending the trial of the action. It is sometimes said that this involves a weighing of the balance of convenience. This is an unfortunate expression. Our business is justice, not convenience. We can and must disregard fanciful claims by either party. Subject to that, we must contemplate the possibility that either party may succeed and must do our best to ensure that nothing occurs pending the trial which prejudice his rights. Since the parties are usually asserting wholly inconsistent claims, this is difficult, but we have to do our best. In so doing we are seeking a balance of justice, not convenience.*"

31. The Respondent further submitted that the balance of convenience tilts heavily in favour of the Respondent. Restraining tax collection would:

a) Undermine statutory revenue collection
b) Prejudice public interest and government operations
c) Allow the Applicant to retain public revenue contrary to law

32. The Respondent submitted that if the Applicant succeeds in the main application, the law provides mechanism for adjustment or refund. The Respondent submitted that public authorities should not be restrained from exercising their statutory duties and power unless the Applicant has an

extremely stronger case on the merits ***Smith vs. Inner London Education Authority 1 ALL ER 411*** While courts retain discretion to grant injunctions against government in appropriate cases, such orders are granted sparingly, especially where they interfere with statutory duties.

33. The Respondent in conclusion submitted that the Applicant has failed to satisfy the conditions for the grant of a temporary injunction because:

    a) There is no prima facie case with probability of success
    b) No irreparable injury has been demonstrated
    c) The balance of convenience and public interest favour the Respondent
    d) The application seeks to alter, not preserve the status quo

VII. Submissions of the Applicant in rejoinder

34. In rejoinder, the Applicant reiterated its earlier submissions and responded to the Respondent's opposition to the grant of a temporary injunction.

35. The Applicant argued that the purpose of an interlocutory injunction is to preserve the status quo pending determination of the substantive dispute. Relying on ***Erisa Rainbow Musoke v Ahamada Kezaala [1981] HCB 81*** and ***Garden Cottage Foods Ltd v Milk Marketing Board [1984] AC 130***, the Applicant submitted that the relevant status quo is the state of affairs immediately preceding the enforcement measures taken by the Respondent.

36. The Applicant submitted that the current status quo is that it has lawfully exercised its right of appeal against the Respondent's decision by filing TAT Application No. 283 of 2025 under section 14 of the Tax Appeals Tribunal Act, and that the Tribunal had already granted an interim order restraining enforcement subject to payment of 30% of the disputed tax. The Applicant stated that it complied with this requirement by applying for the 30% deposit to be offset against its VAT credit, relying on ***Tata Uganda Ltd v Uganda Revenue Authority Misc. Application No. 64 of 2023.***

37. The Applicant further submitted that the Respondent has nevertheless continued to issue demand notices and agency notices, thereby exposing the

Applicant to enforcement measures which would undermine the effectiveness of the appeal proceedings contrary to section 31 of the Tax Appeals Tribunal Act.

38. On the existence of a prima facie case, the Applicant relied on ***Zhonghao Overseas Construction Engineering Co Ltd v URA Misc. Application No. 94 of 2024***, arguing that the appeal raises genuine triable issues regarding:

    a) Whether deferred rent incentives constitute VAT-exempt discounts;
    b) Whether losses incurred before legislative amendment can be retrospectively capped; and
    c) Whether the rental income assessment of SHS. 1,059,799,415, which was auto-populated by URA's system, accurately reflects the Applicant's tax position.

39. Regarding irreparable injury, the Applicant submitted that enforcement of the disputed assessments would cause substantial harm to its operations by severely affecting its cash flow, operational capacity, and ability to meet contractual obligations. The Applicant further argued that agency notices issued to banks damage its creditworthiness and business reputation, harms which cannot be adequately compensated by damages.

40. The Applicant relied on ***Kobo 360 Inc v Uganda Revenue Authority Misc. Cause No. 041 of 2025*** and ***Game Discount World (U) Ltd v URA*** to argue that enforcement actions which disrupt business operations may constitute irreparable harm.

41. Finally, the Applicant argued that the balance of convenience favours the grant of the injunction. It submitted that the Respondent already holds substantial funds belonging to the Applicant in the form of VAT credits, and therefore faces no risk of revenue loss if enforcement is temporarily restrained. Conversely, enforcement before determination of the appeal would expose the Applicant to significant prejudice.

42. The Applicant therefore urged the Tribunal to grant the temporary injunction sought.

VIII. The Determination of the Tribunal

43. Having carefully considered the pleadings, affidavits on record, the submissions of both parties, and the authorities cited, the Tribunal now determines whether the Applicant has satisfied the conditions for the grant of a temporary injunction restraining the Respondent from enforcing the disputed tax assessments pending determination of the main application.

Compliance with the 30% Deposit Requirement

44. Section 15(1) of the Tax Appeals Tribunal Act provides that:

"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 part of the tax assessed not in dispute, whichever is greater."

45. The provision establishes a mandatory statutory requirement intended to secure part of the revenue while a tax dispute is being resolved. In the present matter, the interim order of 19 September 2025 expressly conditioned the continuation of interim protection on the Applicant's compliance with this requirement. The Respondent contends that the Applicant has failed to comply with this statutory obligation. The Applicant, however, maintains that it has substantially satisfied the requirement by applying its VAT credit of Shs. 6,861,016,520 to offset the 30% deposit required under the law.

46. The Applicant has demonstrated that it formally applied to the Respondent for the offset and has relied on authorities including ***Tata Uganda Ltd v URA Misc. Application No. 64 of 2023*** and ***Red Chilli Hideaway Ltd v URA TAT Application No. 38 of 2018.*** In *Tata Uganda* the Tribunal held that a VAT refund constitutes liquidity belonging to the taxpayer and that refusal to allow offset of such credit where it is already held by the Respondent may be irrational. The Tribunal stated that:

"A refund is monies held by the Respondent due to the taxpayer. It is liquidity that has crystallized. Where a refund is not paid, interest accrues. Where a taxpayer requests for an offset, the Respondent is relieved from paying interest. Therefore, the refusal by the Respondent to allow the Applicant to use the refund was irrational."

47. Similarly, in ***Red Chilli Hideaway***, the Tribunal observed that where excess tax exists, the Commissioner ought to apply such excess tax to reduce the taxpayer's outstanding tax liability.

48. Applying those principles to the present case, the Tribunal notes that the Respondent currently holds funds belonging to the Applicant in the form of a VAT credit substantially exceeding the amount required to satisfy the 30% statutory deposit. Requiring the Applicant to make a further cash payment while the Respondent simultaneously retains the Applicant's funds would serve no practical revenue purpose.

49. Although the Respondent raised concerns regarding verification of the credit, the existence of the credit itself has not been materially disputed. The Applicant has applied for the offset and the Respondent has had adequate opportunity to process and verify the application.

50. We are guided by the Tribunal's reasoning in ***SICPA Uganda Limited v Uganda Revenue Authority Misc. Application No. 246 of 2025***, where it was held that Section 15 should not operate mechanically to defeat a genuine dispute where a taxpayer has already remitted substantial sums connected to the contested tax base. Accordingly, we find that the Applicant has substantially complied with the 30% deposit requirement through its application to offset the deposit against its VAT credit, without prejudice to the Respondent's right to complete verification of the credit in accordance with the law.

Whether the Applicant has satisfied the conditions for grant of a temporary injunction

51. The principles governing the grant of temporary injunctions are well established. As reiterated by this Tribunal in ***Kobo 360 Inc v Uganda Revenue Authority MC No. 041 of 2025,*** and derived from authorities such as ***Kiyimba Kaggwa v Hajji Abdu Nasser Katende [1985] HCB 43*** and ***American Cyanamid Co Ltd v Ethicon Ltd [1975] AC 396***, an Applicant must demonstrate:

    1. A prima facie case with a likelihood of success

2. That the Applicant would suffer Irreparable injury not adequately compensable by damages
3. That the balance of convenience favours the Applicant.

The Tribunal will examine each of these conditions in turn.

(i) Prima Facie Case with a Likelihood of Success

52. A prima facie case does not require the Applicant to demonstrate that it will ultimately succeed in the main application. As stated in Imelda Gertrude Basudde v Tereza Mwewulize & Another Misc. Application No. 402 of 2003, the requirement is satisfied where the Applicant establishes the existence of a genuine triable issue.

53. Similarly, in ***SICPA Uganda Ltd v URA Misc. Application No. 246 of 2025***, the Tribunal clarified that a prima facie case arises where a serious question requiring judicial determination is disclosed.

54. In the present case, from the affidavit evidence before us, the dispute between the parties arises from additional tax assessments issued by the Respondent following an audit covering the period January 2019 to December 2022. The Respondent issued additional assessments for VAT amounting to SHS. 370,800,600.48 and rental income tax of SHS. 410,540,917, together with subsequent demand notices threatening enforcement measures. The Applicant has raised several substantial issues in the main appeal, including:

- whether deferred rent incentives constituted discounts not subject to VAT;
- whether the Respondent improperly capped the Applicant's carried-forward losses following a legislative amendment;
- whether the Respondent's rental income assessment of Shs. 1,059,799,415 properly reflects the Applicant's actual lease arrangements and tax position.

55. At this stage, the Tribunal is not required to determine the correctness of the tax assessment. The question is only whether the appeal raises genuine questions of law and fact requiring adjudication.

56. In our view, the questions raised concerning the treatment of deferred rent incentives for VAT purposes, the application of amendments relating to carried-forward losses, and the accuracy of the rental income assessment are not frivolous. They raise matters of statutory interpretation and factual accounting which must properly be determined at the hearing of the main appeal.

57. We are therefore satisfied that the Applicant has established the existence of serious triable issues before this Tribunal.

(ii) Irreparable Injury

58. The second requirement is that the Applicant must demonstrate that it will suffer injury which cannot adequately be compensated by damages if the injunction is not granted.

59. The Applicant states that the Respondent has issued several demand notices and agency notices to financial institutions in order to enforce the tax assessments. The Applicant contends that such enforcement measures would disrupt its operations, impair its creditworthiness, and interfere with its contractual relationships. The Respondent, on the other hand, argues that the Applicant's alleged harm is purely financial and therefore compensable by damages. Relying on ***Bullion Refinery Ltd & Others v Attorney General & URA HCMA No. 0132 of 2023***, they argue that the Applicant has not demonstrated irreparable injury.

60. We agree that tax disputes ordinarily involve monetary liabilities and that payment of money, by itself, does not necessarily amount to irreparable injury. However, the evidence before us indicates that the Respondent has issued third-party agency notices to the Applicant's banks for substantial sums of money. Such enforcement measures can have significant commercial consequences beyond the mere payment of tax, particularly where they interfere with banking arrangements and business operations. In ***Luwalulwa Investments Ltd v Uganda Revenue Authority HCMA No. 1336 of 2022***, the High Court recognised that enforcement actions affecting a business's cash flow may cause substantial commercial harm.

61. We are therefore satisfied that enforcement of the disputed assessments before determination of the appeal may expose the Applicant to significant commercial disruption which may not be compensable.

(iii) Balance of Convenience

62. Where doubt exists regarding irreparable injury, the court must determine where the balance of convenience lies. In Water & Environment Media Network (U) Ltd v National Environment Management Authority Misc. Application No. 509 of 2020, the court held that the balance of convenience favours the party likely to suffer greater prejudice if the injunction is not granted.

63. In the present case, the Respondent argues that granting the injunction would undermine its statutory mandate to collect revenue and the public interest in revenue mobilisation. However, we note that the Respondent already retains the Applicant's funds in the form of the VAT credit claimed. Consequently, granting an injunction does not deprive the public treasury of secured funds but merely preserves the status quo pending resolution of the dispute.

64. Conversely, if enforcement proceeds immediately, the Applicant may suffer disruption to its business operations before the legality of the disputed assessments is determined. The Tribunal therefore finds that the balance of convenience tilts in favour of the Applicant.

65. In conclusion, having considered all the circumstances of the case, we find that:

1. The Applicant has established a prima facie case with serious triable issues in the main application.
2. The enforcement measures undertaken by the Respondent may cause substantial commercial disruption to the Applicant before the dispute is determined.
3. The balance of convenience favours maintaining the status quo, particularly given that the Respondent already holds funds belonging to the Applicant pending a VAT refund claim.

66. Accordingly, the Tribunal finds that the Applicant has satisfied the threshold for the grant of a temporary injunction pending determination of the main application. This application therefore succeeds.

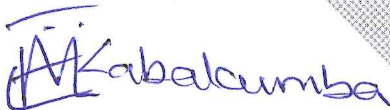
Orders:

1. A temporary injunction is hereby granted restraining the Respondent, its servants, agents and employees from enforcing or collecting the disputed tax assessments in TAT Application No. 283 of 2025 pending determination of the main application.
2. Costs shall be in the cause.

It is so ordered.

Dated at Kampala this **13th** day of **March** 2026.

HON. PROSCOVIA REBECCA NAMBI
CHAIRPERSON



HON. KABAKUMBA MASIKO
MEMBER

MS. CHRISTINE KATWE
MEMBER

TAT