

**THE REPUBLIC OF UGANDA**

**IN THE TAX APPEALS TRIBUNAL AT KAMPALA**

**MISCELLANEOUS CAUSE NO. 83 OF 2025**

**EGIS ROAD OPERATION UGANDA SMC- LTD.....APPLICANT**

**VERSUS**

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

**BEFORE: MS. CRYSTAL KABAJWARA, MS. REBECCA PROSCOVIA NAMBI,  
MR. WILLY NANGOSYAH**

**RULING**

**I. Introduction**

1. This application was brought under section 16 (2) of the Tax Appeals Tribunal Act, Rule 12 of the Tax Appeals Tribunal Rules, seeking orders that:
  - (i) Leave be granted to the Applicant to apply out of time.
  - (ii) Costs of the Application be provided for.

**II. Background Facts**

2. The Applicant is engaged in the operations and maintenance of roads. The grounds of this application are laid out in the affidavit in support of the application deposed by Mr. Ivan Katamba, the General Manager of the Applicant, and sworn on 1 October 2025, stating as follows:

- (i) On 27 May 2024, the Applicant received a tax audit management letter for the period January 2021 to December 2021, which communicated an assessment of Shs. 2,838,321,042.36.
- (ii) On 21 June 2024, a meeting was held with the Respondent in which the taxpayer raised objections towards income tax, VAT, and withholding tax assessed. It was agreed that the Respondent would share the workings used to issue the assessments in audit, and the taxpayer would formally object to the assessments. On 5 July 2024, the Applicant filed objections to income tax, VAT, and withholding Tax.
- (iii) On 7 August 2024, the Applicant had a meeting with the Respondent's objections team, and they informed the officials that they had never had any contract with UNRA, as the contract was awarded to their parent company, Egis Road Operation -SAS. It was further agreed that the Applicant provide copies of bank statements, Audited Financials, and a Copy of the contract. On 8 August 2024, they received a letter from the Respondent ordering them to provide all sales records, purchase and expense records, contracts, bank statements, financial statements, and other relevant documents.
- (iv) Subsequently, the TID department visited the Applicant's premises and took all business documents and computers. On 13 August 2024, the Applicant wrote a letter to the Respondent's Objections team, informing them that it would be impossible to provide the documents since TID had seized them. On 25 September 2024, they received a decision rejecting their objection due to the failure to provide documents.
- (v) On 30 September 2024, the Applicant applied to the Respondent for alternative dispute resolution (ADR). However, before a decision was made, the Respondent issued an agency notice on 15 October 2024.
- (vi) On 29 August 2025, the ADR department rejected their application for lack of information and advised them to apply to the Tax Appeals Tribunal. The Applicant asked the Respondent to review the ADR

decision, and on 9 September 2025, the Respondent maintained their earlier decision.

- (vii) That it is just fair and equitable that they are granted leave to apply out of time because the delay was due to the Respondent's own internal procedure.
3. The Respondent replied by way of an affidavit in reply deponed by Mr. Agaba Edmond, a Legal Officer in the Legal Services and Board Affairs Department of the Respondent, and sworn on 21 October 2025, stating:
- (i) The Respondent conducted an audit for the period January to December 2021, which revealed variances between the Applicant's declared VAT sales and its Income tax, as well as failure to charge withholding tax on professional fees. On 27 May 2024, the Respondent issued administrative assessments for additional value-added tax, income tax, and withholding tax in the amount of Shs. 2,838,321,042
  - (ii) That on 5 July 2024, the Applicant objected to the assessment on the grounds that it is not the contracted company for the expressway project and therefore has no income generation. Objection decisions were issued on September 30 and October 2, 2024, disallowing the objection.
  - (iii) The Applicant ought to have lodged its application for review of the Respondent's taxation decision by 30 October 2024 and 1 November 2024. This application has been filed for nearly 1 year, after which the Applicant cannot justify an inordinate delay.
  - (iv) An application for Alternative Dispute Resolution with the Respondent is a separate dispute resolution avenue, which does not stop the time required to apply for review before the tribunal from running.
  - (v) The Applicant has not demonstrated any justifiable reason to warrant a grant of an extension of time to apply for review of the Respondent's objection decision. This Application is improperly before the Tribunal as the Applicant has not paid 30% of the tax in dispute as required by law.

- (vi) That it is in the interest of justice that this application and orders prayed therein be dismissed.

### III. Issues

4. Whether the order for extension of time should be granted?
5. Whether the Applicant is required to pay 30% of the assessed tax?
6. What remedies are available?

### IV. Representation

7. Mr. Mugenyi Pius Ssemanda represented the Applicant, while Ms. Doreen Amutuhaire and Ms. Chantal Nalweyiso represented the Respondent.

### V. Submissions of the Applicant

#### **Should the application for extension of time be allowed?**

8. The Applicant submitted that according to Section 16(1)(c) and Section 16(7) of the Tax Appeals Tribunal Act, an application for review of a tax decision should ordinarily be filed within 30 days from the date of the objection decision, and in any case within six months from the date of the tax decision. The same section vests in this Honourable Tribunal discretionary power to grant leave to apply out of time where good cause is shown.
9. The Applicant submitted that in the case of *Eringa v. Vuzzi & 2 Others, Misc. Application No. 009 of 2017*, the Court emphasized that sufficient cause must be shown to justify an extension of time, and that dilatory conduct by the opposite party can amount to sufficient cause.
10. The Applicant further submitted that it has demonstrated sufficient cause for failing to file its application within the prescribed time. The delay was occasioned by the Respondent's own actions, specifically the confiscation of the Applicant's business records and the deliberate obstruction of the ADR process.

11. The Applicant submitted that it was led to believe, in good faith, that the matter would be amicably resolved through ADR. However, the Respondent's conduct, characterized by repeated postponements and the failure to provide the confiscated documents, was calculated to mislead and delay the Applicant until the statutory time for filing had expired; such conduct amounts to sufficient cause within the meaning of the law.
12. The Applicant submitted that denying them the opportunity to be heard would amount to a miscarriage of justice. The Applicant prayed that this Tribunal exercise its discretion in favour of the Applicant and grant leave to apply for review out of time, as well as the costs of this application.

#### VI. Submissions of the Respondent

13. In reply, the Respondent submitted that the application does not demonstrate sufficient grounds for the grant of an extension of time, as the said application was brought with undue delay and should be dismissed with costs.
14. The Respondent submitted that the Applicant opted to apply for Alternative Dispute Resolution on 30/09/2024, which application did not stop the time within which the application for review in the Tax Appeals Tribunal from running, as per the law.
15. The Respondent submitted that, according to Section 27 of the Tax Procedure Act, a person who is dissatisfied with an objection decision may, within 30 days after being served with a notice of the decision, apply for review of the objection decision. Section 16(1)(c) Tax Appeals Tribunal Act, an application for review of a taxation decision with the Tribunal shall be lodged within 30 days after service of the applicant with a notice of the decision.
16. The Respondent cited the case of ***Uganda Revenue Authority Versus Uganda Consolidated Properties Ltd CACA No.75 of 1999***, where the Court of Appeal held:

*"Time lines set by statutes are matters of substantive law and not mere technicalities and must be strictly complied with, and it is stated that the Tribunal was right to reject the application for being time-barred".*

17. The Respondent submitted that the Applicant had 30 days within which to bring the application for review before this Tribunal. For the avoidance of doubt, the 30 days started running from 30/09/2024 for Objection Reference No. 39458626, 2/10/2024 for Objection Ref: 39467699, and 39467696, respectively. Therefore, the Applicant had up to 30/10/2024 and 2/11/2024.
18. The Respondent submitted that, according to Section 16(2) of the Tax Appeals Tribunal Act, the Tribunal may, upon application in writing, extend the time for making the application for review. Under Section 16(7) of the Tax Appeals Tribunal Act, an application for review of the taxation decision shall be made within six months after the date of the decision.
19. The Respondent argued that for the Applicant to be granted leave to apply for extension of time, there should be sufficient reasons as per rule 11(1) of the Tax Appeal Tribunal (Procedure Rules) 2012, which are: absence from Uganda, illness, or any other reasonable cause.
20. The Respondent submitted that Section 26(11) of the Tax Procedure Code Act states that a taxpayer dissatisfied with a decision of the Commissioner General may apply to the Commissioner to resolve the dispute using alternative dispute resolution. This section provides an administrative remedy that is optional for the taxpayer who wishes to apply for ADR but did not amend the timelines set in the law for applications for review in the Tribunal.
21. The Respondent submitted that, according to Rule 4(3) Tax Procedure Code (Alternative Dispute Resolution) Regulations, where the taxpayer and commissioner commence an ADR procedure, the time within which the taxpayer and commissioner, the timeline within which the taxpayer is required to apply to the Tribunal shall not be affected by the ADR.

22. The Respondent submitted that in Sub rule 4 of the said rule States that for avoidance of doubt the ADR shall not have any effect or negate the rights of the commissioner or tax payer to file an application with the court or have an effect on the rules and procedures of the Tribunal or court.
23. The Respondent submitted that the Applicant has not demonstrated sufficient cause, having been represented by counsel of M/S Sena Advocates during the entire objection, ADR and review process puts the Applicant in to the confines of the law. The inordinate delay of over a period of one year cannot be justified by reason of pendency of an ADR ongoing review with the Respondent.
24. The Respondent submitted that the Applicant has not demonstrated reasonable grounds to warrant the grant of an application for extension of time and prayed that this application be dismissed with costs to the Respondent.

**Whether the Applicant should pay 30% of the assessed tax**

25. The Respondent submitted that the Applicant has not paid the required 30% of the tax in dispute as required under Section 15(1) of the Tax Appeals Tribunal Act. The Respondent submitted that in the case of ***Bullion Refinery V URA App No. 36/2024***, it was held that the requirement to pay 30% of the assessed tax arises when a party files an objection decision. The amount is due and payable by the time a matter is filed in the Tribunal. The Respondent also prayed that the Tribunal exercise its discretion to award costs to the Respondent.

**VII. Submissions of the Applicant in rejoinder**

26. In response, the Applicant submitted that the Tribunal has the power to grant an extension of time where good cause is shown, pursuant to Rule 11 of the Tax Appeals Tribunal (Procedure) Rules. The concept of good cause has been defined by courts in Uganda to mean a reasonable explanation for the failure to act within the prescribed time. In ***Farid Meghani v Uganda Revenue Authority, C.A. No. 06 of 2021***, Justice Stephen Mubiru described reasonable

cause as including absence, illness, or any other justifiable reason preventing timely filing.

27. The Applicant submitted that its delay was directly caused by the Respondent's conduct before, during, and after the assessment and objection process. The Applicant submitted that granting this extension will not prejudice the Respondent in any way; however, refusal would cause grave prejudice to the Applicant. The Applicant prayed that the Tribunal should exercise its discretion to grant the application for extension of time.

**Whether the applicant is required to pay 30% of the assessed tax at this stage**

28. The Applicant submitted that it is well established under Section 15 of the Tax Appeals Tribunal Act that payment of 30% of the assessed tax is due at the time of the application for review before the Tribunal. This application, however, seeks leave to extend the time within which to lodge that application for review. It does not constitute the actual application for review of the objection itself. Therefore, the requirement to pay 30% of the assessed tax has not yet crystallized. The Applicant reiterated its readiness and willingness to pay the 30% upon applying, should the Tribunal grant the present application. The Applicant prayed that the Tribunal grant an extension of time to lodge the objection and award costs to the Applicant.

**VIII. The Determination of the Tribunal**

29. The Applicant seeks leave to file an out-of-time application for review against the Respondent's decisions dated 30 September 2024 and 2 October 2024. The Applicant ought to have filed before the Tribunal by 30 October and 1 November 2024. This application for extension of time was filed on 1 October 2025. The Applicant contends that the delay in filing was caused by the prolonged ADR process and the Respondent's internal processes.

### Should the order for extension of time be granted?

30. Section 16(1)(c) of the Tax Appeals Tribunal Act provides:

*“(1) An application to the Tribunal for the review of a taxation decision shall-*

*(c) Be lodged with the Tribunal within thirty (30) days after the person making the application has been served with the notice of the decision”.*

31. Section 16 (2) of the Tax Appeals Tribunals Act provides:

*“A Tribunal may, upon application in writing, extend time for the making of an application to the Tribunal for a review of the taxation decision”.*

32. Section 1 of the Tax Appeals Tribunal Act defines a taxation decision to mean any assessment, determination, decision or notice.

33. In the present case, the Respondent issued the Applicant an objection decision on 30 September 2024 and 1 October 2024. The Applicant subsequently applied for ADR, and the Respondent received their application. However, on 29 August 2025, following a review of the application and engagement with the Applicant, the Respondent maintained the position previously arrived at by its objection and appeals team.

34. Having considered the above facts, the Respondent’s final position following ADR, which they communicated to the Applicant on 29 August 2025, is a determination, decision, or notice.

35. The **Cambridge Dictionary Online** (<https://dictionary.cambridge.org/dictionary/english/determination>) defines the term determination as *“the process of controlling, influencing, or deciding something.”*

36. Further, it defines a decision to mean *“a choice that you make about something after thinking about several possibilities.”*

37. Applying the above definitions to the facts in the present case, the Respondent’s review of the Applicant’s ADR application on its merits was a

process undertaken to decide the application. This was the process of determination. Further, having undertaken the determination, the Respondent then chose to reject the application. This was the decision.

38. Therefore, on all fours, the Respondent's ADR decision is a taxation decision.
39. We have taken note of the Respondent's arguments that the taxpayer has the option to either proceed via ADR or to file an application before the Tribunal. However, the TPCA is not outright clear on these two options. If the Legislature intended to exclude ADR decisions from taxation, they would have amended both the TPCA and the TAT Act to do so categorically. Tax laws should be clear and straightforward to understand, so as not to make it unduly burdensome for persons and entities to comply by requiring them to go through an overly complex process to ascertain their meaning (*URA v Rwenzori Bottling Co. Ltd, HCCA 10 of 2023*).
40. In fact, the definition of a taxation decision in section 2 of the TPCA is so broad that it encompasses a decision on any matter left to the discretion, judgment, direction, opinion, approval, satisfaction, or determination of the Commissioner General.
41. An ADR application is a matter that is left to the judgment of the Commissioner General and his officers.
42. Further, we have also taken note of the argument that Regulation 4(3) of the Tax Procedure Code (Alternative Dispute Resolution) Regulations provides that, where the taxpayer and the commissioner commence an ADR procedure, the timeline within which the taxpayer is required to apply to the Tribunal shall not be affected by the ADR proceedings.
43. A taxpayer applies to the Tribunal for review of a taxation decision. In the present case, the final taxation decision was rendered on 29 August 2025.

44. The dictum of the Hon. Justice Thomas Ocaya in *URA v Rwenzori Bottling Co. Ltd* is instructive. He stated:

*“Only that communication which conclusively disposes of a taxpayer’s matter in content, intent, and legal effect can properly be treated as a decision whose date marks the beginning of the limitation period for recourse to the Tribunal.”*

45. Before the introduction of ADR in 2021, the Respondent became *functus officio* upon issuing an objection decision. However, in 2021, the TPCA was amended to allow taxpayers who are dissatisfied with the Commissioner's decision to apply to the Respondent to resolve the dispute through ADR. This means that, once a taxpayer submits an ADR application and the Respondent accepts it, the Respondent is not *functus officio*.

46. The Hon. Justice Ocaya in *Rwenzori Bottling Supra*, cited with authority, the decision in *MacMillan Bloedel Ltd vs. Minister of Finance (1985)*, 60 BCLR 145, which considered the term *functus officio* and stated:

*“I think it is inappropriate to use the term functus officio in that context. To me, the term means that the person who decides something is precluded from again considering the matter even if new evidence or arguments are presented to him.”*

47. The fact that the Respondent has statutory powers to continue reviewing a matter arising out of an objection decision indicates that the Respondent still has jurisdiction over the matter and has therefore not:

*“fulfilled the function, discharged the office or accomplished the purpose.”*  
**(Rwenzori Bottling, Supra)**

48. It can also not be that, on the one hand, an ADR decision is valid only when a taxpayer and the Respondent reach a settlement agreement; and, on the other hand, it ceases to be valid when the two disagree and the taxpayer seeks redress from the Tribunal. ADR should not be a barrier to justice; it should be a tool to *enhance* access to justice.

49. Since, in the present case, the ADR decision was made on 29 August 2025 and the Applicant filed this application before the Tribunal on 1 October 2025

(and not on 28 September 2025), the delay was 3-4 days. This delay is not so inordinate as to warrant the loss of a right to have a dispute determined on its merits. Besides, the Respondent will not be prejudiced in any way.

**Whether the Applicant is required to pay 30% of the assessed tax?**

50. The Applicant argued that the obligation to pay 30% arises only upon filing an application for review, not at the extension stage.
51. There is a difference between applications for review and applications for extension of time. The statutory requirement under Section 15(1) of the Act applies to substantive review applications, not to preliminary applications seeking leave to extend the timeline for applying.
52. The Applicant has stated that they are ready and willing to pay the 30% upon applying, should the Tribunal grant the present application.
53. Accordingly, the Tribunal exercises its discretion under Section 16(2) of the Tax Appeals Tribunals Act and Rule 11(6) of the Tax Appeals Tribunal (Procedure) Rules to grant the application.

**Orbiter**

54. Having established the ambiguity in the law regarding the status of ADR decisions, the Ministry of Finance is urged to review and streamline the provisions of the TPCA and the TAT Act regarding ADR decisions. It is vital for the tax law to clearly articulate taxpayers' rights, duties, and obligations in the tax dispute resolution process. Further, duplication between the ADR and TAT processes should be minimized or avoided entirely. This can be achieved by amending the law to allow taxpayers to pursue ADR under the TPCA or apply to the TAT, but not both. Further, certainty and finality are essential in any dispute resolution process, and the earlier finality is reached, the better for all parties because delayed decision-making can lead to increased cost, loss of revenue and missed opportunities for both the government and taxpayers.

**Orders**

55. The Applicant is hereby granted leave to file the application for review within fourteen (14) days from the date of this ruling.
56. The Applicant shall deposit thirty percent (30%) of the tax assessed within the same period, in accordance with Section 15(1) of the Act.
57. Each party to bear their own costs.

Dated at Kampala this 20<sup>th</sup> day of November 2025.

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

  
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**MS. PROSCOVIA REBECCA NAMBI**  
**MEMBER**

  
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**MR. WILLY NANGOSYAH**  
**MEMBER**