



THE REPUBLIC OF UGANDA
IN THE TAX APPEALS TRIBUNAL AT KAMPALA
APPLICATION NO. 087 OF 2026

INTERNATIONAL EMPLOYMENT LINKAGES (U) LTD.....APPLICANT

VERSUS

UGANDA REVENUE AUTHORITY.....RESPONDENT

**BEFORE: HON. CRYSTAL KABAJWARA, HON. KENNETH A. BAGAMUHUNDA,
HON. EDWARD BIRYETEGA**

RULING

I. Introduction

1. This Ruling arises from several preliminary objections raised by the Respondent, challenging the competence of the substantive application. The Respondent contends that the instant application constitutes a gross abuse of this Tribunal's process, is barred by the doctrine of res judicata, and is in contempt of this Tribunal's statutory authority.
2. The underlying dispute stems from the Applicant's attempt to challenge additional Value Added Tax (VAT) assessments totalling Shs. 2,443,746,404, despite this Tribunal previously denying an extension of time to challenge those same assessments.

II. Background Facts

3. The Respondent issued additional VAT assessments against the Applicant totalling Shs. 2,443,746,404 for the consecutive tax periods spanning the

financial years 2017/2018 to 2021/2022. On 25 and 27 September 2024, the Applicant lodged formal notices of objection against the said assessments. Subsequently, on 31 October 2024 and 4 November 2024, the Respondent issued its respective Objection Decisions confirming the liabilities.

4. On 22 December 2025, having failed to file an application for review within the mandatory statutory timelines, the Applicant filed TAT Miscellaneous Cause No. 95 of 2025 before this Tribunal, seeking an extension of time within which to lodge a substantive application for review. By a Ruling delivered on 2nd April 2026, this Tribunal dismissed the application with costs, finding that the Applicant had fundamentally failed to establish sufficient cause to warrant the exercise of the Tribunal's judicial discretion in its favour.
5. Dissatisfied with the dismissal, the Applicant lodged a Notice of Appeal on 30th April 2026, commencing High Court Civil Appeal No. 63 of 2026. However, by a letter dated 28th May 2026, the Applicant voluntarily withdrew the said appeal, intimating that it had lost interest in prosecuting the matter before the High Court.
6. Concurrently, on 15th May 2026, the Applicant bypassed the limitation order and filed the present substantive Application before this Tribunal, seeking to challenge the exact VAT liability of Shs. 2,443,746,404/= to which TAT Miscellaneous Cause No. 95 of 2025 related. The Respondent heavily impugned the application, averring that it is incompetent, bad in law, and contemptuous of the statutory power vested in this Tribunal, as it seeks to retroactively reopen a dispute that was conclusively rendered time-barred.

III. The Respondent's Submissions

Abuse of the Process of the Tribunal

7. Counsel for the Respondent submitted that the instant Application represents a classic case of an abuse of court process. Relying on the locus classicus Supreme Court decision in *Uganda Land Commission v. James Mark*

Kamoga, SCCA No. 08 of 2005, Counsel observed that an abuse of process involves the improper deployment of judicial machinery for an ulterior or collateral purpose, or for a purpose other than that for which the process was established.

8. This position was fortified by a reference to **Black's Law Dictionary (11th ed., p. 13)**, which defines an abuse of process as the improper and tortious use of a legitimately issued court process to obtain a result that is either unlawful or entirely beyond the scope of that process.
9. The Respondent maintained that this Tribunal possesses an inherent duty to insulate its processes from manipulative litigation and to preserve the finality of its decisions. The Applicant's prior application for an extension of time (**TAT Miscellaneous Cause No. 95 of 2025**) was dismissed on 2nd April 2026. Although the Applicant initially appealed the dismissal, its subsequent withdrawal of High Court Civil Appeal No. 63 of 2026 left this Tribunal's original limitation order valid, binding, and undisturbed.
10. The Respondent argued that by returning to the Tribunal via a fresh application to extract the exact substantive reliefs effectively denied by the operation of the limitation order, the Applicant is attempting an impermissible backdoor circumvention of a binding decision. Counsel submitted that this creates perpetual litigation over finalised assessments, destroys the doctrine of finality, and urged the Tribunal to strike out the Application with costs.

The application is barred by Res Judicata

11. The Respondent further submitted that the Application is strictly caught by the doctrine of *res judicata*, statutorily anchored under Section 7 of the Civil Procedure Act. The section explicitly bars a competent court or tribunal from trying any suit or issue where the matter directly and substantially in issue has been directly and substantially adjudicated upon in a former proceeding between the same parties, and has been heard and finally determined by a court of competent jurisdiction.

12. To ground the elements of the doctrine, the Respondent placed reliance on ***Karia & Another v. Attorney General & Others 1 EA 83*** and the recent Supreme Court decision in ***Berna Gutaabingi & Others v. Buyongo Samuel, Civil Appeal No. 85 of 2023***. Counsel argued that all three threshold requirements are fully satisfied in this matter:

- (i) **Identity of the Parties:** The parties in TAT Miscellaneous Cause No. 95 of 2025 and the instant Application are perfectly identical, namely, M/s International Employment Linkages (U) Limited and the Uganda Revenue Authority.
- (ii) **Identity of Subject Matter:** Both proceedings spring from the **selfsame** VAT assessments of Shs. 2,443,746,404 and the exact Objection Decisions issued by the Respondent.
- (iii) **Competent Forum and Finality:** TAT Miscellaneous Cause No. 95 of 2025 was conclusively determined on its merits by this Tribunal on 2nd April 2026, wherein it was held that the Applicant's delay of over one year was inordinate and unexcused. The Respondent contended that although the Applicant has now framed its fresh Application as a direct substantive challenge to the Objection Decisions, it inevitably seeks to relitigate the absolute threshold question already decided against it: whether it can be permitted to challenge those assessments outside the mandatory timelines prescribed under Section 16 of the Tax Appeals Tribunal Act. Consequently, the Respondent argued that allowing the application would amount to an unlawful re-litigation of a final order, rendering it barred by *res judicata*.

The Application is Contemptuous of the Tribunal's Authority

13. Counsel for the Respondent submitted that while the Applicant's conduct does not constitute a traditional disobedience of a specific injunctive order, it represents a profound institutional contempt for the statutory authority and finality of this Tribunal.

14. It was argued that having been legally denied an extension of time, the Applicant's recourse to fresh parallel proceedings to achieve indirectly what it failed to achieve directly undermines the administration of justice. Circumventing a binding judicial order, rather than pursuing appellate remedies, is highly contemptuous and warrants summary dismissal.

The Taxpayer's Plea of Illegality is Legally Ineffective

15. In response to the Applicant's reliance on the case of **Premier Recruitment Limited v. Uganda Revenue Authority**, the Respondent submitted that this Tribunal already evaluated and rejected that exact justification in the previous miscellaneous proceedings. The Tribunal previously held that jurisprudential updates do not operate to retroactively excuse an inordinate delay, and nothing prevented the Applicant from filing its review application in time and later amending its grounds.
16. The Respondent argued that the Applicant's current plea of "illegality" is merely a strategic repackaging and a new legal label slapped onto the identical objective. Counsel maintained that the decision in **Premier Recruitment** did not create a statutory exception to limitation timelines, nor did it permit time-barred entities to leapfrog procedural mandates. Having abandoned its High Court appeal, the Applicant cannot use a plea of illegality as a backdoor key to revive a dead claim.

IV. The Applicant's Submissions

17. In response, Counsel for the Applicant vehemently submitted that the Respondent's Preliminary Objections were entirely misconceived and legally incapable of defeating a properly raised plea of illegality. It was argued that the alleged illegality directly struck at the jurisdiction and validity of the underlying assessments, which this Tribunal is under a non-delegable duty to address. Relying on the *locus classicus* decision in **Makula International Ltd v. Cardinal Nsubuga HCB 11**, Counsel reminded the Tribunal that a court of law can never sanction an illegality once it is brought to its attention.

18. Substantively, the Applicant contended that the disputed VAT assessment of Shs. 2,443,746,404 was an absolute nullity in law because the subject recruitment services were supplied to foreign corporate principals and consumed entirely outside Uganda.
19. Consequently, they constituted "exported services" legally subject to a zero rate (0%) under Section 24(4) of the Value Added Tax Act, Cap. 349, read together with the Third Schedule and Regulation 12 of the VAT Regulations. Counsel cross-referred to Article 152(1) of the Constitution of Uganda, which strictly mandates that no tax can be imposed except under the explicit authority of an Act of Parliament.
20. The Applicant fortified this position by placing reliance on a robust line of tax precedents, including ***Premier Recruitment Ltd v. URA, Uganda Revenue Authority v. Premier Recruitment Ltd, Tanelec Uganda Ltd v. URA, and Allied Beverages Co. Ltd v. URA***, all of which judicially protect the zero-rated status of services consumed outside the jurisdiction.

The Fresh Application Does Not Constitute an Abuse of Process

21. The Applicant submitted that the current proceeding is a textbook, legitimate invocation of the Tribunal's statutory jurisdiction. Counsel argued that in TAT Miscellaneous Cause No. 95 of 2025, the Tribunal confined its inquiry strictly to the procedural threshold of "sufficient cause" for an extension of time. At no point did that miscellaneous panel evaluate, debate, or rule upon the substantive legality of the tax liability.
22. The Applicant maintained that this is not a disguised appeal of the limitation order, but a completely independent substantive application. It was forcefully argued that time does not sanitise a void assessment, and procedural timelines cannot be manipulated to give legal life to an unconstitutional tax assessment.
23. Counsel concluded that this Tribunal is a court of substantive justice and must not remain a prisoner of its own technicalities. Procedural rules are designed to facilitate, not to choke or defeat, substantive adjudication. Invoking a clear

statutory right to challenge an illegal assessment can never amount to an abuse of process.

The Plea of Res Judicata is Wholly Inapplicable

24. The Applicant contended that the Respondent's plea of *res judicata* is legally flawed. For the doctrine to apply, the matter directly and substantially in issue must have been heard and finally determined in the former suit. Because the previous proceedings were limited to a miscellaneous procedural timeline query, the core commercial reality, zero-rating status, and the substantive illegality of the Shs. 2.4 billion tax liability remain entirely untouched. No final determination on the merits has ever occurred.

The Charge of Contempt is Groundless

25. Finally, the Applicant submitted that the allegation of contempt is legally unsustainable and completely untenable. The Ruling of 2nd April 2026 simply declined to extend time for a specific application; it did not issue an injunction, a stay, a restraining order, or a permanent statutory command instructing the Applicant to remain silent.
26. The Applicant concluded that approaching a statutory tribunal to resolve an ongoing tax gridlock is an act of constitutional compliance, not an act of defiance. The Respondent, having failed to prove the elements of abuse, res judicata, or contempt, prayed that the Preliminary Objections be dismissed with costs, and that the matter be set down for a full hearing on its substantive merits.

V. The Determination of issues by the Tribunal

27. Having meticulously considered the pleadings, the written submissions, and the judicial authorities cited by both parties, this Tribunal determines the preliminary objections as follows:

Whether the Application constitutes an abuse of the process of the Tribunal

28. The Respondent submitted that this Application is a gross abuse of process because the Applicant seeks to achieve indirectly what it failed to obtain in TAT Miscellaneous Cause No. 95 of 2025, effectively circumventing the Tribunal's earlier limitation order and causing repetitive litigation. Conversely, the Applicant contends that no abuse of process arises because the previous proceedings were strictly confined to an extension of time, whereas the current application directly challenges the substantive legality of the VAT assessments.
29. This Tribunal notes that an abuse of process occurs when a judicial mechanism is deployed for an improper purpose, or for an objective entirely alien to that for which the process was statutorily established.
30. In the case of **Attorney General & Uganda Land Commission v. James Mark Kamoga & Another, SCCA No. 8 of 2004**, the Supreme Court clearly stated that:

"Abuse of court process involves the use of the process for an improper purpose or a purpose for which the process was not established."
31. Section 16 of the Tax Appeals Tribunal Act requires an application for review of a taxation decision to be lodged within thirty (30) days from the date of service of the decision. The Applicant previously moved this Tribunal to enlarge that statutory period in TAT Miscellaneous Cause No. 95 of 2025. The Tribunal dismissed that application on 2nd April 2026 after finding that the Applicant had not established sufficient cause. Although the Applicant preferred an appeal to the High Court against that determination, it voluntarily withdrew the same.
32. This Tribunal finds that the Applicant's present attempt to challenge the same Objection Decisions after failing to secure an extension of time and subsequently abandoning its appellate remedy amounts to a flagrant abuse

of court process. The mere fact that the current application is framed as a plea of illegality does not entitle the Applicant to retroactively reopen a matter already judicially foreclosed. Accordingly, the preliminary objection on the ground of abuse of court process is sustained.

Whether the application is barred by the doctrine of res judicata

33. The Respondent placed heavy reliance on Section 7 of the Civil Procedure Act, which provides:

"No court shall try any suit or issue in which the matter directly and substantially in issue has been directly and substantially in issue in a former suit between the same parties, or between parties under whom they or any of them claim, litigating under the same title, in a court competent to try the subsequent suit or the suit in which the issue has been subsequently raised, and has been heard and finally decided by that court."

34. This Tribunal observes that although the identities of the parties and the underlying tax liabilities are perfectly matched, TAT Miscellaneous Cause No. 95 of 2025 determined only whether sufficient cause had been established to extend time. It did not evaluate or rule upon the substantive legality of the VAT assessments or their zero-rating eligibility. Because the former proceedings never heard or determined the core lawfulness of the assessments on their merits, the preliminary objection, based strictly on the doctrine of res judicata, cannot be sustained.
35. Nevertheless, the Applicant remains absolutely bound by the earlier determination on the extension of time. That interlocutory ruling operates as the definitive threshold on whether this forum can entertain the substantive dispute. The said order was never set aside on appeal, remains valid, and continues to bind the parties. The preliminary objection on *res judicata* is therefore overruled.

Whether the Application is Contemptuous of the Authority of the Tribunal

36. Section 37 of the Tax Appeals Tribunal Act creates the offence of contempt of the Tribunal, extending its scope to any acts which, if committed before a court of record, would constitute contempt.
37. Contempt requires the deliberate disobedience of a lawful order or conduct falling within the strict statutory definition. In the present case, while the order in TAT Miscellaneous Cause No. 95 of 2025 did not contain an express injunctive or restraining command barring future filings, it explicitly refused to grant the Applicant the mandatory permission required to file the substantive dispute out of time.
38. The ***Black's Law Dictionary (10th Edition)*** defines contempt of court as: "*Conduct that defies the authority or dignity of a court.*"
39. In the case of ***Semanda & 2 Others v. Kaheebwa & Another, Miscellaneous Application No. 1625 of 2016***, the High Court affirmed the trite principle that:
- "It is a general principle of law that 'a party who knows of an order cannot be permitted to disobey it. ... As long as the order exists, it must not be disobeyed.' Therefore, as long as the warrant given to the First Applicant existed and had not been set aside or recalled by the court, the Respondents ought to have obeyed it."*
40. In light of the foregoing, the Applicant was fully aware of this Tribunal's binding decision refusing to allow the time-barred application to be filed before this forum. Under these circumstances, the subsequent filing of the selfsame matter represents a direct defiance and disobedience of the operational limits and orders set by this Tribunal. We therefore find that the Applicant's conduct stands in contempt of the authority of this Tribunal. Accordingly, the Tribunal sustains the preliminary objection on contempt.

The Impact of the Plea of Illegality within statutory time bars

41. This Tribunal has carefully considered the Applicant's heavy reliance on the locus classicus principle articulated in ***Makula International Ltd v. Cardinal Nsubuga & Another (1982) HCB 11***, which dictates that a court of law cannot sanction an illegality once it has been brought to its attention.
42. However, this Tribunal observes that the ***Makula*** principle does not confer an open-ended or unrestricted license upon a taxpayer to retroactively reopen proceedings in direct defiance of mandatory statutory timelines or a subsisting, binding judicial determination. The Applicant's bare allegation of substantive illegality cannot extinguish or immunise it from the severe procedural consequences of its fatal failure to challenge the subject Objection Decisions within the strict thirty-day window prescribed by Section 16 of the Tax Appeals Tribunal Act. A plea of illegality cannot create jurisdiction where a statutory limitation period has already stripped the party of its right of action.
43. Further, where the Tribunal has dismissed an application for extension of time, the applicant cannot bypass that dismissal by simply filing the same substantive application. The Applicant must first avail of a statutory mechanism capable of displacing the earlier dismissal; in this case, Section 28 of the TAT Act would come into play. The Tribunal further noted that the Applicant abandoned this statutory route by withdrawing its appeal to the High Court. In the circumstances, the Tribunal's jurisdiction to reopen the matter is limited; hence, *functus officio* in respect of this matter.

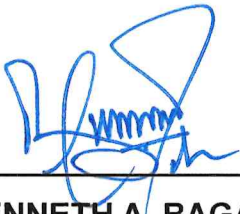
VI. Orders

44. In the circumstances, the Tribunal makes the following orders:
 - i. The preliminary objection on abuse of process is upheld.
 - ii. The preliminary objection on *res judicata* is overruled.
 - iii. The preliminary objection on contempt is upheld.
 - iv. This application is dismissed.
 - v. Costs are awarded to the Respondent.

Dated at Kampala this.....nd02.....day of.....October.....2026.



HON. CRYSTAL KABAJWARA
CHAIRPERSON



HON. KENNETH A. BAGAMUHUNDA
MEMBER



HON. EDWARD BIRYETEGA
MEMBER