TAX APPEALS TRIBUNAL
Justice in Taxation

THE REPUBLIC OF UGANDA

IN THE TAX APPEALS TRIBUNAL AT KAMPALA

MISCELLANEOUS APPLICATION NO. 95 OF 2025

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

VERSUS

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

BEFORE: HON. PROSCOVIA REBECCA NAMBI, HON. GRACE SAFI HON. ROSEMARY NAJJEMBA.

RULING

I. Introduction

1. This ruling is in respect of an application seeking extension of time within which to file an application for review of a taxation decision issued by the Respondent.

II. Background facts

2. The Applicant is engaged in labour recruitment and externalization services and is registered for tax purposes in Uganda. On 7 May 2024, the Respondent issued VAT assessments to the Applicant amounting to Shs.2,443,746,404.
3. The Applicant objected to the assessments on the basis that the labour recruitment services it provided to foreign entities constituted exported services which are zero-rated under the Fourth Schedule to the VAT Act.
4. The Respondent considered the objections and issued objection decisions on 25 September 2024, 27 September 2024, 4 October 2024 and 7 October 2024, maintaining the VAT assessments on the basis that labour

recruitment services constituted taxable supplies under the VAT Act. Upon receipt of those objection decisions, the Applicant did not file an application for review before the Tribunal within thirty days as required by law.

5. Following the Tribunal's decision in ***Premier Recruitment Ltd v URA TAT Application No 73 of 2023*** on 28 March 2025, which held that labour recruitment services supplied to foreign entities are exported services and therefore zero-rated, the Applicant wrote to the Respondent on 10th April 2025 requesting that the VAT assessments against it be vacated.

6. The Respondent subsequently invited the Applicant to an ADR meeting held on 7 May 2025, during which the Applicant was advised to either pursue the matter before the Tax Appeals Tribunal or raise it through the sector's umbrella body.

7. Later, by a letter dated 3 November 2025, the Respondent informed the Applicant that the dispute involved interpretation of the law and was therefore outside the scope of ADR. The Applicant then wrote again on 11th November 2025 seeking a special review of the ADR decision, but the Respondent responded on 13 November 2025 stating that the ADR division had already addressed the matter and was now functus officio. Hence, the Applicant filed the present application for extension of time on 22nd December 2025.

III. Issues

8. The Tribunal identifies the following issues for determination:
   (i) Whether the Applicant has demonstrated sufficient cause for failure to file an application for review within the 30-day period required by section 16(1)(c) of the Tax Appeals Tribunal Act.
   (ii) What remedies are available to the parties?

IV. Representation and Evidence

9. The Applicant was represented by Mr. Valentine Muwonge and Ms. Anita Naluvula, while the Respondent was represented by Mr. Simon Peter Orishaba.

10. The Applicant relied on an affidavit sworn by Ms. Apio Gloria, an officer of the Applicant company. The Respondent relied on an affidavit sworn by Mr. Samuel Oseku, a Legal Officer in its Legal Services and Board Affairs Department.

11. We find no dispute as to the key factual chronology: the VAT assessments, the objection decisions, the Tribunal's decision in Premier Recruitment, the ADR engagements, and the date of filing of the present application. It is also undisputed that all ADR engagements occurred long after the statutory period for filing an application for review had already expired. The dispute therefore turns primarily on the legal significance of those events in relation to the statutory timelines governing tax appeals.

V. Submissions of the Applicant

12. The Applicant submitted that its delay in filing the application was neither deliberate nor inordinate. It argued that after the Tribunal delivered its decision in ***Premier Recruitment (supra)*** that labour recruitment services supplied to foreign clients constituted exported services and were zero-rated, it reasonably believed the Respondent would administratively align its position and vacate the impugned assessments.

13. The Applicant submitted that it therefore engaged the Respondent in good faith through correspondence, ADR proceedings and sector engagement through the Uganda Association of Recruitment Agencies. The Applicant contended that its reliance on the Tribunal's earlier decision and continued engagements with the Respondent constituted sufficient cause for extension of time.

14. It further argued that the intended application for review had high likelihood of success in light of the Tribunal's decision in *Premier Recruitment*. The Applicant contended that the Respondent would not suffer any prejudice from the extension because the matter concerned a legal question, all records remained intact, and no factual difficulties arose from the delay. Conversely, refusing extension would cause grave injustice by forcing it to pay tax which the Tribunal had already declared legally inapplicable in a similar case.

15. The Applicant further submitted that although the application was filed on 22nd December 2025 outside six months, the Tribunal retains a broad discretion to enlarge time under section 16(2) of the Tax Appeals Tribunal Act and Rule 11 of the Tax Appeals Tribunals (Procedure) Rules, 2012. Reliance was placed on ***Boney Katatumba v Waheed Karim SCCA No. 27 of 2007*** and ***Mulindwa George William v Kisubika Joseph Civil Appeal No. 12 of 2014*** for the applicable criteria (length of delay, reasons, prospects, and prejudice).

16. The Applicant therefore prayed that the Tribunal grant an extension of time to file the application for review and that costs be provided for in the cause.

VI. Submissions of the Respondent

17. The Respondent submitted that the application was filed more than one year after expiry of the statutory timeline. It relied on the principle that statutory timelines in tax matters are matters of substantive law and must be strictly observed. The Respondent cited the Court of Appeal decision in ***Uganda Revenue Authority v Consolidated Properties Ltd, Court of Appeal Civil Appeal No. 31 of 2000***, where the Court held that:

    > *"Statutory timelines are matters of substantive law and not mere technicalities."*

18. The Respondent further cited Rule 11(6) of the Tax Appeals Tribunal (Procedure) Rules, 2012, together with ***Prompt Supply 2011 Ltd v Uganda Revenue Authority, Misc. Application No. 91 of 2019***, to emphasize the need for sufficient reason, assessed against the length of delay, reason for delay, prospects of success, and prejudice.

19. In support of the above position, the Respondent maintained that waiting for the outcome in ***Premier Recruitment*** **(supra)** could not constitute sufficient cause because the Applicant and Premier Recruitment were distinct taxable persons and each taxpayer must pursue its own remedies within the time prescribed by law. The Respondent therefore prayed that the application be dismissed with costs.

VII. Submissions of the Applicant in rejoinder

20. In rejoinder, the Applicant acknowledged that there had been delay in filing the application but argued that the Tribunal retains discretion under section 16(2) of the Tax Appeals Tribunal Act and Rule 11 of the Tax Appeals Tribunal (Procedure) Rules to extend time. The Applicant maintained that the delay was neither deliberate nor inordinate and that sufficient cause had been demonstrated. It further argued that the Respondent's reliance on section 16(7) of the Act was misplaced because the objection decisions had in fact been formally communicated.
21. The Applicant relied on ***Farid Meghani v Uganda Revenue Authority (Civil Appeal No. 6 of 2021)*** to contend that section 16(7) applies only where a taxation decision has not been formally communicated, whereas section 16(2) grants the Tribunal discretion to extend time without prescribing an outer limit. The Applicant also cited ***Crane Finance Co. Ltd v Makerere Properties Ltd (S.C. Civil Appeal No. 1 of 2001)*** to emphasise that courts may extend time even after the expiry of the prescribed period.
22. Further reliance was placed on ***Ndagire Annet v Uganda Revenue Authority (Misc. Application No. 43 of 2025)*** and ***Alnoor Tiles & Ceramics Ltd v URA (***Application ***No. 103 of 2023)***, where extensions of time were granted despite significant delay, illustrating the Tribunal's broad discretion to determine such applications on their merits.
23. The Applicant argued that it reasonably believed the Respondent would administratively resolve the dispute following the Tribunal's decision in ***Premier Recruitment Ltd***, particularly in light of alleged guidance communicated through the sector's umbrella association to await the outcome of that case. It maintained that it thereafter engaged the Respondent in good faith seeking vacation of the VAT assessments.
24. Finally, the Applicant submitted that the intended application for review has strong prospects of success given the Tribunal's position in ***Premier Recruitment,*** that the Respondent would suffer minimal prejudice if time were extended, and that denying the extension would result in injustice by shutting the Applicant out on a procedural technicality. The Applicant therefore prayed that the Tribunal enlarge time and award costs in the cause.

VIII. Determination

25. The Tribunal has carefully considered the pleadings, affidavits, annexures, and submissions of counsel. The issue for determination is whether the Applicant has established sufficient cause to warrant the exercise of the Tribunal's discretion to extend time within which to file an application for review of the Respondent's objection decisions.
26. Section 16(1)(c) of the Tax Appeals Tribunal Act requires a person dissatisfied with an objection decision to lodge an application for review before the Tribunal within thirty days after service of that decision. The provision is couched in mandatory terms and reflects the legislative intention that tax disputes be raised and resolved within prescribed timelines.
27. However, section 16(2) of the Act empowers the Tribunal to allow a longer period where sufficient cause is shown. In addition, Rule 11 of the Tax Appeals Tribunal (Procedure) Rules, 2012 grants the Tribunal discretion to extend time for the doing of any act prescribed under the Rules. The discretion conferred by these provisions is judicial in nature and must be exercised on the basis of the facts and circumstances of each case.
28. The principles governing applications for extension of time are well settled. In ***Boney Katatumba v Waheed Karim (SCCA No. 27 of 2007)***, the Supreme Court held that an applicant seeking enlargement of time must provide a satisfactory explanation for the delay and demonstrate that the interests of justice favour the grant of the application. Similarly, in ***Crane Finance Co. Ltd v Makerere Properties Ltd (S.C. Civil Appeal No. 1 of 2001)***, the Supreme Court emphasised that the primary consideration is whether the applicant has offered a reasonable explanation for the failure to comply with the prescribed timeline.
29. The Tribunal has also previously held in ***Farid Meghani v Uganda Revenue*** Authority ***(supra)*** that extension of time is a discretionary remedy and that the applicant bears the burden of establishing sufficient cause for the delay. Likewise, in ***Tight Security Ltd v Chartis Uganda Insurance Company Ltd, Miscellaneous Application No. 8 of 2024***, the Court observed that good cause encompasses the factors that rendered the applicant unable to act within the prescribed period.

30. From these authorities, the factors that ordinarily guide the exercise of discretion include the length of the delay, the reasons advanced for the delay, the prospects of success in the the intended review, and the prejudice likely to be occasioned to the parties. These considerations are not exhaustive and must be assessed in light of the particular circumstances of each case.

Length of delay

31. In the present case, the Applicant received the objection decisions on 25 September 2024, 4 October 2024, and 7 October 2024, respectively. The statutory period of thirty days within which an application for review could be filed therefore expired on 25 October 2024, 3 November 2024, and 6 November 2024, respectively. Consequently, any application for extension of time ought to have been made within a reasonable period after those dates. What constitutes a reasonable period depends on the circumstances of each case.
32. The present application was filed on 22 December 2025. This translates into a delay of approximately 423 days from the earliest deadline, 414 days from the second deadline, and 411 days from the latest deadline. The Tribunal considers a delay of more than one year to be substantial and prima facie inordinate. Such a delay calls for a clear, detailed and convincing explanation covering the entire period of inactivity.

Reasons for the delay

33. The Applicant attributes the delay principally to the Tribunal's decision in Premier Recruitment Ltd v Uganda Revenue Authority, delivered on 28 March 2025. According to the Applicant, that decision clarified the VAT treatment of labour recruitment services supplied to foreign entities and created a reasonable expectation that the Respondent would administratively vacate the assessments in issue.
34. The Tribunal is unable to accept this explanation as sufficient cause for the delay. By the time the decision in Premier Recruitment was delivered, the statutory period for filing an application for review had already expired

several months earlier. The existence of proceedings involving another taxpayer, or the eventual outcome of those proceedings, does not suspend or extend statutory timelines in a separate dispute.

35. Moreover, nothing prevented the Applicant from filing an application for review within the prescribed period and subsequently drawing the Tribunal's attention to any relevant jurisprudential developments. The Applicant's decision to await the outcome of unrelated litigation was a matter of choice rather than necessity. Each taxpayer bears the responsibility of pursuing the remedies available under the tax statutes within the timelines prescribed by law.

36. The Applicant also relied on correspondence exchanged with the Respondent and on engagements through the Alternative Dispute Resolution process. However, the evidence on record shows that these engagements occurred after the statutory period for filing an application for review had already expired. Such post-deadline engagements cannot explain the failure to commence proceedings within the time prescribed by law.

37. Rule 11 requires an applicant seeking the Tribunal's discretionary relief to place before the Tribunal material sufficient to justify the exercise of that discretion. In the case of a delayed application, the explanation offered must account for the entire period of delay. Having considered the material before us, we are not satisfied that the Applicant has provided an explanation capable of accounting for the prolonged period of inactivity between the expiry of the statutory timelines and the filing of the present application.

Prospects of success

38. The Applicant further argued that the intended application for review has strong prospects of success in light of the Tribunal's decision in ***Premier Recruitment***. The Tribunal accepts that the intended review raises arguable questions regarding the VAT treatment of labour recruitment services supplied to foreign entities. However, at this stage the Tribunal is not called upon to determine the merits of the intended review. The question before us is whether sufficient cause has been demonstrated for failure to

comply with the statutory timelines. As the Supreme Court observed in ***Boney Katatumba v Waheed Karim***, the strength of the intended case becomes relevant only after a satisfactory explanation for the delay has been provided.

Prejudice and the interests of justice

39. The Tribunal has also considered the issue of prejudice. The Respondent has a legitimate interest in the finality of taxation assessments and in the orderly administration of the tax system.

40. Statutory timelines in tax disputes are not mere procedural technicalities. They serve an important public purpose by promoting certainty, finality and efficiency in the administration of public revenue. The Court of Appeal in ***Uganda Revenue Authority v Consolidated Properties Ltd (Civil Appeal No. 31 of 2000)*** underscored the importance of compliance with statutory timelines established under tax legislation.

41. Allowing taxpayers to reopen disputes long after the expiry of statutory deadlines merely because subsequent decisions appear favourable would undermine the certainty and predictability upon which effective tax administration depends. The Tribunal must therefore exercise caution not to erode the statutory framework governing tax appeals through an overly liberal approach to applications for extension of time.

42. While the Tribunal is always mindful of the desirability of determining disputes on their merits, that consideration must be balanced against the equally important need for certainty and finality in tax administration. Where a substantial delay is not satisfactorily explained, the balance must favour adherence to the statutory framework established by Parliament.

Conclusion

43. Having considered the length of the delay, the reasons advanced by the Applicant, the prospects of success in the intended review, and the prejudice likely to be occasioned to the parties, the Tribunal is not satisfied that the

Applicant has demonstrated sufficient cause for the delay as required under section 16(2) of the Tax Appeals Tribunal Act.

44. Nor has the Applicant placed before the Tribunal material capable of justifying the exercise of the Tribunal's discretion under Rule 11 of the Tax Appeals Tribunal (Procedure) Rules. The delay in the present case is substantial, and the explanations advanced do not disclose any circumstance that prevented the Applicant from pursuing the statutory remedy within the prescribed period.

45. In the circumstances, the Tribunal finds no basis upon which to exercise its discretion in favour of the Applicant. The application for extension of time is accordingly dismissed with costs to the Respondent.

DATED at Kampala this 2nd day of April 2026.

HON. PROSCOVIA REBECCA NAMBI
CHAIRPERSON

HON. GRACE SAFI
MEMBER

HON. ROSEMARY NAJJEMBA
MEMBER