TAX APPEALS TRIBUNAL
Justice in Taxation

THE REPUBLIC OF UGANDA

IN THE TAX APPEALS TRIBUNAL OF UGANDA AT KAMPALA

MISCELLANEOUS CAUSE NO. 71 OF 2025

INTERNATIONAL FERTILIZER DEVELOPMENT CENTER ....APPLICANT

VERSUS

UGANDA REVENUE AUTHORITY..RESPONDENT

BEFORE: HON. KABAKUMBA MASIKO, HON. GRACE SAFI
HON. WILLY NANGOSYAH

RULING

I. Introduction

1. This ruling is in respect of an application brought under section 16 (2) of the Tax Appeals Tribunal Act, Rules 12 and 30 of the Tax Appeals Tribunal Procedure Rules, Section 98 of the Civil Procedure Act, and Order 52 Rule 1 and 3 of the Civil Procedure Rules, seeking orders that:
   i. Time within which to lodge an application for review of the Respondent's tax decision be extended.
   ii. Costs of this application be provided for.

II. Background Facts

2. The application is supported by an affidavit deponed by Ms. Evelyn Enid Apeduno, the National Finance Officer of the Applicant, sworn on 8 September 2025, stating as follows:

i. The Respondent audited the Applicant for the period of 1 January 2020 to 31 December 2020 and issued additional PAYE and Income Tax Assessments on 14 January 2022, amounting to Shs. 32,077,878 and Shs. 625,931,460 respectively.

ii. That on 12 and 13 September 2022, the Applicant objected to the assessments and on 29 November 2022, the Respondent partially allowed the PAYE objection, leaving a liability of Shs. 49,949,027, and the entire income tax assessment was disallowed due to failure to provide supporting financial information.

iii. That on 2 March 2023, the Applicant applied to the Respondent's Alternative Dispute Resolution Department to review the objection Decision (ADR).

iv. That on 3 April 2025, the Applicant received the decision notice from the ADR department waiving the entire PAYE assessment and upheld the entire income tax assessment due to failure to provide an income tax exemption certificate as a Not-for-profit entity.

v. That on 15 May 2025, the Applicant appealed to the ADR department to review the decision so that the Applicant pays tax that is assessed based on the audited financial statements for the period under issue. On 26 May 2025, the Respondent advised the Applicant to apply for a review of the tax decision before the Tax Appeals Tribunal within 30 days from the receipt of the objection decision.

vi. That the Applicant lodged an application to review the tax decision with The Tax Appeals Tribunal on 12 June 2025, No. 169 of 2025, and once they realized that the application was out of time, Counsel advised her to file an application seeking to extend the time within which to appeal against the tax decision of the Respondent.

vii. That the Applicant has paid the 30% of the assessed amount and that it is in the interest of justice that this application is granted.

3. The Respondent filed an Affidavit in reply, deposed by Mr. Kenan Aruho sworn on 13 October 2025, opposing the application on the following grounds:

i. That on 29 November 2022, the Respondent issued its objection decision partially allowing the Applicant's objection and the same was served on the Applicant electronically.

ii. The Applicant ought to have lodged its application for review of the Respondent's objection decision by 2 December 2022.

iii. That the Applicant has not demonstrated sufficient cause for its failure to file an application for review within the stipulated time to warrant the grant of this Application.

iv. That Alternative Dispute Resolution (ADR) is a reconciliation measure by the Respondent and it does not form part of the Tribunal's procedures, nor does it stop the Applicant from adhering to the Tax Appeals Tribunal's time limitation to file an application for review.

v. That on 12 June 2025, the Applicant filed App No. 169 Of 2025 challenging the objection decision.

vi. That the Applicant's Application is bad in law, without merit, and ought to be dismissed with costs to the Respondent.

III. Issue for determination

4. The issue for determination is whether the application for extension of time should be granted.

IV. Representation

5. The Applicant was represented by Ms. Matovu Margaret and Ms. Evylne Apeduno, while the Respondent was represented by Mr. Simon Peter Orishaba of Legal Services and Board Affairs Department.

V. Determination.

6. Having perused the evidence on file, this is the ruling of the Tribunal:

7. The parties in this case did not file any submissions regarding this matter; as such, we have resolved this dispute based on the evidence on file.

8. On 29 November 2022, the Respondent issued its objection decision partially allowing PAYE objection, leaving a liability of Shs 49,949,027 and the entire assessed income tax of Shs. 425,931,460. The Applicant objected and applied for ADR, to which a decision was made dated 3 April 2025. This Application for extension of time was filed on 9 September 2025.

Section *14 of the Tax Appeals Tribunal Act* clearly provides:

> *"A person aggrieved by a decision made under a taxing Act by the Uganda Revenue Authority may apply to the Tribunal for a review of the decision".*

Section *16 of the Tax Appeals Tribunal Act* provides:

> *(1) "An application to a tribunal for review of a taxation decision shall-*
>
> *(c) be lodged with the tribunal within thirty days after the person making the application has been served with a notice of the decision.*
>
> *(7) An application for review of a taxation decision shall be made within six months after the date of the taxation decision".*

Section 1 of the Tax Appeals Tribunal Act defines a taxation decision as:

"Any assessment, determination, decision or notice".

9. It is not in dispute that the Respondent issued its objection decision on 29 November 2022 and that the Applicant did not file an application for review within the statutory time. However, the evidence before the Tribunal shows that on 2 March 2023, the Applicant applied for ADR with which the outcome was communicated on 3 April 2025 waiving the issue of PAYE.

10. The Tribunal also notes that the Applicant filed the application for extension of time on the 9 September 2025. This is five months after the ADR decision. The Applicant explained that when they filled the main application on the 12 June 2025, upon realizing that it was out of time, the Applicant sought an application for extension of time to file an application for review of the decision.

11. The Tribunal has considered the fact that the Applicant first engaged the Respondent through alternative dispute resolution. This took some time before the final decision was made by the Respondent. In the case of ***Asiimwe Eunice T/A Assy Lodges v URA, Misc Cause No. 21 OF 2025***, the Tribunal ruled:

"...the ADR process provided a comprehensive and final determination of the tax liability".

12. In light of the above, while the Respondent argues that ADR does not stop time from running, the Tribunal recognized that engagement in ADR may constitute a reasonable explanation for delay, particularly where the taxpayer remains actively engaged with the Respondent and the review yields a new out come from the initial assessment.

13. In this case, the Applicant's liability regarding PAYE was waived in total, while the entire income tax assessment was upheld due to failure to provide an income tax exemption certificate as a Not-for-profit entity.

14. In the circumstances and given that the Applicant has paid the 30% of the assessed amount, the Tribunal orders as follows:

    i. The Application for extension of time is hereby granted.
    ii. Each party should bear their costs.

Dated at Kampala, this **26th** day of **May** 2026.

HON. KABAKUMBA MASIKO

HON. GRACE SAFI

HON. WILLY NANGOSYAH