



**THE REPUBLIC OF UGANDA**

**IN THE TAX APPEALS TRIBUNAL AT KAMPALA**

**TAT APPLICATION NO. 46 OF 2025**

**JEDIDIAH LOGISTICS LIMITED.....APPLICANT**

**VERSUS**

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

**BEFORE: HON. CRYSTAL KABAJWARA, HON. KABAKUMBA MASIKO  
HON. WILLY NANGOSYAH**

**RULING**

**I. Introduction**

1. The Respondent raised a preliminary objection under section 15(1) of the Tax Appeals Tribunal seeking orders that:
  - (i) Application be dismissed owing to the Applicant's failure to pay the statutory 30% of the disputed tax.
  - (ii) Costs of the Application.

**II. Background Facts**

2. The Applicant is a logistics company dealing in clearing and forwarding services. On 6 October 2022 the Applicant received an Administrative Additional Income Tax Assessment which was issued by the Respondent of Shs.356,586,475 for the period 1 July 2020 to 30 June 2021 on basis of undeclared exports worth Shs.1,160,993,438.

3. The Applicant objected to the assessment to the tune of Shs.348,298,030 on grounds that the exports did not belong to them and that they only earned a commission. The Respondent requested the Applicant to avail documentation including bank statements in support of the objections raised however no documentation was provided.
4. The Respondent therefore disallowed the objections raised on grounds of the Applicant's failure to adequately support the grounds of objection raised and maintained the assessed of Shs.348.298,030.
5. On 26 March 2025 when the matter came up the Respondent stated that the instant Application is improperly before this Tribunal owing to the Applicant's failure to pay 30% of the tax in dispute.

### III. Issues

6. Whether the Applicant is liable to pay the tax assessed?
7. What remedies are available to the parties?

### IV. Representative and evidence

8. The Applicant was represented by Mr. Joseph Angura and Mr. David Amanyanya of M/S E. Angura & Co. Advocates while the Respondent was represented by Mr. Edmond Agaba.

### V. Submissions of the Respondent

#### **Preliminary Point of law**

9. The Respondent submitted that under paragraph 8 of the Statement of Reasons for the taxation decision filed before this Tribunal on 26 March 2025, state that the instant Application is improperly before this Tribunal owing to the Applicant's failure to pay 30% of the tax in dispute as required by law.
10. The Respondent further relied on **Order 15 rule 2 of the Civil Procedure Rules (CPR) SI 71-1** that it empowers the Court to try the issues of law if it

deems that the case or any part of it may be disposed of on issues of law only.

11. The Respondent submitted that in the case of ***Mukisa Biscuit Manufacturing Co. Ltd vs West End Distributors Ltd EA 696***, Sir Charles Newbold, summarised the law on preliminary points of as follows;

*"A preliminary objection consists of a point of law which has been pleaded, or which arises by clear implication out of pleadings and which if argued as a preliminary point may dispose of the suit..."*

12. The Respondent submitted that **Section 15 (1) of the Tax Appeals Tribunal Act Cap 341 (TAT Act)** provides inter alia 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 that part of the tax assessed not in dispute, whichever is greater."*

13. The Respondent further submitted that the constitutionality of Section 15 of the TAT Act was long settled, first by the Constitutional Court and further cemented, on appeal, by the Supreme Court in the landmark decision of *Uganda Projects Implementation and Management Centre Vs. Uganda Revenue Authority, Supreme Court Constitutional Appeal No. 2 of 1999*, where it was ruled that the statutory requirement in the then VAT Act (similar to s. 15 of the TAT Act), requiring a taxpayer who has lodged a notice of objection to an assessment to, pending final resolution of the objection, pay 30 percent of the tax assessed or that part of the tax assessed not in dispute, whichever is greater, is constitutional, and did not infringe on the right to a fair hearing, under the Constitution of Uganda and the right to equal treatment before and under the law.

14. The Respondent submitted that there, the Supreme Court followed, with approval, the South African case of *Metcash Trading Co. Ltd Vs. Commissioner for South African Revenue Services and another*, wherein it was held that, a taxpayer has to pay his tax and argue later.

15. The Respondent in its submission relied on the case of ***Elgon Electronic Versus Uganda Revenue Authority HCCA 11 OF 2007*** Hon Justice Geoffrey Kiryabwire held that the provisions of Section 15(1) of the Tax Appeals Tribunal Act are mandatory. Accordingly, the requirement to pay 30% of the tax assessed or that part of the tax assessed not in dispute is a legal doctrine which is in line with the "pay now and argue later" principle.
16. The Respondent submitted that the instant application was filed on 26 February, 2025, and up to date, the Applicant has neither paid 30% of the tax in dispute nor the undisputed tax. This deems the Application improper before this Tribunal and it therefore ought to be dismissed for failure to comply with the mandatory requirements of the Tax Appeals Tribunal Act.
17. The Respondent submitted that the Applicant has not up to-date made any payment toward the tax in dispute, neither has it made any arrangement to pay the same, as well as obtaining an interim order from this Honourable Tribunal to have the agency notices lifted.
18. The Respondent submitted that it invites the Tribunal to take into consideration the ruling in the matter of ***A Better Place Ltd vs URA High Court Civil Appeal No.37 of 2019*** where the Application having been dismissed from the Tax Appeals Tribunal for failure to pay 30% of the tax in dispute, the Applicant lodged an appeal in the High Court.
19. The Respondent submitted that the High Court held that the Applicant did not apply to the Tax Appeals Tribunal to enforce any alternative means of payment of the 30% tax in dispute, and therefore the Tribunal cannot be faulted for dismissing the matter. Court further held that Section 15(1) of the Tax Appeals Tribunal Act which provides for payment of 30% is still good law and the Tax Appeals Tribunal has the mandate to enforce that law. The Court explained that if the legislature had intended to repeal the above-mentioned provision, it would have stated as expressly as it did in the case of the Income Tax Act and the VAT Act. The court therefore held that the Tax Appeals Tribunal was right in holding the way they did on this point.

20. The Respondent in its submission requested that the Application be dismissed owing to the Applicant's failure to pay the statutory 30% of the disputed tax in compliance with Section 15 of the TAT Act Cap 341.
21. The Respondent submitted that the Applicant is liable to pay the assessed income tax liability of Shs. 348,298,030 as demonstrated here-below

**Whether the Applicant is liable to pay assessed tax?**

22. The Respondent submitted it is trite law that the burden of proof lies with the Applicant to prove that an assessment is excessive, where the taxation decision is an objection decision in relation to an assessment as per **Section 19 of the Tax Appeals Tribunals Act.**
23. The Respondent submitted that the above provision is in tandem with **Section 28 of the Tax Procedures Code Act** which places the burden on the taxpayer to inter alia prove that an assessment is incorrect and **Section 101 of the Evidence Act** on the notion that he who alleges must prove.
24. The Respondent further submitted that **Section 26(2) of the Tax Procedures Code Act (TPCA)** mandates any person lodging an objection against the decision of the Commissioner General to not only state the grounds of objection but that it should also contain sufficient evidence to support the objection.
25. The Respondent submitted that under Section 15(1) of the TPCA every taxpayer is mandated for purposes of a tax obligation to maintain records that may be required to determine the taxpayer's liability under tax law, to enable the liability to be readily ascertained, and to retain the same for five years after the end of the relevant tax period.
26. The Respondent submitted that the Applicant did not provide any documentation at the time of audit and objections to support its contention that indeed the said exports did not belong to it and that it only earned a

commission, and neither did the Applicant avail any evidence before the Tribunal during the filing of this Application.

27. The Respondent submitted that from the above it maintains that the assessed Income Tax Liability of Shs. 348,298,030 is lawful justified and payable by the Applicant.
28. The Respondent relied on **Section 22(6) of the TAT Act** which provides that the Tribunal may make an order as to damages, interest or any other remedy against any party. In addition to that, any party is entitled to remedies granted by the Tax Appeals Tribunal in respect of any legal claim, the claim must be properly brought before the Tribunal.

#### **VI. Submissions of the Applicant**

29. The Applicant responded by way of an affidavit in support of the Application deposed by Mr. Robert Serumaga, Director of the Applicant, sworn on 9 February 2026 stating:
  - (i) On 06 October 2022, the Applicant received Income tax assessment of Shs. 356, 586, 475, 00 (Uganda Shillings Three Hundred and Fifty-Six Million, Five Hundred and Eighty-Six Thousand, Four Hundred and Seventy Five) from the Respondent, vide assessment number EB012300142802, for the period 01 July 2020 to 30 June 2021.
  - (ii) On 26 May 2023, the Applicant filed an objection against the tax liability of Shs. 348, 298, 030.9 (Uganda Shillings Three Hundred and Forty Eight Million, Two Hundred and Ninety Eight Thousand, thirty point nine)
  - (iii) On 26 October 2023, the Applicant received the Objection Decision Notice from the Respondent upon which the objection was disallowed on the grounds that there was insufficient evidence to show that the goods were not exported by the taxpayer but rather on behalf of her clients.
  - (iv) On 29th October, 2024, the Applicant further appealed the Objection Decision, seeking for a review from the Respondent. On 22nd October,

2024, the Respondent replied stating that the Appeal was unsuccessful due to being presented out of Seven days' period.

- (v) That the Respondent informed the Applicant that the assessments originate from the works that the Applicant, sometime between 2020 and 2022, did or executed for; Dr. Kamara Theophilus, Able Forwarders, Scott Laslo c/o Pearl Enterprises INC and Ms. Goretti Mujawimana, some of whom were non-Ugandan.
- (vi) That the Applicant deals entirely in clearing and forwarding business, and is duly licensed by the Respondent to conduct such operations, and in the course of her operations, she was variously, and on different days, during the period in question approached by the above mentioned individuals/entities, to help them export their goods to various countries outside Uganda.
- (vii) That Scott Laslo C/o Pearl Enterprises Inc, was not a Ugandan registered taxpayer, as it's a company duly incorporated and based in Birmingham USA, and runs a charity, and helps a number of orphanages based in Uganda, and run by Dr. Kamara Theophilus.
- (viii) The company director of Pearl Enterprises Inc, Mr. Scott Laslo had engaged the Applicant to help him export the handcrafts made by the orphans in the orphanages run by Dr. Kamara Theophilus and others sourced locally.
- (ix) That it was the duty of Dr. Kamara to aggregate all the handicrafts made by the orphans among others to be sent to the USA, and the Applicant was only paid for the commission for the works/services done.
- (x) That in February 2020, the applicant exported a variety of crafts delivered by Dr. Kamara for Scott Laslo who is resident of Birmingham USA using Dutch airline
- (xi) In April 2020, the Applicant received another batch and cleared the crafts for export to Scott Jaso c/o Ornaments 4 orphans, which were declared as belonging to Kanzi Crafts Uganda TIN **1000708640**, the Applicant issued compound invoices as requested by the client to

include, air freight charges, agency fees, transport services, packaging fumigation and data capture and documentation fees. These invoices were always sent to each client who would then either transfer money to the Applicant bank accounts or pay for the charges independently.

- (xii) That again in November 2020, the Applicant was contracted as a clearing agent for Dr. Kamara, and exporting crafts weighing about 240 kgs and followed the same procedure of invoicing the client of all expenses involved and each time the client paid the taxes involved using their TIN supra.
- (xiii) The transactions between Dr. Kamara/Scott Laso and the Applicant continued till September 2021 where the Applicant issued invoices and declaration forms to the client
- (xiv) The business transactions between the applicant and Dr. Kamara, Scott Laso continued and amounted to a total of 16 transactions that are subject to the assessment in question.
- (xv) The Applicant while dealing with Ms. Goretti Mujawimana, declared that who the principal was for tax purposes.
- (xvi) The Applicant, while filing returns for the period in question forgot to make all declarations which he acknowledges attracts a penalty rather than an exorbitant assessment
- (xvii) As part of contract, the Applicant was to invoice their respective clients of all costs involved including airfreight, packaging and commissions to be paid then the clients were to send money to the Applicant to meet all costs.
- (xviii) That the Applicant's bank statement held in ABSA Bank clearly detail all deposits and debits on the Applicant for the period subject to assessment, and the Applicant has never at any time made any money claimed by the Respondent in her assessment.

- (xix) That in all these transactions, the Applicant earned a standard commission fee of USD 100 per transaction which income is clearly reflected in both the bank account statements and books of account.
- (xx) The Applicant director was later shocked when the Respondent issued them with a tax liability assessment of Shs. 356,475,000/= (Uganda shilling three fifty six million four hundred seventy five thousand only).
- (xxi) The Respondent never did request the Applicant to furnish the evidence that was missing before making their decision.
- (xxii) The Applicant further appealed the Respondent decision seeking for a review of their earlier decision and furnished the necessary documentation, however, the Applicant request for review was dismissed on ground that it was made out of the seven-day period.
- (xxiii) That the Applicant has never from inception to date even made profit amounting to the tax assessed and there is no way a tax payer is assessed income tax liability way out of their income as done by the Respondent.
- (xxiv) That the Applicant's statement of accounts both for the Dollar and Uganda shillings currency for the period subject to assessment clearly indicate that the Applicant's income was way below half of the tax assessed by the Respondent.

## **VII. The Determination of the Tribunal.**

30. During the hearing of the case on 12 February 2026, the Tribunal directed that the Applicant file the main Application subject to payment of the 30%. However, the Applicant proceeded to file the Application without making the required payment.
31. The Respondent raised a preliminary objection to that effect in its submissions of 14 January 2026. The Applicant only filed an affidavit in support of the Application which does not respond to the Preliminary Objection raised by the Respondent. We therefore proceed to determine the matter in light of what the Respondent filed.

32. The Respondent raised a Preliminary Objection that the Applicant has not paid 30% of the tax in dispute.

The law on preliminary objections is under **Order 6 rule 28 of the Civil Procedure Rules** which states that.

*"Any party shall be entitled to raise by his or her pleading any point of law, and any point so raised shall be disposed of by the court or after the hearing; except that by consent of the parties, or by order of court on the application of either party, appointment of law may be set down for hearing and disposed of at any time before the hearing"*

33. The law provides for **section 15(1) of the Tax Appeals Tribunal Act** that mandates the payment of 30% of the tax in dispute which states:

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

34. When a party files an objection, the requirement to pay 30% of the tax assessed or the amount not in dispute arises; therefore, the law provides that by the time a matter is filed in the Tribunal the 30% ought to have been paid. Where the 30% of the tax assessed or the amount in dispute, whichever is higher, has not been paid a taxpayer loses the right to access the Tribunal as this may be an indication that there is no intention of paying any tax in dispute.

35. The application filed before the Tribunal shows that the Applicant objected to taxes of Shs.348,298,030. In the circumstances, the Applicant ought to have paid 30% of the tax in dispute as assessed since the Respondent had clearly informed them in its paragraph 8 of the Statement of Reason that at the hearing it would raise a preliminary objection that the Application is improperly before the Tribunal as mandatory 30% of the tax in dispute had not been paid. This 30% ought to have been paid at the stage of objecting or as soon as the matter came up for first appearance at the Tribunal.

36. There is evidence on record to show that the Applicant has made any effort to make payment of the 30% or seek guidance from the Respondent in that regard on how installments can be made in case the amount was too much for the Applicant to pay in a lump sum. They have also not applied for an interim order to have the agency notices lifted. This shows that the Applicant has no intention of having this matter heard before the Tribunal. Therefore, this application is improperly before the Tribunal.

37. In conclusion, the preliminary objection is sustained with the following orders:

- i. The Application is dismissed for failure by the Applicant to pay 30% of the tax in dispute.
- ii. Costs are awarded to the Respondent.

Dated at Kampala ..... 29<sup>th</sup> ..... day of ..... May ..... 2026

*Crystal Kabajwara*

**HON. CRYSTAL KABAJWARA  
CHAIRPERSON**

*Kabakumba Masiko*

**HON. KABAKUMBA MASIKO  
MEMBER**

*Willy Nangosyah*

**HON. WILLY NANGOSYAH  
MEMBER**