

**THE REPUBLIC OF UGANDA**  
**IN THE TAX APPEALS TRIBUNAL OF UGANDA AT KAMPALA**  
**MISCELLANEOUS APPLICATION NO. 004 OF 2025**

KINGS AUTO PARTS LIMITED..... APPLICANT

VERSUS

UGANDA REVENUE AUTHORITY ..... RESPONDENT

BEFORE: MR. SIRAJ ALI, MS. PROSCOVIA REBECCA NAMBI,  
MS. ROSEMARY NAJJEMBA

**RULING**

This ruling is in respect of an application seeking orders for extension of time within which this application may file an application for review.

**1. Background Facts**

On 19 December 2023, the Applicant received an additional income tax assessment of Shs. 27,630,930 for the period from 1 July 2021 to 30 June 2022. The Applicant objected to the assessment on 11 January 2024, challenging the Respondent's failure to verify its physical stock against the records on the Electronic Fiscal Receipting and Invoicing System (EFRIS).

On 5th April 2024, the Respondent disallowed the objection and served the decision electronically. The Applicant, citing the illness of its Director from 7th March to 28th December 2024, claimed it only became aware of the decision on 4th January 2025.

Consequently, it seeks an extension of time to apply for review. The Respondent opposes the application, arguing that the objection decision was duly served, the Applicant continued business operations during the alleged illness, and no sufficient cause has been shown to justify the delay.

The Grounds of this Application are stated in the Affidavit in support of Mr. Rafiq Nancy, a Tax Representative of the Applicant, stating as follows:

- a) That the Applicant is a duly incorporated and registered taxpayer under TIN 1014422189 and has always been tax compliant.
- b) On the 19th day of December 2023, the company received an additional tax assessment in the sum of UGX. 27,630,930 as Income Tax due and payable from the Respondent for the period from 1st July, 2021 to 30th June, 2022.
- c) That on the 11th of January 2024, the Applicant objected to the said assessment on the grounds that the Respondent did not verify the physical stock to match it to the stock stated on Efris by the Applicant.
- d) On the 5th April, 2024, the Respondent disallowed the applicant's objection on the grounds that the Applicant failed to address the assessed risk.
- e) That the Director of the Applicant only became aware of the Objection decision on the 4th of January, 2025.
- f) That the Director of the Applicant was ill from 7th March, 2024, to 28th December 2024, therefore, was not aware that the objection decision had been made, and as a result, the application to review the decision could not be made on time.

In the Affidavit in reply sworn by Kenan Aruho, an A.g, Supervisor in Legal Services & Board Affairs Department of the Respondent, deposed on 22<sup>nd</sup> January 2025 as follows:

- a) That on 5<sup>th</sup> April 2024, the respondent issued its objection decision disallowing the Applicant's objection, and the same was served on the Applicant electronically.

- b) That the Applicant was aware that an Application to the Tribunal for review of a tax decision must be lodged within 30 days from the date of receipt of the objection decision.
- c) That the Applicant has not demonstrated sufficient cause for its failure to file an application for review within the stipulated time warrants the grant of this application.
- d) That the Applicant has continued conducting business and is using its accounts by filing returns even during the alleged sickness of the director.
- e) That the Applicant has not paid the requisite 30% of the tax in dispute.
- f) That the Applicant's Application is bad in law, without merit, and ought to be dismissed.

## **2. Representation**

The Applicant was represented by Mr. Rafiq Nancy a Tax Adviser in the Company while Mr. Kenan Aruho, an Acting, Supervisor in Legal Services & Board Affairs Department at the time of filing this application.

## **3. Issues for determination**

The issues for determination by the Tribunal are as follows:

- i) Whether the Applicant discloses sufficient grounds for extension of time?
- ii) What remedies are available to the parties?

## **4. The Applicant's Submission**

The Applicant contended that the rejection of its objection on 5th April 2024 occurred under extraordinary circumstances. Additionally, the Applicant argued that the Applicant's Director, whose leadership is critical to the company's operations, was severely ill during the relevant period and only became aware of the disallowance on 4th January 2025 thus filing an application before the Tribunal on 13<sup>th</sup> January, 2025. This delay, according to

the Applicant, caused the Applicant to miss the statutory 30-day period for filing for a review of the objection decision.

The Applicant submitted that the term sufficient cause has not been defined by statute, although Rule 11(6) of the Tax (Procedures) Rules 2012 No. 50, to the effect that “sufficient cause” encompasses factors such as illness and absence from the country, and any other reason.

The Applicant relied on ***National Forestry Authority v Uganda Revenue Authority Misc. App. No. 004 of 2021***, which cited with approval *Victoria Flowers v Uganda Revenue Authority*. In these cases, the tribunal held that “sufficient cause” must relate directly to the inability to act within the prescribed time. This supports the Applicant’s position that the Director’s serious health issues prevented timely administrative action.

Further, the Applicant cited ***Akchom Limited v Uganda Revenue Authority Miscellaneous Cause No. 10 of 2024***, with reference to ***Tight Security Limited v Chartis Uganda Insurance Co. Ltd Miscellaneous Application No. 8 of 2014***, in which case court observed that the concept of “good cause” is broad. It should incorporate not only the reasons for delay but also the overall public importance of the appeal, thereby warranting a flexible interpretation based on the unique facts of each case.

#### **4. The Respondent’s Submissions**

The Respondent submitted that the Applicant’s extension application must be rejected on the grounds that it does not disclose sufficient justification for its untimely filing. The Respondent submitted that it issued an Administrative Additional Income Tax assessment of Shs. 27,630,930 for the period 2021–2022, to which the Applicant objected.

The Respondent stated that it issued an objection decision on 5th April 2024, which was served electronically. Further, it was undisputed that the Applicant was properly served, triggering the 30-day period under Section 25(1) of the Tax Procedures Code Act, Cap 343, and Section 16(1)(c) of the Tax Appeals Tribunal Act, Cap 341.

Counsel for the Respondent went on to state that the Applicant, however, filed its application for extension of time on 13th January 2025, well outside the prescribed period.

The Respondent submitted that the Applicant relied on the excuse that its Director was ill during the critical period, failing to file the review application in time. In this regard, the Respondent emphasizes that, as established in **Cable Corporation (U) Ltd v Uganda Revenue Authority, HCCA No. 1 of 2011**, the 30-day period starts when the decision is received.

Further, the Respondent submitted that the Applicant's acceptance of service rendered it responsible for timely filing, irrespective of the Director's condition. Moreover, according to the Respondent, the Applicant continued transacting, filing returns, and generally operating its business during the period in question. The mere claim of the Director's illness, in these circumstances, does not excuse the lapse in diligence or justify an unexplained and inordinate delay.

In support of the above position, the Respondent referred to the decision in the case of **Eriga Jos Perino v Vuzzi Azza Victor & 2 others, HCMA No. 9 of 2017**, where it was held that an order extending time to file should ordinarily be granted only when the delay is not inordinate or unexplained.

The Respondent contended that the significant gap between the issuance of the objection decision on 5th April 2024 and the extension application on 13th January 2025 indicated that the Applicant's delay was both unexplained and excessive.

Furthermore, the Respondent submitted that legislative provisions, such as Section 16(7) of the TAT Act, which limits extensions to six months, indicate an intent to streamline proceedings and prevent protracted litigation.

The Respondent also drew the attention of the Tribunal to the principle that litigation should have a defined end, as noted by **Hon. Justice Wilson Masalu Musene in Matovu Charles Kidimbo v Lukwata Yusuf & 3 Ors, HCMA No. 40 of 2017**. This underscores

that timelines imposed by statute are not arbitrary but serve the purpose of ensuring prompt resolution.

In light of the Applicant's failure to utilize the statutory period with reasonable diligence, and given that the Applicant was in full control and had access to all necessary documents to file its application, the Applicant's excuse is rejected.

Finally, the Respondent submits that the Applicant's application should be dismissed, and, per the principle that costs follow the event as embodied in Section 27 of the Civil Procedure Act, the Applicant should be ordered to bear the costs incurred as a result of this unwarranted delay.

#### **5. Determination by the Tribunal.**

Having studied the submissions of both parties, this is the ruling of the tribunal.

The Respondent assessed the Applicant to a tune of UGX 27,630,930 on 5<sup>th</sup> April, 2024 and the Applicant claimed that it became aware of this on 4<sup>th</sup> January, 2025. The Applicant contended that its director, whose leadership is critical to the company's operations was severely ill at the time of the objection decision.

**In Uganda Revenue Authority Vs Consolidated Properties Ltd, Court of Appeal. Civil Appeal No. 31 of 2000**, the Court of Appeal held that timelines set by statute are matters of substantive law and not mere technicalities and must strictly be complied with.

The time for filing an application for review is set in section 16 (c) of the Tax Appeals Tribunal Act which states that;

*"(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".*

Further, rule 11 (1) of the TAT (Procedure) Rules provides that the Tribunal may, in its discretion, upon the application of the applicant in writing, extend the time for making an application. What is required of the Applicant then, is to show the existence of sufficient

grounds or a good cause as to why he or she was not able to file the application within time.

**In Tight Security limited v Chartis Uganda Insurance Company Ltd, Miscellaneous Application No. 8 of 2024**, the court held that;

*“Good cause relates to and include the factors which caused inability to file within the prescribed period of 30 days. The phrase “good cause” is however wider, and includes other causes of delay ....”*

In determining whether to grant an extension of time, the Tribunal is guided by the principle that “sufficient cause” must be demonstrated by the applicant, as established in ***Farid Meghani v. Uganda Revenue Authority, Misc. Application 185 of 2020***. In that case, the Tribunal accepted that exceptional circumstances—such as national lockdowns stemming from the COVID-19 pandemic—could amount to sufficient cause, provided they were substantiated and not merely speculative. The applicant in *Farid Meghani(supra)* brought the application beyond the statutory six-month period, but the Tribunal exercised its discretion under Rule 11(1) of the Tax Appeals Tribunal (Procedure) Rules, emphasizing that proof of the impediment was central to the exercise of this discretion.

Applying this principle to the present case, the Applicant submitted that its Director, whose leadership was pivotal to the company’s functioning, was severely ill during the relevant period. While illness may, in principle, constitute sufficient cause, it must be supported by objective evidence. In the current matter, no documentation such as a medical report, discharge summary, or sworn affidavit was presented to verify the Director’s alleged illness.

The Tribunal is mindful that the burden of proof lies with the party seeking the indulgence of the Court. Speculative assertions, however persuasive in narrative, do not meet the legal threshold required to displace prescribed timelines. As such, the Tribunal finds that the Applicant has failed to prove sufficient cause to warrant the exercise of discretion in its favour.

The Respondent notified the Applicant of its objection decision on 5<sup>th</sup> April, 2024. The notification was sent to the Applicant's email address that the Applicant registered with the Respondent. Therefore, as per the requirements of Section 16 of the TAT Act, the Applicant ought to have lodged their application for review of the Respondent's objection decision by 5<sup>th</sup> May, 2024.

Despite the above, the tax law envisages situations where a taxpayer may not be able to comply with the above timelines due to extraneous circumstances which are beyond the taxpayer's control.

Upon review of the matter before this Tribunal, it is noted that the Applicant failed to file an application for review of its objection decision within the prescribed 30-day period as mandated by law. Furthermore, the applicant did not seek an extension within the allowable six-month period, which began to run from 5<sup>th</sup> April 2024.

Instead, the application for review was filed on 13<sup>th</sup> January 2025, resulting in a total delay of 9 months and 8 days beyond the commencement of the extension period. This filing falls significantly outside both the initial statutory deadline and the extended timeframe provided under the above legal provisions.

The second reason advanced by the Applicant is that they pursued alternative dispute resolution for seven (7) months, which was unsuccessful. The Applicant stated in paragraph nine (9) of their affidavit supporting the application that they believed the matter could be settled through alternative dispute resolution.

As with the first reason advanced by the Applicant, nothing rendered the Applicant unable to file an Application before the Tribunal within the stipulated time frame. It should be noted that, Regulation 4 (3) of the Tax Procedures Code (Alternative Dispute Resolution Procedure) Regulations, 2023 (ADR Rules) states that;

*"Where an alternative dispute resolution procedure is commenced between a taxpayer and the Commissioner, the time within which the Taxpayer is required to file an Application with the Tribunal, or a suit with Court, shall not be affected by the alternative dispute resolution procedure".*

In light of the foregoing, the Tribunal finds that the Alternative Dispute Resolution (ADR) process does not operate to suspend or interrupt the statutory timelines for lodging an application before the Tribunal. While the Tribunal acknowledges that illness may, in principle, constitute sufficient cause to justify an extension of time, such a claim must be substantiated with credible evidence.

In the present case, the Applicant failed to adduce any proof such as a medical report or affidavit to support the assertion that its Director was severely ill during the relevant period. As such, the explanation remains speculative and cannot satisfy the legal standard required to warrant an extension of time.

Accordingly, the Tribunal finds that the Applicant has failed to demonstrate reasonable cause for the delay. The application is therefore time-barred and is hereby dismissed with costs awarded to the Respondent.

Dated at Kampala this 29<sup>th</sup> day of July 2025.



**MR. SIRAJ ALI**  
**CHAIRMAN**



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



**MS. ROSEMARY NAJJEMBA**  
**MEMBER**