



THE REPUBLIC OF UGANDA
IN THE TAX APPEALS TRIBUNAL AT KAMPALA
MISCELLANEOUS APPLICATION NO. 170,171,192 and 193 OF 2025
(Arising from TAT. Application No. 342,380,332 and 274 of 2024)

1. NKUUTU GENERAL CONTRACTORS LTD (170)
2. ABASI BALINDA TRANSPORTERS LTD (171)
3. NAKABIRA LOGISTICS UG LTD (193)
4. XTREME UGANDA LTD (192)APPLICANTS

VERSUS

UGANDA REVENUE AUTHORITY.....RESPONDENT

**BEFORE: HON. CRYSTAL KABAJWARA, HON. GRACE SAFI,
HON. WILLY NANGOSYAH**

RULING

I. Introduction

1. This is an application in which the Applicant seeks to have the Respondent cited for contempt of the decision issued by this Honourable Tribunal in TAT Application No. 342, 380, 332 and 274, 380, 332 & 274 of 2024, under section 33 of the Judicature Act, Section 98 of the Civil Procedure Act, and Order 52 rule 1 and 2 of the Civil Procedure Rules.

II. Background facts

2. The Applicants import and trade in agricultural produce mainly (rice, beans, soya beans, millet, onions, groundnuts, maize, sorghum, and Irish potatoes) processed and sourced from within the East African Community.

3. The applications are supported by affidavits sworn by Mr. Bernard Ahura Owumugisha, Mr. Derick Matsiko, Mr. Muzoora Edson Directors of Applicants 1,2 & 3 and Mr. Ssenkima Patrick, operations manager of Applicant 4, on 15 July, 2025.
4. In summary, the grounds of the application are as follows:
 - (a) On 17 June 2025, this Honourable court ruled in favour of the Applicants and ordered the Respondent, among others, in the matter of ***Nyanga Oburofa Enterprises Limited, & 9 Others Vs. Uganda Revenue Authority, TAT Application No.139 of 2024***, the immediate release of the Applicants' goods.
 - (b) On 27 June 2025, the Applicants' Counsel wrote to the Respondent demanding the immediate release of their clients' goods as directed by this court.
 - (c) The Respondent has, to date, continued to withhold the Applicants' goods in contempt of this Honourable Court's decision
 - (d) It is in the interest of Justice that this court find the Respondent is in contempt of its order issued on 17 June 2025.
5. The Respondent filed its affidavit in reply, deponed by Mr. Simon Peter Orishaba and sworn on 21 August 2025, opposing the applications on the following grounds:
 - (a) The Tribunal heard and determined in ***Nyanga Oburofo and 9 others v URA*** and delivered a ruling on 13 June, 2025 in favour of the Applicants, holding that they are not liable to pay withholding tax on the importation of agricultural products.
 - (b) The Tribunal further ordered that the Respondent release the Applicant's goods previously withheld on account of withholding tax and to refund all taxes paid, including any 30% deposit.
 - (c) Being dissatisfied with the said Ruling, the Respondent then filed its Notice of Appeal against the decision on 1 July, 2025 vide High Court Civil Appeal No. 0076 of 2025, which appeal is pending the hearing and determination of the appeal.

- (d) The Respondent further filed Miscellaneous Application No. 1814 and 1821 of 2025, seeking orders for stay of execution of the Tribunal's decision pending the hearing and determination of the appeal.
- (e) That the appeal raises serious triable questions of law and has high chances of success, including alleged errors relating to:
 - i. The 30% deposit of the tax on dispute was not applicable.
 - ii. Jurisdiction of the Tribunal in the absence of an objection decision and withholding tax exemption certificates from the Appellant (Respondent).
 - iii. Classification of the imported goods as agricultural products, thus coming to the wrong conclusion that the said goods were not liable to pay withholding tax.
 - iv. Failure to address issues of contempt of court.
- (f) The total weight of produce referenced of over 271,000 metric tons by the Applicants at the Mutukula Border Point yet this point does not have the logistical capacity to hold such a large volume of goods pending clearance. Accordingly, the cargo alleged to be at the border is not in the possession of the Respondent, and its release is therefore not feasible under the current circumstances.
- (g) The Respondent's customs team, with a member from the legal team, carried out a locus visit to Mutukula border point to ascertain if there were any consignments/ trucks held in the Respondent's custody as alleged by the Applicants, and it was established that there were no trucks in the Respondent's custody.
- (h) It is in the interest of justice, and for this Honourable Tribunal to obtain an accurate perspective of the matter, the Respondent respectfully prayed that a locus visit be conducted at the Mutukula One Stop Border Post to physically verify whether any goods belonging to the Applicants are currently being held by the Respondent.

III. Issues for determination

6. The main issue for determination is whether the Respondent is in contempt of the decision/order of this honourable Tribunal in TAT Application No. 342,380,332 and 274 of 2024?

IV. Representation

7. At the hearing of this application, Mr. Angura Joseph, Ms. Ajambo Joan and Mr. Amany David represented the Applicants, while Ms. Doreen Amutuhaire represented the Respondent.

V. Submissions of the Applicant

8. The Applicants submitted that they filed TAT Application Nos. 342, 380, 332 and 274 of 2024 challenging the Respondent's imposition and demand of withholding tax on imported agricultural produce, including rice originating from the Republic of Tanzania, without a legal basis.
9. The Applicants contended that this Tribunal, by its ruling (TAT Application No.342, 380,332,274 of 2024) delivered on 13 June 2025, held that the Applicants were not liable to pay withholding tax, directed the Respondent to allow entry and release of their goods, and ordered a refund of any taxes paid, including the 30% deposit, together with costs.
10. The Applicants further contended that despite service of the Tribunal's orders, the Respondent failed and/or refused to comply despite several follow-ups, continued to detain their goods, and persisted in demanding withholding tax, thereby frustrating their business operations.
11. The Applicants submitted that such conduct amounted to contempt of court as it constituted deliberate and wilful disobedience of lawful orders of this Tribunal.
12. The Applicants argued that compliance with court orders is a fundamental obligation necessary to uphold the rule of law and the authority of the Court.

The Applicant cited ***Housing Finance Bank Ltd & Another vs Edward Musisi Misc. Application No. 158 of 2010***, where the Court of Appeal emphasised that court orders must be complied with in totality and that disobedience undermines the administration of justice.

13. The Applicants further relied on ***Prof. Frederick Ssempebwa & Others vs Attorney General, Supreme Court Civil Application No. 5 of 2019***, which held that contempt is established where there is deliberate and mala fide disobedience of a court order.
14. The Applicants submitted that the elements of contempt are satisfied where there is a lawful order, knowledge of the order, and failure to comply, from which wilfulness may be inferred. They maintained that the Respondent had knowledge of the orders but deliberately failed to comply, including by taking administrative actions such as suspending a TIN and continuing to interfere with their imports.
15. The Applicants submitted that respect for court orders is fundamental to the rule of law and that civil contempt arises only where non-compliance is deliberate and mala fide. They argued that mere failure to comply is insufficient; the conduct must be wilful and intentional, undermining the authority of the court. They argued that, while an honest belief in non-compliance may negate intent, the burden lies on the Respondent to prove, to the court's satisfaction, the absence of wilfulness or mala fides.
16. The Applicants relied on the settled position in *Prof. Frederick Ssempebwa vs AG SCG. Application No. 5 of 2019*, which confirms that contempt is established upon:
 - i. Proof of an order issued by the court.
 - ii. Proof that the order was served or brought to the notice of the 'alleged contemnor (the Respondent).
 - iii. Proof of non-compliance with the order by the Respondent and
 - iv. Proof that the non-compliance was wilful or mala fide.

17. The Applicants also submitted that there was no valid appeal in existence as the purported appeal was not prosecuted and was later struck out for non-payment of fees.
18. The Applicants submitted that:
- (i) On 13 June 2025, this Honourable Tribunal ordered the release of the Applicants' goods and refund of all related payments, including the 30% deposit and its costs.
 - (ii) The Respondent was duly served with, and had full knowledge of, the Tribunal's order as set out in paragraphs 5 and 6 of the supporting affidavits. Following the issuance of the ruling, the Applicants formally served the Respondent with the order through a letter dated 27 June 2025, addressed to the Assistant Commissioner, Litigation, and enclosing the Tribunal's decision for compliance and implementation.
 - (iii) Despite such clear service and established knowledge, the Respondent has deliberately failed and/or refused to comply with the Tribunal's orders in TAT Application Nos. 342, 380, 332, and 274 of 2024. No explanation, justification, or lawful excuse for this non-compliance has been provided.
 - (iv) The Applicants therefore submitted that the Respondent's conduct demonstrates not only knowledge of the order but also a conscious, deliberate, and unjustified refusal to obey it, thereby satisfying the requirements of wilful non-compliance.
 - (v) Instead, the Respondent's enforcement actions, including suspension of the TIN of Applicant 2, Nakabira Logistics (U) Ltd, and issuance of a public notice on 3 September 2025, all of which are inconsistent with the Tribunal's ruling and constitute continued administrative interference with the Applicants' lawful business operations.
19. The Applicants prayed for a fine of Shs. 100,000,000 for each of the Applicants, general damages of Shs. 1,200,000,000 under Section 21(6) of the Tax Appeals Tribunal Act and costs of the applications. The Applicants submitted that damages are awarded to compensate for a wrongful act and

must restore the injured party to the position they would have been in but for the wrong (*Hall Brothers SS Co. Ltd v Young, Robert Coussens v Attorney General, and Livingstone v Rawyards Coal Co.*)

VI. Submissions of the Respondent

20. The Respondent submitted that contempt proceedings require a higher standard of proof than a balance of probabilities, though not beyond a reasonable doubt, as held in *Sitenda Sebalu v Secretary General of the East African Community*.
21. The Respondent further argued that contempt jurisdiction must be exercised sparingly and as a last resort, not as a primary enforcement mechanism, as emphasised in *Richard Odoi Adome v Uganda Electricity Generation Company Limited*, where it was held that courts must avoid overextending contempt powers, which are intended to protect judicial authority rather than enforce judgments where other remedies exist.
22. The Respondent submitted that it is not disputed that a lawful ruling was issued in TAT Application Nos. 342, 380, 332 and 274 of 2024, and that the Respondent had knowledge of the said ruling. However, the central issue in dispute is whether there was a deliberate refusal to comply with the Court ruling, which it denies.
23. The Respondent relied on *Oneti Vincent vs Balengera Dan & Waisrwa Emma Misc. App. No. 708 of 2023*, where it was held that one of the essential elements of contempt is non-compliance with a court order, and that an Applicant must specifically demonstrate the acts or omissions constituting the alleged contempt.
24. The Respondent further relied on *Richard Odoi Adome vs Uganda Electricity Generation Company Limited*, where it was held that an Applicant must prove wilful and mala fide disobedience, directed at undermining or disrespecting the Court. It was emphasised that a party

must take all reasonable and good-faith steps to comply, and that failure to do so despite diligent efforts may not amount to contempt.

25. The Respondent also cited ***Ssempebwa & Others vs Attorney General (Civil Application No. 5 of 2019) [2019] UGSC 70***, where the Court held that contempt requires proof that disobedience was both deliberate and mala fide, and that an honest but mistaken belief in justification may negate contempt.
26. This requirement is that the refusal to obey should be both wilful and mala fide, and that unreasonable non-compliance, provided it is bona fide, does not constitute contempt, in accordance with the broader honest belief that non-compliance is justified or proper, incompatible with that intent.
27. The Respondent submitted that neither it nor its officers has wilfully refused to comply with the court order. The Respondent stated that upon receipt of the Tribunal's ruling, the Respondent promptly sought further particulars regarding the specific consignments to enable identification, processing, and clearance in compliance with the order.
28. The Respondent further explained that this was necessary for the Customs Department to properly locate and process the goods in question. The Respondent also submitted that the quantities involved were substantial and that Mutukula Border Post lacked the capacity to hold such cargo pending clearance.
29. The Respondent further contended that, without details such as the means of conveyance and the exact location of the goods, the Respondent was unable to trace the consignments at the Mutukula Customs point. The Respondent argued that the Applicants failed and/or refused to provide essential information, including cargo deposit notes and tracking details, thereby making it impossible to verify or locate the alleged consignments.

30. The Respondent submitted that the Tribunal should use its judgment based on the facts above. Courts have consistently discouraged its routine use to obtain compliance with court orders. The power should therefore be used cautiously and with great restraint.
31. The Respondent maintained that it has taken all reasonable, necessary, and good faith steps required to comply with the Tribunal's ruling.
32. In the alternative, but without prejudice to the above submissions, the Respondent submitted that, being aggrieved by the Tribunal's ruling, it lodged an appeal before the High Court, which it believes has a high likelihood of success.
33. The Respondent added that it obtained an administrative interim stay of execution on 29 September 2025, and subsequently filed an application for a substantive stay of execution pending the determination of the appeal and this Application has a high likelihood of success.
34. The Respondent therefore argued that its actions cannot amount to contempt in light of the pending appeal and the steps taken within the law.
35. Regarding the Applicant's prayer for damages, the Respondent submitted that the object of an award of damages is to give the plaintiff compensation for the damage, loss or injury he or she has suffered. Therefore, the purpose of an award of damages is to compensate for actual loss or injury suffered, and not to punish or enrich a party (***Robert Coussens V Attorney General SCCA No. 8 of 1999***).
36. The Respondent submitted that while the Tribunal is empowered under Section 22(6) of the Tax Appeals Tribunal Act to grant remedies, such remedies must be properly pleaded, strictly proved, and supported by credible evidence. The Respondent emphasised that the Applicants would have been expected to justify why they sought the amount sought, but have

failed to establish any specific loss, damage, or injury attributable to the Respondent's conduct.

37. The Respondent further contended that the Applicants did not provide evidence demonstrating that their cash flow was affected, nor did they justify the quantum of damages sought. It asserted that there is no causal link between the Respondent's actions and any alleged loss or inconvenience suffered by the Applicants.
38. Accordingly, the Respondent prayed that the claims for damages be dismissed for lack of proof of injury caused by the Respondent.
39. Regarding costs, the Respondent submitted that this Honourable Tribunal is vested with the power to award costs at its discretion and prayed that this discretion be exercised judiciously based on the facts. The Respondent prayed that the application be dismissed and that costs be awarded to the Respondent.

VII. The Determination

40. Having carefully examined and considered the pleadings, affidavits on record, and submissions of both parties, this is the decision of the Tribunal.
41. It is not in dispute that this Tribunal issued a valid and binding ruling on 13 June 2025 in the matter of ***Nyanga Oburofa Enterprises Limited, & 9 Others Vs. Uganda Revenue Authority, TAT Application No.139 Of 2024***, which includes TAT Application Nos. 342, 380, 332 and 274 of 2024, determining inter alia that the Applicants were not liable to pay withholding tax on imported agricultural produce, including rice, and directing the Respondent to allow the entry and release of the Applicants' goods and to refund any taxes paid, including the 30% deposit.
42. It is equally not in dispute that the Respondent had knowledge of the said orders. Accordingly, the existence of a lawful order and knowledge thereof is established.
43. The Tribunal further takes judicial notice that the High Court, upon appellate consideration in Civil Appeal no.0076 of 2025, upheld the Tribunal's decision in its entirety, affirming both the findings and the operative orders

therein. This judicial affirmation reinforces the binding nature, validity, and continued enforceability of the Tribunal's orders, which remain subsisting and capable of compliance.

44. The central issue for determination is whether the Respondent's conduct amounts to wilful and mala fide disobedience of the Tribunal's orders issued in TAT Application No.342 380,332 and 274 of 2024, thereby constituting contempt.
45. Section 37 of the Tax Appeals Tribunal provides that any person who does any other act or thing that would, if a tribunal were a court of record, constitute a contempt of that court commits an offence and is liable on conviction to a fine not exceeding twenty-five currency points or to imprisonment not exceeding six months or to both.
46. We've taken cognisance of all the authorities that have been extensively cited by the parties concerning this matter, including ***Prof. Frederick Ssempebwa & Others, Housing Finance Bank Ltd & Another*** and ***Richard Odoi Adome***. These precedents set down the elements that must be met for a claim of contempt to succeed. These are:
 - i. The existence of lawful and clear order;
 - ii. Knowledge of the order by the alleged contemnor;
 - iii. The ability of the alleged contemnor to comply with the order; and
 - iv. Wilful and mala fide failure to comply with the order
47. Since elements (i) and (ii) are not in dispute, we shall focus on the last two elements. The Tribunal is mindful that not every instance of non-compliance amounts to contempt. The law requires proof of intentional and wilful disregard of a court order.
48. Where a party demonstrates that it made bona fide efforts to comply, or that compliance was impeded by practical or procedural constraints, a finding of contempt will not ordinarily lie. The Tribunal must therefore establish deliberate and bad-faith non-compliance.

49. The Applicants' complaint primarily relates to the alleged continued and deliberate failure by the Respondent to facilitate the entry and release of the goods and the alleged non-payment of the refund ordered by the Tribunal despite service and follow-ups, thereby undermining the authority of this Tribunal.
50. The Respondent, however, contends that it did not refuse to comply with the orders but actively sought additional particulars necessary to identify, trace, and process the consignments, including customs entry numbers, cargo tracking details, and means of conveyance. It is the Respondent's case that without such essential information, it was practically unable to locate and release the goods, rendering compliance impracticable.
51. The Respondent further submitted that the quantity of the goods in question was too large to be stationed at the Mutukula customs border point, which does not have the logistical capacity to hold such a large volume of goods pending clearance and, as such, necessitated the provision of conveyance details to facilitate their prompt entry and release, which was not provided by the Applicants.
52. The Tribunal finds that the goods in question constitute agricultural produce, which is inherently perishable in nature. As such, prolonged detention poses a real risk of deterioration and potential public health concerns. In these circumstances, cooperation between parties was necessary to give effect to the orders.
53. The Tribunal further reiterates that while its orders, as affirmed by the High Court, remain valid, binding, and enforceable, a finding of contempt cannot be presumed merely from alleged non-compliance. It must be strictly and independently proved that such non-compliance was wilful, deliberate, and in bad faith. Where a party demonstrates bona fide efforts to comply, or shows that compliance was hindered by practical or procedural constraints, contempt will not lie.

54. In the present case, the Respondent's explanation regarding the need for additional information was not effectively rebutted by evidence showing that such information was supplied or that the Respondent thereafter deliberately ignored it. The Tribunal is therefore not satisfied that the Respondent's conduct amounted to wilful defiance of its orders.
55. With respect to the refund of the 30% tax deposit, the Tribunal observes that the Applicants have not demonstrated that a specific demand for refund was made and that the Respondent refused, neglected, or failed to comply therewith. The evidence adduced is largely focused on the alleged failure to release goods, without sufficient proof of non-compliance with the refund order.
56. As was held in *Oneti Vincent v Balengera Dan & Another Misc. Application No. 708 of 2023*, an applicant in contempt proceedings must clearly establish the specific acts or omissions constituting the alleged contempt. Accordingly, the Tribunal finds that the Applicants have not discharged the burden of proof required in contempt proceedings to establish wilful and mala fide disobedience.
57. In light of the above, the Tribunal finds that the Respondent's explanation raises reasonable doubt as to whether the non-compliance was wilful and mala fide. The Respondent provided clear explanations for its actions, citing the need for specific details to comply with the orders. These explanations were not rebutted by the Applicants, leaving the Respondent's justification unchallenged. As guided by the principles articulated in *Stanbic Bank (U) Ltd v Commissioner General Uganda Revenue Authority (supra)*, any doubt as to the Respondent's intent must be resolved in its favour. The Tribunal is also guided by the principle that contempt jurisdiction must be exercised cautiously, as a remedy of last resort, not as a primary tool for enforcement or for issuing orders.
58. Accordingly, the allegation of wilful and mala fide non-compliance with the said order by the Respondent is not proved. Therefore, there is no contempt

of court, as there is no evidence of wilful disobedience of any clear and unambiguous court order.

59. For avoidance of doubt, the Tribunal emphasises that its orders remain fully valid, binding, and enforceable. However, contempt is a distinct legal remedy that must be strictly proved and cannot be inferred from procedural difficulties, delays, or administrative constraints alone.
60. On the issue of damages, it is trite law that general damages are compensatory in nature and must be strictly proved (***Robert Coussens v Attorney General SCCA No. 8 of 1999 and Uganda Revenue Authority v Wanume David Kitamirike Civil Appeal No. 43 of 2010***).
61. Accordingly, the Respondent is not in contempt of the orders of this Honourable Tribunal issued on 13 June 2025 in TAT Application Nos. 342, 380, 332 and 274 of 2024. In the circumstances, the Tribunal makes the following orders:

- (ii) The application for contempt is accordingly dismissed.
- (iii) Each party shall bear its own costs.

It is so ordered.

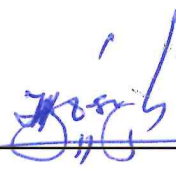
Dated at Kampala this 11th day of May 2026.



HON. CRYSTAL KABAJWARA
CHAIRPERSON



HON. GRACE SAFI
MEMBER



HON. WILLY NANGOSYAH
MEMBER