



THE REPUBLIC OF UGANDA

IN THE TAX APPEALS TRIBUNAL OF UGANDA AT KAMPALA

TAT APPLICATION NO. 014 OF 2025

PATHWAYS ADVOCATES APPLICANT

VERSUS

UGANDA REVENUE AUTHORITY.....RESPONDENT

BEFORE: MR. SIRAJ ALI, MS. KABAKUMBA MASIKO, MS. GRACE SAFI

RULING

I. Introduction

1. This is a ruling in respect of a preliminary objection by the Respondent that the Applicant's application challenging Value Added Tax (VAT) assessment of Shs.69,939,998 arising from a tax investigation, is time-barred.

II. Background facts

2. The Applicant is a law firm engaged in legal practice in Uganda at Plot 16, Mackinon Road, Nakasero–Kampala.
3. Following a tax review, the Respondent determined that legal fees charged by the Applicant in Civil Suits No. 704 and 889 of 2019, amounting to Shs. 1,404,399,228, constituted professional fees subject to VAT.
4. On 20 November 2023, the Respondent communicated its findings through a management letter, and on 9 February 2024, issued an additional VAT assessment of Shs.69,936,998.
5. The Applicant objected to the assessment, contending that the sums received were client funds meant for compensation and not its income.

6. On 4 June 2024, the Respondent requested supporting documents, including bank statements and evidence of transfers to beneficiaries, which according to the Respondent were not provided. Consequently, the objection was disallowed on 20 June 2024.
7. On 23 January 2025, the Applicant filed this application challenging the objection decision.
8. In its Statement of Reasons filed on 20 February 2025, the Respondent raised two preliminary objections, to wit:
 - (a) That the application was filed out of time, having been lodged 218 days after the objection decision of 20 June 2024; without leave for extension of time; and
 - (b) That the Applicant has neither paid nor committed to pay 30% of the tax in dispute as required and remains in default of the statutory payment requirement.
9. The matter first came up for conferencing on 21 July 2025, when the Applicant was absent. The Respondent indicated that parties were engaged in Tribunal-guided mediation, and the matter was adjourned to 15 August 2025 with instructions to serve the Applicant.
10. On 15 August 2025, the Applicant again failed to appear for conferencing despite proper service. The Tribunal stood over the matter for more than 5 minutes to allow the Applicant's representative to login virtually, but there was no appearance.
11. Accordingly, Tribunal granted a final adjournment to 16 September 2025. With directions that the Applicant, be duly served.
12. On that date 16 September 2025, both parties were present for conferencing, and directions were issued requiring written submissions on the preliminary objections by raised by the Respondent.
13. The Applicant as at the date of this Ruling, did not comply to file any submissions by 29 September 2025, despite being aware of the directions and timelines. Hence, this ruling.

III. Issues for determination

14. The main issue for determination is whether the Application is properly before the Tribunal.

IV. Representation and evidence

15. The Applicant was represented by Mr. Asiimwe Mugumya on brief for Kiconco Katabaazi Patrick, while the Respondent was represented by Ms. Doreen Amutuhaire.

V. Respondent's Submissions on the Preliminary Objections

16. The Respondent raised two preliminary objections to the Applicant's application. Namely; the instant Application was improperly before the Tribunal for the reason that it was filed out of time and that 30% of the tax in dispute had not been paid by the Applicant, as required by law.

Whether this Application was filed out of time

17. The Respondent cited **S. 27 (1)** of the **Tax Procedures Code Act** which provides that a person dissatisfied with an objection decision may, within 30 days after being served with a notice of objection, lodge an application with the Tax Appeals Tribunal for review of the objection decision.

18. The Respondent also cited **S. 16(1) (c)** of the **Tax Appeals Tribunal Act** which provides that an application to the Tribunal for review of a tax decision shall be made within 30 days of being served with notice of the decision.

19. Further; the Respondent cited **S.16 (7)** of the **Tax Appeals Tribunal Act** which provides as follows:

"An application for review of a taxation decision shall be made within six months after the date of the taxation decision".

20. The Respondent stated that, the above provisions of the law clearly set out the mandatory timelines for persons who are dissatisfied with the decision of the Commissioner to file an application in TAT. To establish when the decision of the Commissioner was issued, there was need to answer a series of questions, which will ultimately aid in this determination and that is; when was the decision of the Respondent issued?

21. The Respondent clearly laid out the timelines leading to this application. It stated that, the Applicant herein objected to the tax assessment on 24 March 2024.

22. The Respondent issued its objection decision on the 20 June 2024 and the Application for review was filed in the Tax Appeals Tribunal Registry on 23rd January 2025, seven months (218 days) after the objection decision was made and communicated to the Applicant way out of the mandatory 30 days within which one ought to have lodged an application for review.
23. The Respondent emphasized that, the Applicant had up to 19 July 2024 to lodge an application for review of the objection decision. However, this was not done.
24. In addressing the issue of timelines, the Respondent cited **S. 16(2)** of the **Tax Appeals Tribunal Act** stating that it grants this Honourable Tribunal discretion to extend time within which to file an application for review of an objection decision upon receipt of an application in writing which discretion the Applicant could exploit for its benefit.
25. Accordingly, the Respondent argued that after the 19 July 2024, the Applicant could still have filed its application for review of the objection decision but subject to first obtaining leave to file the same out of time. Unfortunately, the Applicant never filed any application for enlargement of time before lodging this application for review. The Respondent therefore concluded by stating that, the dispute that is subject of this Application is time barred.
26. The Respondent cited the decision in ***Uganda Revenue Authority Vs Consolidated Properties Ltd Court of Appeal. Civil Appeal No. 31 of 2000***, where, the Court of Appeal held that:
- "Timelines set by statutes are matters of substantive law and not mere technicalities and must be strictly complied with". Consequently, the Court of Appeal held that the application of the Respondent to the Tax Appeals Tribunal was properly rejected by the Tribunal as being time barred."*
27. The Respondent also cited the decision in ***MC DE-AM (U) Ltd vs. Uganda Revenue Authority, TAT Application MBL 2 of 2009***, where the tribunal found that an application which was lodged after 30 days from service of the notice of the decision on the Applicant, was time barred.
28. The Respondent also relied on the decision in ***Hilton Sutton Steam Landry (1946) 1 KB 61 at P.81*** where the court stated:

"But the Statute of limitations is not concerned with merits. Once the axe falls, it falls and a Defendant who is fortunate enough to have acquired the benefit of the statute of limitation is entitled to insist on his strict rights."

29. The Respondent also maintained that the tax decision made on 20th June 2024 was proper and was duly communicated to the Applicant and on this ground alone, the Respondent prayed that this application be dismissed with costs and the assessed tax upheld.

Whether the Applicant has paid the 30% of the tax in dispute that part not in dispute, whichever is greater nor made a commitment to pay the tax as required by S. 15 of the Tax Appeals Tribunal Act.

30. The Respondent submitted that **S. 15 of the Tax Appeals Tribunal Act**, provides that a taxpayer who has lodged a notice of objection pending final resolution of the objection must pay 30 percent of the tax assessed or that part not in dispute, whichever is greater.

31. The Respondent relied on the decision in *Uganda Projects Implementation and Management Centre v Uganda Revenue Authority Constitutional Appeal 2 of 1999*, where the Supreme Court ruled that the requirement to pay 30% of the tax assessed, or that which is not in dispute, whichever is greater, is constitutional and did not infringe on the right to a fair hearing.

32. The Respondent contends that the tax assessed is Shs. 193,311,930, the Applicant ought to have paid 30% which is Shs. 57,993,579 which is a reasonable amount for rental business situate in the business district of Kampala which cannot take it out of business.

33. The Respondent submitted that **S. 31 of the Tax Procedure Code Act**, gives the Applicant a lee-way in case of failure to pay the 30% which the Applicant has not exploited.

34. The Respondent submitted that there is no evidence that the Applicant applied for extension of time before the Commissioner and it was refused.

VI. Applicant's Submission.

35. Despite being granted an opportunity to file written submissions on the preliminary objections raised by the Respondent by 29 September 2025, the Applicant did not file any submissions, nor advance oral arguments addressing the issues raised as at the date of this ruling.
36. The Tribunal notes that, this notwithstanding, the Applicant's counsel Mr. Asiimwe Mugumya, who appeared on brief for Mr. Kiconco Katabazzi Patrick, was in attendance at the hearing on 16 September 2025, when the said timelines were issued.

VII. Determination by the Tribunal

37. The Tribunal has carefully considered the Respondent's submissions and the record before it.
38. The central issue for determination in respect of the preliminary objection is whether this application is proper before Tribunal. The following is the ruling if the Tribunal.
39. The law on preliminary objections on points of law is provided for under **Order 6 Rule 28** of the **Civil Procedure Rules** which states:
- "Any party shall be entitled to raise by his or her pleadings any point of law, and any point so raised shall be disposed of by the court at or after the hearing; except that by consent of the parties, or by order of court on the application of either party, a point of law may be set down for hearing and disposed of at any time before the hearing".*
40. In the case of ***Mukisa Biscuit Manufacturing Co. Ltd v West End Distributors Ltd, [1969] EA 696, Sir Charles Newbold***, stated:
- "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".*
41. As stated in ***Mukisa Biscuit Manufacturing Co. Ltd (supra)***, a preliminary objection consists of a pure point of law capable of disposing of a matter without going into the merits.
42. The Preliminary objection raised by the Respondent concern with compliance with mandatory statutory requirements, namely:

- i. The statutory thirty-days timeline for filing an application before the Tribunal; and
 - ii. The statutory requirement to pay 30% of the assessed tax.
43. These issues herein are pure points of law capable of disposing of the matter without delving into the merits of the tax dispute.

Whether the application is time-barred.

44. Section 16 (1) (2) of the Tax Appeals Tribunal (TAT) Act provides for *Application for review of a taxation decision*.
- (1) *"An application to a tribunal for review of a taxation decision shall—*
- (a) *be in writing in the prescribed form;*
 - (b) *include a statement of the reasons for the application;*
 - (c) ***and be lodged with the tribunal within thirty days after the person making the application has been served with notice of the decision."***
- (2) *A tribunal may, upon application in writing, extend the time for the making of an application to the tribunal for a review of a taxation decision".*
45. **Section 25 (1) of the Tax Procedures Code Act** provides:
- "a person dissatisfied with an objection decision may within 30 days after being served with a notice of the objection decision, lodge an application with the Tax Appeals Tribunal for review of the objection decision".*
46. In the case of ***Uganda Revenue Authority v Uganda Consolidated Properties Ltd*** (supra), the Court of Appeal stated that;
- "Timelines set by statutes are matters of substantive law and not mere technicalities and must be strictly complied with".*
47. In the instant case, the Applicant lodged its objection on 24 March 2024. The Respondent rendered and communicated its objection decision on 20 June 2024. Therefore, the Applicant had up to 22 April 2024 to file its application, however, this application was filed on 23 January 2025, 218 days after the objection decision was issued. This is clearly outside the statutory 30-days period.
48. The Applicant neither sought nor obtained extension of time under **Section 16(2) of the Tax Appeals Tribunal Act**, which empowers the Tribunal to enlarge time upon a written application, even where the statutory period has expired, subject to the prescribed limits. Where a

party comes to the Tribunal after such a lengthy delay, a strong and satisfactory explanation is required before the Tribunal can exercise its discretion in that party's favour, as held in *Mityana Foods & Beverages Ltd v URA, TAT Application No. 25 of 2024*, "*inordinate and unexplained delay warrants dismissal.*"

49. The Tribunal finds that the 218 days delay in this case is inordinate and unexplained.
50. Further, the Applicant's failure to file written submissions despite clear directions of the Tribunal has significant procedural implications, as submissions allow a party to explain, clarify and justify its position. It deprived the Tribunal of any explanation or justification for the delay and left the Respondent's preliminary objections unchallenged.
51. Without them, the Tribunal is left with no rebuttal to the Respondent's objections and is entitled to determine the matter based on the record on file.

Accordingly, the Tribunal finds that this application is time-barred and is therefore improperly before that Tribunal.

30 % statutory payment

52. Section 15 of the Tax Appeals Tribunal Act is explicit:

"A taxpayer who has lodged a notice of objection to an assessment shall, pending final resolution of the objection, pay thirty percent of the tax assessed or that part of the tax assessed not in dispute, whichever is greater."

53. In *Samuel Mayanja v Uganda Revenue Authority HCT 0017 of 2005, Justice Egonda Ntende* held that, once a taxpayer has lodged an application for review under S. 15 of the Tax Appeals Tribunal Act, he is obliged to deposit at least 30% of the tax assessed.
54. The above decisions confirm that failure to comply with the express provisions of **Section. 15** of the **Tax Appeals Tribunal Act** renders an application before the tribunal incompetent.
55. The evidence before us confirms that the Applicant neither paid the 30% nor made any commitment or arrangement to do so.

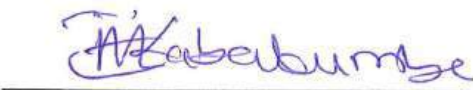
56. Importantly, having already concluded that the application is out of time, it is unnecessary to address and make definitive finding on the question of the 30% statutory payment.

57. Taking all the above into consideration, we find that this Application is improperly before this Tribunal and has no merit. It is accordingly dismissed with costs.

Dated at Kampala this 13th day of **March** 2026.



MR. SIRAJ ALI
MEMBER



MS. KABAKUMBA MASIKO
MEMBER



MS. GRACE SAFI
MEMBER