TAX APPEALS TRIBUNAL
Justice in Taxation

**THE REPUBLIC OF UGANDA**

**IN THE TAX APPEALS TRIBUNAL AT KAMPALA**

**APPLICATION NO 38 OF 2026**

**RICHFLO LIFT SERVICES LTD.....APPLICANT**

**VERSUS**

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

**BEFORE: HON. CRYSTAL KABAJWARA, HON. KENNETH A. BAGAMUHUNDA, HON. CHRISTINE KATWE**

**RULING**

## I. Introduction

1. The Applicant challenges the Respondent's customs tax demands as unlawful and unenforceable, relying on the deemed decision under section 229(5) of EACCMA. It seeks orders setting aside the demands and declaring the disputed tax liabilities unlawful. The Respondent opposed the application, arguing that it is time-barred and lacks merit.

## II. Background Facts

2. The Applicant is engaged in lifting and handling services. In 2019, the Respondent raised a tax liability of Shs. 10,090,173 against the Applicant's consignment under Entry Number UG KLA C73950. Being dissatisfied with the values in the Demand Payment Notice (DPN), the Applicant contended that they were erroneous and without a lawful basis.

3. The parties held several meetings where the Respondent agreed to restructure and lower the values, and part of the Applicant's consignment was released. On 1 March 2019, 8 July 2019 and 4 August 2019, the Applicant wrote to the

Respondent requesting cancellation of the disputed DPN in respect of Entry No. UG KLA C73950, which had been issued erroneously.

4. The Respondent failed to respond to the Applicant's request regarding the disputed DPN in respect of Entry No. UG KLA C73950, which had been issued without legal justification. Under the East African Community Customs Management Act (EACCMA), the Applicant elected to treat its request for cancellation of the erroneous DPN as having accepted by the Respondent for failure to respond within thirty (30) days.

5. After 8-9 months, by correspondences dated 7 January 2021, 4 May 2021, 31 May 2021 and 6 August, 2021, the Respondent issued tax demands to the Applicant for payment of Shs. 10,090,173 in respect of the DPN that had been erroneously issued. The said demands were disputed by the Applicant, but not by the Respondent.

6. On 25 August and 29 September 2021, the Applicant requested the Respondent to waive the disputed tax demand and cancel DPN No. UG KLA C73950, citing its failure to respond to previous correspondence. To date, the Respondent neither responded to nor acted upon the requests, but continues issuing tax demands and threatening closure of the Applicant's premises and suspension of its TIN.

## III. Issues for determination.

7. The following are the issues for determination
   i. Whether the Commissioner Customs allowed the application/ Applicant's appeal for review and waiver of the tax liability of Shs.10,090,173?
   ii. What remedies are available to the parties?

## IV. Representation

8. Mr. Bernard Olok from the Kampala Tax Advisory Center represented the Applicant, while Mr. Desire Mulindwa Muwonge and Ms. Maureen Akambira from the Legal Services and Board Affairs Department of the Respondent represented the Respondent. By the time the Respondent filed its affidavit, it alleged that the Applicant had not served it with its own affidavit and

submissions. In the Tribunal, the Applicant only filed its submissions. The Tribunal considered the pleadings on file.

**The Respondent's Evidence**

9. In the affidavit by Patrick Biingi, a Supervisor, Document Processing in the Customs Department, sworn and deponed on 30 October 2026, it stated that:

   (i) On 11 March 2026, the Applicant filed an application before the Tribunal claiming that the Respondent had raised a tax liability of Shs. 10,090,173 against it. Upon reviewing the application, the Respondent established that Customs Entry No. UGKLA C73950 dated 7 August 2019, from which the disputed tax liability of Shs. 10,090,173 arose, made by Roofing Rolling Mills Ltd and not the Applicant.

   (ii) Customs Entry No. KEMBA C3095 dated 28 January 2019 and Customs Entry No. UGKLA C64322 dated 3 July 2019, which was declared by the Applicant, was reassessed by the Respondent, and the resulting taxes were duly paid by the Applicant.

   (iii) The Respondent further stated that Customs Entry No. UGKLA C73950 dated 7 August 2019 was not a declaration made by the Applicant and could therefore not be reflected in the Respondent's system. The Respondent maintained that all declarations made by the Applicant had been assessed and the resulting taxes paid. The Applicant had no valid dispute against the Respondent and was not entitled to the remedies sought before the Tribunal.

## V. The Applicant's Submissions

**Preliminary objection**

10. The Applicant submitted that the Respondent had forfeited its right to be heard before the Tribunal by failing to file a statement giving reasons for its decision within the mandatory thirty (30) days prescribed under Section 17 of the Tax Appeals Tribunal Act and Rule 13(1) of the Tax Appeals Tribunal (Procedure) Rules. The Applicant noted that the application was filed on 11 March 2026 and served upon the Respondent on 12 March 2026. However, despite the

lapse of over seven months, the Respondent had neither filed a reply nor sought an extension of time to do so.

11. The Applicant relied on ***Nicholas Kiptoo Arap Korir Salat v Independent Electoral and Boundaries Commission & 7 Others [2014] eKLR***, the Applicant argued that a party seeking to act outside a statutory timeframe must first obtain an extension of time. The Applicant further relied on Section 22 of the Tax Appeals Tribunal Act and Order 8 Rules 3 and 9 Rule 10 of the Civil Procedure Rules, to argue that facts not specifically denied are deemed admitted. The Applicant urged the Tribunal to find that the Respondent had no right of audience, proceed with the application ex parte, uphold the preliminary objection, and allow the application with costs.

**Issue 1: The Commissioner Customs allowed the Application/ applicant's appeal for review and waiver of the tax liability of Shs.10,090,173 under Section 229(5) of the EACCMA.**

12. The Applicant submitted that the Respondent raised a tax liability of Shs. 10,090,173 arising from a Deposit Payment Notice (DPN) which it contended had been erroneously issued. On 1 March 2019, the Applicant objected to the tax liability and requested the Respondent to cancel the DPN and waive the resulting tax liability on the ground that it had been issued erroneously.

13. The Applicant contended that the Respondent neither responded to nor acted upon its application within the thirty (30) days prescribed under section 229(4) of EACCMA. It relied on section 229(5), which provides that where the Commissioner fails to communicate a decision within the prescribed period, the application is deemed to have been allowed. The Respondent subsequently issued tax demands dated 7 January 2021, 4 May 2021, 31 May 2021 and 6 August 2021, requiring payment of the disputed Shs. 10,090,173.

14. On 25 August 2021 and 29 September 2021, the Applicant wrote to the Respondent reiterating its earlier objection and notifying it that its failure to respond within the statutory period constituted a deemed decision allowing the application for cancellation of the DPN and waiver of the tax liability.

15. The Applicant relied on ***Uganda Revenue Authority v Uganda Consolidated Properties Ltd, Court*** of ***Appeal Civil Appeal No. 31 of 2000***, where the Court held that statutory time limits are substantive requirements and must be strictly complied with. It also relied on ***Kuku Foods Uganda Ltd v Uganda Revenue Authority, TAT App No. 210 of 2014***, in which the Tribunal held that the timelines under section 229(4) and (5) of EACCMA are mandatory.

16. It contended that the subsequent tax demands for Shs. 10,090,173 were unenforceable, having been issued outside the statutory period prescribed by the law. The Applicant maintained that the Respondent's failure to communicate its decision within thirty days resulted in a deemed decision allowing the Applicant's request for cancellation of the DPN and waiver of the tax liability.

**Remedies**

17. The Applicant submitted that the tax demanded by the Respondent is illegal and unenforceable, being demanded outside the statutory time frame under section 229 (4) and (5) of EACCMA, and prayed the Tribunal vacates the tax liability and declares it unenforceable, with costs to the Applicant.

## VI. The Respondent's Submissions

18. The Respondent opposed the application, contending that the Applicant is not entitled to the remedies sought and that there is no dispute between the parties warranting determination by the Tribunal.

19. The Respondent submitted that, upon reviewing the Applicant's claims, it established that the customs entry UGKLA C73950 dated 7 August 2019, from which the disputed tax liability of Shs. 10,090,173 allegedly arose, was declared by Roofing Rollings Mills Ltd and not the Applicant, Rich Flo Lift Services Limited.

20. The Respondent further explained that the customs entries KEMBA C3095 dated 28 January 2019 and UGKLA C64322 dated 3 July 2019 were declarations made by the Applicant, which the Respondent subsequently reassessed, and the Applicant duly paid the resulting taxes. However, the

Respondent maintained that the other customs entries relied upon by the Applicant in its Application were not declared by Rich Flo Lift Services Limited and could not be traced in its system.

21. The Respondent maintained that there was no outstanding tax dispute between the parties and that the Applicant had no cause of action. In its statement of reasons, it contended that the Applicant's allegations were time-barred and that the Applicant was not entitled to any of the remedies sought. The Respondent prayed that the Application be dismissed with costs.

## VII. Determination

### Preliminary Objection

**Issue 1: Whether the Respondent has no right of audience for failure to file its Statement of Reasons within the prescribed time**

22. The Applicant raised a preliminary objection that the Respondent had forfeited its right of audience for failure to file its Statement of Reasons within the thirty (30) days prescribed under section 17 of the TAT Act and Rule 13(1) of the Tax Appeals Tribunal (Procedure) Rules.

23. Section 34(1)(a) of the Interpretation Act excludes the day on which the event triggering the act occurs. Further, in the case of ***Farid Meghani v Uganda Revenue Authority, Civil Appeal No. 0006 of 2021***, the court stated that:

> *"But if the last day is a Saturday, Sunday, or legal holiday, the period continues to run until the end of the next day that is not a Saturday, Sunday, or legal holiday".*

24. The Tribunal notes that the Respondent's Statement of Reasons is dated 10 April 2026 and was lodged on 13 April 2026. The thirty-day period expired on Saturday, 11 April 2026. The Respondent therefore filed on the next working day, which was not a Saturday.

25. In light of Article 126(2)(e) of the Constitution, which requires substantive justice to be administered without undue regard to technicalities, the Tribunal finds no reason to fault the Respondent for filing on the next working day. The preliminary objection is overruled.

**Issue 2: Whether the Applicant has a cause of action against the Respondent**

26. The Respondent contended that the disputed tax liability of Shs. 10,090,173 arose from Customs Entry No. UGKLA C73950 dated 7 August 2019, which was declared by Roofing Rolling Mills Ltd and not the Applicant. The Respondent further stated that the customs entries declared by the Applicant had been reassessed and the resulting taxes duly paid. The Applicant did not dispute this position presented by the Respondent.

27. The Tribunal has considered the Respondent's evidence and notes that the Applicant has not demonstrated that the disputed customs entry belonged to it or that the resulting tax liability was imposed upon it. Consequently, the Tribunal finds that the Applicant has failed to establish a cause of action against the Respondent in respect of the disputed tax liability.

**Issue 3: Whether the application is time-barred**

28. The Tribunal notes that, by letters dated 25 August 2021 and 29 September 2021, the Applicant elected to pursue the administrative review process by requesting a waiver of the disputed tax demand and cancellation of Deposit Payment Notice No. UGKLA C73950. The Applicant contends that the Commissioner did not respond to those requests.

29. If the letter dated 29 September 2021 constituted a valid application for review under section 229(1) of the EACCMA, the Commissioner's failure to communicate a decision within thirty (30) days resulted in a deemed decision allowing the objection under section 229(5) of the EACCMA on 29 October 2021.

30. The Tribunal observes that, unlike under the income tax regime, the EACCMA does not provide for a person objecting to elect to treat the Commissioner General as having made a decision to allow the objection once the time prescribed elapses. Under customs, once the 30 days elapse, the objection is automatically deemed allowed, and any subsequent demand is a nullity. There is no proof in the submissions that the Respondent continued to demand the taxes or undertook any enforcement measures of recovery after 29 September

2021, being the date the Applicant objected to the assessment. When this is weighed against the Respondent's argument that there existed no tax dispute, the Tribunal finds no cause of action and makes this position inconsequential.

31. The Tribunal also noted that Section 230 (2) of the EACCMA provides that a person intending to lodge an appeal to the Tribunal has to do it within forty-five days after being served with the decision, and shall serve a copy of the appeal on the Commissioner. In this case, the forty-five-day appeal period expired on 13 December 2021. However, the Applicant only lodged this application on 11 March 2026, more than four years later, without seeking an extension of time under section 16(2) of the TAT Act. The Tribunal therefore finds that the application was filed outside the prescribed statutory period and is time-barred.

**Remedies**

32. Having found that the Applicant has failed to establish a cause of action against the Respondent, as there is no dispute between the parties, the Tribunal makes the following orders:
    (i) The position of no outstanding tax dispute between the two parties and, hence, no cause of action, is upheld.
    (ii) The application is dismissed.
    (iii) Costs to the Respondent.

Dated at Kampala this **2nd** day of **November** 2026.

**HON. CRYSTAL KABAJWARA**
**CHAIRPERSON**

**HON. KENNETH A. BAGAMUHUNDA**
**MEMBER**

**HON. CHRISTINE KATWE**
**MEMBER**