

**IN THE REPUBLIC OF UGANDA**

**IN THE TAX APPEALS TRIBUNAL AT KAMPALA**

**APPLICATION NO. TAT 55 OF 2025**

**RYERU AGENCIES LIMITED ..... APPLICANT**

**VERSUS**

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

**BEFORE: MS. PROSCOVIA REBECCA NAMBI, MR. WILLY NANGOSYAH,  
MS. ROSEMARY NAJJEMBA**

**RULING**

**I. Introduction**

1. This ruling is in respect of an application brought by way of notice of motion under Section 16(2) of the Tax Appeals Tribunal Act, Cap 341, Section 98 of the Civil Procedure Act Cap 282, Rule 12 & 30 of the TAT (Procedure) Rules 2012, Order 51 rule 6 and Order 52 Rule 1 & 3 of the Civil Procedure Rules, seeking orders that:
  - (i) The time be extended for the Applicant to file its application for review of the Respondent's objection decision out of time.
  - (ii) Costs of this Application be provided for in the cause.

**II. Background Facts**

2. The Applicant is a limited liability company engaged in the distribution of Coca-Cola products. The grounds of this application are set out in the affidavit sworn by Mr. Denis Tushemereirwe, the Managing Director of the Applicant, on the 30th June 2025.
3. He explains that on 17th August 2022, the Respondent issued to the Applicant an income tax assessment of Shs. 113,135,944 for the period 1st July 2020 to 30th

June 2021. The Applicant lodged an objection to the assessment on 30th November 2022. That objection was later disallowed by the Respondent in an objection decision dated 27th February 2023. Unfortunately, no application for review was filed before this Tribunal within the prescribed time, which has necessitated this Application for extension of time.

4. Mr. Tushemereirwe further explained that during the material period, he was away from the office attending to his father, who was critically ill. He also states that the Applicant's management was not informed about the assessment, nor the objection lodged by its accountant, nor the subsequent objection decision itself, until the end of March 2025, when he engaged a new tax consultant. He explains that between April and June 2025, the Applicant actively engaged the Respondent in efforts to resolve the matter amicably, and thereafter instructed an advocate to pursue the case. This application has been filed promptly once the Applicant became aware of the outstanding assessment, objection, and objection decision. He stated that the intended main application has merit and stands a reasonable chance of success, and granting the extension will not in any way prejudice the Respondent. Finally, he emphasized that the Applicant is ready and willing to comply with the statutory requirement of paying 30%, and that the interests of justice will best be served if this application is allowed.
5. The Respondent opposed this application for extension of time and relied on an Affidavit in Reply sworn by Ms. Eseza Victoria Ssendege on 28th July 2025. In her affidavit, Ms. Eseza explained that she is the Acting Supervisor in the Legal Services and Board Affairs Department of the Respondent and is fully conversant with the facts of this case.
6. She stated that, under the law, an application to the Tax Appeals Tribunal for review must be filed within 30 days from the date the objection decision is received. In this case, more than 2 years and 4 months have passed since the Respondent issued the objection decision. The Applicant has not given any sufficient reason for such an extraordinary delay that would justify an extension of time.
7. Ms. Eseza also challenged the Applicant's reliance on the illness of its Managing Director's father as the reason for the delay. She pointed out that the father was

treated in Uganda and, in any case, the Applicant had an accountant who was entrusted with managing its tax matters. She further noted that the Applicant continued to operate its business and regularly file tax returns during the period in question, even while the Managing Director was attending to his father.

8. Finally, she emphasized that the Applicant has not paid the mandatory 30% deposit required under the law. For these reasons, she urged the Tribunal to reject the application and not grant the extension sought.
9. The Applicant filed an affidavit in rejoinder sworn by Mr. Julius Bakashaba, the Applicant's tax consultant on the 31st July 2025. Mr. Bakashaba reaffirmed that the statements made by Mr. Denis Tushemereirwe. He confirmed that the Applicant paid the required 30% (UGX 33,940,783) on 4th July 2025. He concluded that the application for extension of time was justified and that granting it would serve the interests of justice.

### III. Representation

10. The Applicant was represented by Mr. Tushemereirwe Denis, who is the Managing Director of the Applicant and Mr. Julius Bakashaba, a tax consultant and adviser to the Applicant while the Respondent was represented by Ms. Eseza Victoria Ssendege.

### IV. Issues for determination

11. Whether the Applicant demonstrated sufficient cause for the extension of time?
12. What are the available remedies?

### V. Submissions of the Applicant

13. The Applicant relies on section 14(1) of the Tax Appeals Tribunal Act (Cap 345), which grants a right to any person aggrieved by a decision of the Uganda Revenue Authority under a taxing Act to apply for review. Section 16(1)(c) requires such an application to be filed within thirty (30) days of service of the decision. However, section 16(2) empowers the Tribunal to extend the time upon written request by the taxpayer. Rule 11 of the Tax Appeals Tribunal (Procedure) Rules 2012 similarly allows extension of time where the applicant demonstrates sufficient cause.

14. The Applicant contends that justifiable grounds exist for the extension of time. In particular:
- (i) The Managing Director was absent and attending to his father when the objection decision was issued.
  - (ii) Management was unaware of the objection or decision until March 2025.
  - (iii) Efforts were made to resolve the dispute through ADR between April and June 2025, culminating in a meeting on 12th June 2025, but these were unsuccessful.
15. The Applicant submits that the delay was caused by absence from office, illness, and lack of knowledge of the objection decision by the Managing Director, who was the ultimate decision-maker of the company. It contends that the Managing Director could not have authorized the filing of an application for review without knowledge of the objection decision.
16. The Applicant submitted that it acted promptly once it became aware of the decision, first by engaging the Respondent through ADR and, upon failure of that process, by filing the instant application within days thereafter.
17. It is argued that the intended application for review has high chances of success, given that the impugned assessment was based on flawed reasoning that treated variances in sales as chargeable income without regard to corresponding variances in purchases. The Applicant's position was clearly articulated in its correspondence with the Respondent.
18. The Applicant further submits that it has already complied with the statutory requirement to pay 30% of the disputed tax, amounting to UGX 33,940,783, on 4th July 2025, as evidenced by annexure "D." In its view, the Respondent would not suffer any prejudice if the extension is granted.
19. The Applicant submitted that these circumstances constitute sufficient cause under Rule 11(6) of the Procedure Rules, which recognizes absence, illness, or other reasonable causes.
20. The Applicant therefore prayed that this Tribunal find that the application was filed without undue delay, that the delay was occasioned by reasonable and sufficient causes, including illness, absence, and reliance on ADR, and that the same

warrants a grant of extension of time to file an application for review of the Respondent's objection decision.

#### VI. Submissions of the Respondent

21. The Respondent opposed the application on the grounds that it was filed well outside the statutory timelines and the Applicant had not established sufficient grounds to warrant an extension of time. It was contended that the objection decision was issued on 27th February 2023, yet the present application was only lodged on 30th June 2025, a delay of over two years and four months. This, the Respondent argued, was far beyond the statutory six-month limit prescribed under Section 16(7) of the Tax Appeals Tribunal Act, Cap 341, thereby barring the Tribunal from exercising any discretion to enlarge time.
22. They relied on several statutory provisions to support their position. Section 27(1) of the Tax Procedures Code Act, Cap 343 and Section 16(1)(c) of the Tax Appeals Tribunal Act, Cap 341 that require an application for review of an objection decision to be filed within 30 days of receipt. Section 16(2) and (7) of Cap 341 allows the Tribunal to extend time for filing if applied for in writing, but only within six months after taxation decision. They further cited Rule 11(1) of the TAT (Procedure) Rules which permits extension of time only if the Tribunal is satisfied that illness, absence from Uganda, or another reasonable cause prevented timely filing.
23. On the reason for the delay, the Respondent contended that the Applicant's ground that its Managing Director was unaware of the Objection Decision due to his father's illness was not a sufficient cause. The Applicant is a corporate entity and no evidence was adduced to show that the company was incapacitated. The Respondent pointed out that the Applicant's accountant was fully aware of the assessment and filed the objection which gave rise to the decision in issue and the company remained operational during the period. This, it was argued, demonstrated that the Applicant was aware of the matter and merely exhibited dilatory conduct and negligence in pursuing its rights.
24. On the length of delay, the Respondent noted that the Objection Decision was issued on 27th February 2023 yet the present application was only filed on 30th

June 2025, a delay of more than two years and four months. This, the Respondent argued, was inordinate, far beyond the statutory six-month period, and could not be excused as a mistake of the accountant. The Respondent stressed that such delay amounts to gross negligence, not a genuine mistake.

25. The Respondent emphasized that statutory timelines are matters of substantive law, not mere technicalities, citing **Uganda Revenue Authority v Consolidated Properties Ltd, Civil Appeal No. 31 of 2000** and **Farid Meghani v Uganda Revenue Authority, M.A No. 185 of 2020**. It was argued that the Tribunal has no discretion to extend time where an application is brought outside the prescribed six-month period. **George Mulindwa v Kisubika Joseph, Civil Appeal No. 12 of 2014 (SC)** the burden lies on the applicant to prove sufficient cause for extension of time. **Safari Clothing (U) Ltd v URA, Misc. Appl. No. 1 of 2020** which emphasized that failure to prove inability to lodge the appeal within prescribed time is fatal to the application. The Respondent also cited to us **Mantab Engineering Services Ltd v URA, M.A No. 081 of 2024**, where it was held that equity aids the vigilant and that a taxpayer must actively pursue its rights.
26. Further, the Respondent submitted that allowing the application would prejudice the Respondent, who is entitled to finality in taxation matters once a valid objection decision has been issued. To reopen a concluded matter without lawful justification would undermine certainty and orderly administration of revenue.
27. The Respondent therefore submitted that the Applicant had failed to demonstrate reasonable cause for the delay, had not acted diligently, and that the application, having been filed well outside the statutory six-month period, is barred by law. Accordingly, the Respondent prayed that the application be dismissed with costs.

#### VII. Submissions of the Applicant in rejoinder

28. In rejoinder, the Applicant respectfully submitted this rejoinder in response to the Respondent's written submissions opposing the Application for extension of time to file a review of the objection decision dated 27 February 2023.
29. The Applicant maintained that it had demonstrated sufficient and justifiable grounds for the delay and that the Tribunal was empowered to exercise its

discretion in favor of granting the extension. The Applicant submitted that the delay was caused by the Managing Director's absence from office while attending to his ailing father, who later passed away. During this period, the company's Accountant, who was entrusted with managing tax affairs, filed the objection independently and failed to inform management of the outcome.

30. The Applicant submitted that the Managing Director, being the ultimate decision-maker and majority shareholder, only became aware of the objection decision by the end of March 2025. The Applicant argued that the mistake of the Accountant should not be visited upon the company.
31. The Applicant submitted that upon discovering the objection decision, the Applicant promptly appointed a tax consultant and engaged the Respondent through an Alternative Dispute Resolution (ADR) process between April and June 2025. A meeting was held on 12th June 2025, during which the Respondent declined to offer any relief. The Applicant then filed the current application for extension of time on 30th June 2025.
32. The Applicant submitted that the ADR process provided a comprehensive and final determination of the tax liability, which superseded the preliminary objection decision. This was supported by annexure "F" attached to the Applicant's affidavit in support. In *Asimwe Eunice t/a Assy Lodges v Uganda Revenue Authority, MC No. 21 of 2025*, the Tribunal held that an ADR decision may constitute a more appropriate taxation decision than the initial objection decision.
33. The Applicant maintained that its intended review had merit, as the original assessment was based solely on variance in sales without considering corresponding purchases. The Applicant had clearly articulated its disagreement and provided supporting documentation. Furthermore, the Applicant paid 30% of the disputed tax amounting to Shs. 33,940,783 on 4 July 2025, demonstrating its good faith and commitment to resolving the matter.
34. The Respondent argued that reopening the matter would undermine finality in administrative processes. However, the Applicant submitted that the Respondent would not suffer prejudice from the grant of this application. The

Respondent had participated in the ADR process, reviewed additional information, and issued a conclusive determination. The Applicant's subsequent filing was a direct response to that process.

35. The Applicant prayed that the Tribunal find that the Applicant has demonstrated sufficient justification for the delay, hold that the Respondent will not be prejudiced by the grant of extension, grant the application for extension of time to file a review of the objection decision, and order that costs be provided for in the cause.

#### VIII. Determination by the Tribunal

36. This is an application seeking extension of time within which to file an application for review of the Respondent's objection decision dated 27th February 2023. The application was lodged on 30th June 2025.
37. Section 16(1)(c) of the TAT Act requires an application for review to be lodged within thirty (30) days after service of the decision; section 16(2) empowers the Tribunal, upon written application, to extend time where sufficient cause is shown. Rule 11(6) of the TAT Procedure Rules empowers the Tribunal to extend time where it is satisfied the taxpayer was unable to file in time due to absence from Uganda, illness, or other reasonable cause.
38. Further, the key considerations, drawn from the Court's decision in **George William Mulindwa v Kisubika Joseph, CA No. 12 of 2014** are the length of delay, the reason for delay, the prospects of success of the intended action; and prejudice to the other party.

#### Length of delay

39. The delay of over two years and four months is unquestionably quite long and calls for compelling justification. However, since this Tribunal retains residual discretion, we have focused on whether the reasons advanced by the Applicant meet the threshold of "sufficient cause."

### Reasons for the delay

40. The reasons advanced by the Applicant are that the Managing Director was away from the office, attending to his sick father, and was therefore not aware of the assessment, the objection, and the objection decision. During his absence, the company's accountant managed the tax affairs, filed the objection, and received the objection decision, but failed to inform management. The Managing Director and management only became aware of the decision around March 2025. Upon discovering the matter, the Applicant engaged the Respondent in an Alternative Dispute Resolution (ADR) process between April and June 2025, culminating in a meeting on 12 June 2025. When the ADR efforts failed, the Applicant promptly filed the present application on 30 June 2025. It maintains that it subsequently paid the mandatory 30% deposit on 4 July 2025 and that the intended review has merit.
41. While the Tribunal sympathizes with the circumstances surrounding the Managing Director's father's illness, the Applicant is a corporate body with perpetual succession. Corporate obligations cannot depend solely on the availability of one officer. The evidence on record shows that the company remained operational, continued filing its tax returns, and the accountant actively managed tax matters and was fully aware of the objection process. There is no indication that the Applicant company was incapacitated.
42. The failure to escalate the objection decision to management amounts to negligence within the company. Such internal lapses within a taxpayer's management structure cannot amount to sufficient cause to justify inordinate delay, especially not beyond the six-month limit in Section 16(7) of the TAT Act.
43. We are also guided by this Tribunal's holding in **Mantab Engineering Services Ltd v URA (M.A 081 of 2024)**, that equity aids the vigilant; a taxpayer must actively pursue their rights. Accordingly, we note that the Applicant's inaction over such a prolonged period reflects negligence rather than incapacity.

44. The Applicant's later resort to ADR is commendable, but cannot retroactively justify the delay. In **Safari Clothing (U) Ltd v URA**, the Tribunal observed that attempts at negotiation do not suspend a party's statutory obligations.
45. Taken together, these circumstances demonstrate a lack of diligence rather than an inability to act.

#### Likelihood of success

46. The Applicant contends that its intended review is meritorious because the URA erroneously treated sales variances as taxable income without considering corresponding purchase variances. The Tribunal's task at this stage is not to adjudicate the merits but to determine whether the delay was reasonably excusable. even a potentially arguable case cannot override the duty of timely action when delay is unexplained by sufficient cause.

#### Prejudice to the Respondent

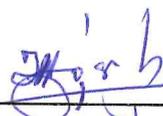
47. The Respondent has a legitimate interest in the certainty and finality of tax decisions. Re-opening a dispute long after issuance of an objection decision, without a convincing justification, would undermine orderly tax administration. It would prejudice the Respondent by unsettling completed administrative processes and undermining confidence in revenue collection. The Tribunal relies on the Court's decision in **URA v Consolidated Properties Ltd (CA No. 31 of 2000)**, which affirmed the timeliness in a substantive aspect of tax litigation.
48. The Applicant's proof of paying 30% on 4 July 2025 demonstrates good faith but arrives after the jurisdictional window had long closed. Compliance with section 15 cannot revive a review right that lapsed.
49. The Tribunal finds that the Applicant's explanations constitute unfortunate but insufficient cause within the meaning of Rule 11(6). The delay of two years and four months is inordinate and attributable to negligence rather than incapacity. The Respondent would suffer prejudice if the matter were reopened after such prolonged dormancy.

50. The Tribunal, therefore, finds that the Applicant has not demonstrated sufficient cause to warrant enlargement of time to apply for review of the objection decision dated 27 February 2023. Accordingly, this application is dismissed and costs are awarded to the Respondent.

Dated at Kampala this 5<sup>th</sup> day of November 2025.



**MS. PROSCOVIA REBECCA NAMBI**  
**CHAIRPERSON**



**MR. WILLY NANGOSYAH**  
**MEMBER**



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