



THE REPUBLIC OF UGANDA
IN THE TAX APPEALS TRIBUNAL AT KAMPALA
APPLICATION NO. 192 OF 2022

TASCO INDUSTRIES LIMITED.....APPLICANT

VERSUS

UGANDA REVENUE AUTHORITY.....RESPONDENT

**BEFORE: HON. CRYSTAL KABAJWARA, HON. STELLA NYAPENDI CHOMBO,
HON. PROSCOVIA REBBECA NAMBI**

RULING

I. Introduction

1. The Applicant challenges the tax liability of Shs. 1,459,194,562 arising from the Respondent's re-classification of crude palm oil, which attracts duty at 0% to Crude Palm Olein, which is dutiable at 10%.

II. Background Facts

2. The Applicant manufactures laundry soap. In 2021, the Respondent conducted a customs post-clearance audit on the Applicant for the period January 2019 to December 2020. The Respondent subsequently issued a

letter detailing tax liabilities of Shs. 9,355,221,637, which was revised to Shs. 9,141,160,063 for failure to withhold tax on imported services and misclassification of imports.

3. The Applicant objected, disputing part of the tax liability, and the Respondent issued objection decisions upholding a tax liability of Shs. 1,459,194,562, broken down as follows:

- (i) Shs. 1,438,613,805 relating to misclassification of crude palm olein as crude palm oil;
- (ii) Shs. 20,506,041.45 relating to undervaluation of imports; However, this was amicably resolved at mediation; and
- (iii) Shs. 74,715.89 relating to VAT & withholding tax on imported services, which was amicably resolved at mediation.

III. Issues

4. The issue for determination is whether the Applicant is liable to pay the tax assessed and the remedies that are available to the parties.

IV. Representation and evidence

5. Mr. Leku James, Mr. Bantebya Samuel and Mr. Francis Turyamureeba represented the Applicant while Ms. Eseza Victoria Ssendege and Ms. Charlotte Katuutu represented the Respondent.

6. Mr. Bhavik Nayee (AW1), the General Manager of the Applicant, was the Applicant's first witness. In his witness statement, he stated that their supplier of Crude Palm Oil is Louis Dreyfus Company (LDC), located in Mombasa, which imports crude oil from Malaysia and Indonesia in bulk on a vessel carrying nearly 30,000 MT. The crude palm oil is then offloaded into a tank in a customs-bonded warehouse in Mombasa, Kenya, from which each customer loads his oil. Different bills of lading are issued by vessel owners, and no single customer consumes the entire tank.

7. The witness testified that the Applicant imports crude palm oil every month from LDC in varying quantities. The supplier issues proforma invoices and the required customs documents. The crude palm oil that the Applicant imported in June 2018 was used to manufacture cooking oil and was unavailable during the Customs Post Clearance Audit conducted in December 2021.
8. The witness testified that after reviewing the Applicant's documents, the Respondent found that some crude oil imported and declared under HS Code 1511.10.00 as crude oil had properties of crude palm olein, which is classified under HS Code 1511.90.10 with a duty rate of 10%.
9. AW1 testified that the misclassification of goods imported as having an iodine content of 56.2 arose due to a clerical error of the consigner of the proforma invoices. Further, the declarations in the ASYCUDA system were made by third parties and all the documents indicate that the Applicant imported crude palm oil.
10. The witness also testified that they wrote to LDC, the importer, seeking clarification on the test results and specification of imported goods and confirmed that indeed there were clerical mistakes in the proforma invoices, reading the iodine value as 56.2% instead of 52.7%.
11. The witness testified that all seven entries that LDC made regarding the iodine level are static at 56.2 but vary per consignment, which is why the iodine value on the SGS certificate has varying figures. The test results are from SGS (Malaysia) and Inspectorate Singapore PTE Ltd (Bureau Veritas), which were contacted by LDC Asia PTE Ltd to conduct the analysis and testing.
12. The witness further testified that the Respondent has no evidence that it tested the Applicant's imported product and found it to be crude palm olein. The witness testified that the Kenya Revenue Authority commenced testing

and verification of the disputed entries and found that the Applicant imported crude palm oil. None of the certificates of analysis in respect of the import entries in dispute fall outside 50-55 range for crude palm oil.

13. Ms. Cossy Nasimbwa (RW1), an officer in the Respondent's Customs Department, was the Respondent's sole witness. She testified that the Respondent used the Palm Oil Refiners Association Guidelines of Malaysia and Indonesia and considered the goods' descriptions as per the proforma invoices declared at the time of importation. The Respondent visited the Applicant's factory to observe the utilisation of imported palm oil and found that both crude palm oil and palm olein are used in the manufacturing of soap.
14. RW1 further testified that both types of oil are stored in the same storage tank. She stated that out of the 7 entries, C26368 had an SGS certificate. The SGS certificate dated 14 March 2018, referenced the Bill of Lading (BoL) number CPO6 and the date 5 March 2018, while the accompanying pro forma invoice was dated 26 July 2018. The witness further testified that, for a BoL date to be assigned, a pro forma invoice must exist; therefore, it is not possible to issue a BoL without a corresponding commercial or pro forma invoice. This discrepancy indicated that the SGS certificate and the BoL related to different goods. Therefore, the goods invoiced did not match those outlined in the SGS certificate.
15. The witness further testified that the Applicant noted that there was an error in the goods description as per the pro forma invoice provided by the supplier, they did not bring this issue to the attention of the Respondent during the audit process, nor the tax objection process, leaving them unable to consider it in the final assessment.

V. The Submissions of the Applicant

16. The Applicant submitted that all documents relating to the import entries, including the proforma invoices, refer to the imported product as crude palm

oil, apart from the specifications contained in the proforma invoices, which erroneously indicate 56.2 as the iodine value instead of a lower figure. This error was later corrected by Louis Dreyfus Company Kenya Limited ("LDC-K").

17. The Applicant submitted that the proforma invoice is intended to reflect the price and not the specification of the product. It is the certificate of analysis that is intended to state the correct specifications, for it is produced after the conduction of the necessary tests.

C15555

18. The Applicant submitted that the product imported by the Applicant vide Import Entry C15555 was crude palm oil. The certificate of analysis dated 13 January 2018 indicates that the iodine value is 52.3, the free fatty acid is 4.06%, moisture & impurities 0.11% which are within the range with 0% duty rate. The certificate of analysis is in relation to the bill of lading and the certificate of origin for they all indicate that the product is crude palm oil in bulk, the quantity is 2,745 MT, the loading point port is Balikpapan, Indonesia, the destination is Mombasa, Kenya, date of loading is 13 January 2018, the vessel is MT NCC SAFA V. 201709.
19. The Applicant submitted that fact that 22,511,451 MT of crude palm oil were stored in tanks 2P,25,3P,3S,4P,4S,5P,5S,6P, 6S and 7P without segregation of which 2,745MT was destined for Mombasa (LDC-KE). The Applicant was entitled to 600 MT and said samples taken from the said tanks. Further, the certificates of analysis show that the iodine value is 52.3, which is for crude palm oil. Therefore, the duty rate should have been 0%.
20. The Applicant submitted that the certificate of analysis was printed in Singapore despite the shipment originating from Indonesia. The Applicant contacted its supplier, LDC-KE, by email on 10 April 2025. LDC-KE clarified that the difference in location was due to operational efficiency, as

Bureau Veritas has an office in Singapore that can print the certificate on its Singapore letterhead to facilitate faster document turnaround.

21. The Applicant further contended that the Respondent admitted that they did not conduct any test at the point of entry of the crude palm oil and they did not verify the certificate of analysis with the Inspectorate Singapore Pte Ltd to establish its authenticity. Upon arrival in Mombasa, the goods were issued a Certificate of Conformity by the Kenya Bureau of Standards. It confirmed that LDC-A exported 2,745 MT of crude palm oil to LDC-KE; the consignment was exported from Indonesia against the bill of lading No. CP01 dated 13 January 2018, and the same information is also contained in the East African Community Single Administrative Document (SDA).
22. The Applicant argued that the Respondent relied on the proforma invoice date 25 April 2018, which classified the 600MT as crude palm oil in bulk; however, under the specifications, it indicated an iodine value of 56.20.

Customs entry C19951

23. The Applicant submitted that it imported crude palm oil under Import Entry C19951 with an iodine value of 52.3. According to the Certificate of Origin dated 7 February 2018, Louis Dreyfus Company Asia Pte Ltd exported 9,754.533 metric tonnes of crude palm oil in bulk from Bintulu, Malaysia, destined for Mombasa, Kenya, aboard the vessel MT NCC SAFA V.201709, under Bill of Lading No. CPO4. The product imported by the Applicant vide Import Entry C19951 was crude palm oil with an iodine value of 52.3. The shipment against the Bill of Lading No. CPO4 tallies with information on the bill of lading No. CPO1. The certificate of analysis date 20 January 2018 indicates that the iodine value is 52.3, the free fatty acid is 4.06%, moisture & impurities 0.11%, which is within the range of zero(o) rated.
24. The Applicant submitted that the Respondent admitted that they did not conduct any test at the point of entry of the Applicant's product, crude palm

oil, and they did not verify the certificate of analysis with Inspectorate Singapore Pte Ltd to establish its authenticity.

25. The Applicant submitted that when the goods reached Mombasa, Kenya, the Kenya Bureau of Standards issued a Certificate of Conformity. It confirmed that Louis Dreyfus Company Asia Pte Limited exported 9,754.53 MT of crude palm oil to Louis Dreyfus Company Kenya Limited, the consignment was exported from Malaysia against the bill of lading No. CP04 dated 20 January 2018 on vessel MT NCC SAFA V. 201709. The same information is also contained in the Kenya Customs Bonded Entry titled East African Community Single Administrative Document.
26. The Applicant submitted that the Respondents stated that they relied on the proforma invoice date 29/5/2018 at page 16 of the supplementary trial bundle to classify the 500 MT as crude palm olein with the iodine value of 56.20, which was wrong. The said proforma invoice classifies the 500MT as crude palm oil in bulk; however, under the specifications, it indicates an iodine value of 56.20, which was an error by Louis Dreyfus Company Kenya Limited.

Customs entries C20532 and C21565

27. The Applicant submitted that the product imported was crude palm oil with an iodine value of 52.7 as indicated in the certificate of analysis dated 14 March 2018, free fatty acid of 4.13%, and moisture and impurities of 0.11%, all within the zero-rated as per the certificate of analysis.
28. The Applicant maintained that the entries in issue relate to crude palm oil with the iodine value below 55% under HSC1511.10 with a duty rate of 0% under the EACMA. The Applicant invited the Tribunal to:
 - (i) Allow this application and set aside the tax assessed of Shs. 1,438,613,805

- (ii) Order the Respondent to refund the 30% of the disputed tax that was paid by the Applicant; and
- (iii) Grant the Applicant the costs of the application.

VI. The Submission of the Respondent

Product specifications of palm oil vis-à-vis those of palm olein

29. In reply, the Respondent submitted that the gist of its case is that while the documents submitted by the Applicant have the goods described or named as crude palm oil, the specification of the goods supplied is for palm olein.
30. RW1 testified that of all the documents which were submitted by the Applicant at the time of importation, the proforma invoices are the only documents which included or listed the specifications of the product being imported. The iodine content of the goods was determined to be between 56.0% and 59.1%. This iodine value range is characteristic of palm olein, not palm oil, as stated in the description of the goods. The remaining documents submitted at the time of importation were silent as to the specifications of the goods.
31. The Respondent submitted that where the taxpayer is challenging the validity of assessments or their lawfulness, the burden rests upon the taxpayer to prove to the satisfaction of this Tribunal that the goods imported are crude palm oil and not crude palm olein.

Entry C15555

32. The Respondent argued that the primary purpose of the proforma invoice is to confirm the description of the goods being imported as well as give their monetary value. The Respondent submitted that it is not in dispute that a major identifying characteristic of crude palm olein is the iodine value which is observed between 56.0 and 59.1. The proforma invoices for the entries in dispute all have an iodine value of 56.2

33. The Respondent submitted that the Bill of Lading does not contain any identifying characteristics of the imported goods. Further, the certificate of analysis was issued by a country other than the one specified on the certificate of origin, which casts doubt on the test results. The certificate of origin for this entry shows that the goods originate from Indonesia. The certificate of origin dated 7 February 2018, quotes the Bill of Lading date as 13 January 2017. However, the Bill of Lading submitted for this entry is dated 13 January 2018. The certificate of analysis is from Singapore and is dated 15 January 2018. The documents relating to goods should originate from the country of origin or export and not a neighboring country.

Entry C19951

34. The Respondent submitted that there were inconsistencies in the documents submitted by the Applicant under this entry as well. The certificate of origin indicates that the goods originate from Malaysia (See pages 10 and 11 of the Applicant's Trial bundle). While the certificate of origin dated 7 February 2018 quotes a Bill of Lading dated 20 January 2017, the attached Bill of Lading is dated 20 January 2018.
35. Secondly, the certificate of analysis is from Singapore, which is not the country of origin of the goods purporting to have been tested. (See page 14 of the Applicant's supplementary trial bundle.
36. The Respondent also submitted that the Applicant only notified the Respondent of a purported error on the proforma invoice during the TAT-guided mediation and never during the audit.
37. The Respondent argued that the theory that the iodine value indicated on the proforma invoice was an error is an afterthought. This is corroborated by the fact that, despite the Respondent communicating its audit findings to the Applicant in December 2021, the Applicant did not engage the exporter until 15 February 2023 to seek clarification regarding the contents

of the pro forma invoice. The Respondent invited the Tribunal to disregard the letter dated 17 February 2023, which the Applicant seeks to rely on.

Entry C20532

38. The Respondent submitted that the certificate of origin for this entry indicates that the goods are of Malaysian origin and it is dated 22 March 2018. It references a Bill of Lading dated 5 March 2018 on page 22 of the Applicant's supplementary trial bundle. The Respondent submitted that this is similar to entry C19951 above, the Applicant seeks to rely on the letter dated 17 February. The Respondent invited the Tribunal to take note of the Applicant's dilatory conduct as evidenced in the submission regarding the entry above.

Entries C21565 and C22535

39. The Respondent submitted that the Applicant did not submit certificates of analysis for these entries. During cross-examination, RW1 confirmed that one of the reasons why certificates of analysis were not relied on by the Respondent to verify the iodine values was that these were neither provided during the importation of the goods nor during the audit process. The Respondent invited the Tribunal to note that the certificate of origin, bill of lading and certificate of analysis attached by the Applicant for these entries are all the same, and they are copies of those attached to entry number C20532.
40. The Respondent contended that the Applicant submitted for all these 3 entries, entry number C20532 inclusive, a certificate of analysis dated 14 March 2018, Report number 1803150187 at pages 25,37and 50 of the Applicant's supplementary trial bundle. Similarly, the same certificate of origin, dated 22 March 2018, has been submitted for all 3 entries, as evidenced on pages 22, 35, and 48 of the Applicant's supplementary trial bundle. All particulars in these documents are identical, confirming that

they constitute duplicates of the same document intended to circumvent the absence of supporting evidence for the queried entries.

Entry C26092

41. The Respondent submitted that no certificate of origin was attached by the Applicant for this entry. The Applicant, however, attached a Bill of Lading dated 1 May 2018 (See page 61 of the Applicant's supplementary trial bundle), an SGS certificate of analysis dated 23 May 2017, Report number 18052302B2 and report no. F580101/PG93352D/10358425/16 was also attached.
42. The SGS certificate confirms that the goods were inspected on board the vessel and at shore at the time of loading of a consignment. According to RW1, the documents indicate that the goods were inspected and loaded onto the ship more than one year before the Bill of Lading was issued. It was the Applicant's submission that this was a typographic error which was not discovered until the matter was in court.
43. During cross-examination, RW1 confirmed that the discrepancy in the iodine value was not the only basis of the Respondent's reclassification of the goods as crude palm olein. She stated that there were other inconsistencies in the Applicant's documents, and this is one of them. It should be noted that when the Applicant was requested to explain the future date, they were unable to do so.
44. The Respondent argued that the Applicant relied on a belated letter dated 17 April 2025 alleging a typographical error in the year of issuance. This letter was irregularly introduced during the hearing of the Respondent's case, a procedure unknown to civil practice. The claim of a typographical error is clearly an afterthought by the Applicant, raised more than 7 years after the original documents were submitted to the Respondent. The inconsistencies in the Applicant's documents render the test results questionable.

Entry C26368

45. The bill of lading and certificate of analysis attached by the Applicant for this entry are all the same, and they are copies of those attached to entry number C26092 above. Therefore, the Respondent adopted the submissions made in respect of entry C26092.
46. The SGS certificate confirms that the goods were inspected on board the vessel and at shore at the time of loading of a consignment. The goods were inspected and loaded on the ship for over one year before the Bill of Lading was issued. The duplication of the same document for this entry and for entry C26092 above is intended to circumvent the absence of supporting evidence for the queried entries.
47. The Respondent submitted that it was justified to disregard the said documents and rely on the proforma invoice to determine the composition of the goods which were imported by the Applicant. The Respondent prayed that the Tribunal finds that the product in question had properties which qualified it to be crude palm olein with an iodine value of 56.0. As such, the Applicant ought to have classified the imported goods as crude palm olein under HS Code 1511.90.10, which attracts a duty of 10%, as opposed to crude palm oil under HS Code 1511.10.00, which has a duty rate of 0%. The Respondent prayed that this Application be dismissed with costs to the Respondent, and that the Applicant is liable to pay the tax liability of Shs.1,459,194,562 as assessed by the Respondent.

VII. Applicant's Submissions in Rejoinder

48. In rejoinder, the Applicant raised a preliminary objection stating that the Respondent filed its submissions out of time on 20 October 2025 instead of 2 October 2025 as directed by the Tribunal, they served the Applicant's submissions on 16 October 2025 and that they should be struck out with costs to the Applicant.

49. The Applicant contended that the goods imported were crude palm oil, not crude palm olein. The Applicant further submitted that there is no statutory definition of the terms Crude Palm Oil and Crude Palm Olein in the EAC-CET or any other law. However, in Explanatory Notes to the HS System, Volume 2 Sections 1-VI, Chapters 1- 28, Version 2017 (6th Edition), "Palm Oil" is defined as:

"a vegetable fat obtained from the pulp of the fruits of oil palms. The main source is the African oil palm (Elaeis guineensis) which is native to tropical Africa but is also grown in Central America, Malaysia and Indonesia; other examples are Elaeis Melanococca (also known as noli palm) and various species of Acrocomia palms, including the Paraguayan pal (coco mbocaya), originating in South America.

The oils are obtained by extraction or pressing and may be various colours depending on their condition and whether they have been refined. They are distinguishable from palm kernel oils (heading 15.13), which are obtained from the same oil palms by having a very high palmitic and oleic acid content. Palm oil is used in the manufacture of soap, candles, cosmetic or toilet preparations, as a lubricant, for hot-dipped tin coating, in the production of palmitic acid, etc. Refined palm oil is used as a foodstuff, e.g, as a frying fat, and in the manufacture of margarine. This heading does not cover palm kernel oil or babassu oil (heading 15.13)

50. The Applicant submitted that GIR 3 (a) and (b) is/are the most appropriate, which calls for the determination of the properties which give Crude Palm Oil and Crude Palm Olein their respective essential characters. In ***Explanatory Notes to the HS System, Volume 2 Sections I-VI Chapters 1-28, Version 2017 (6th Edition)***, it stated that Palm oil is, *"distinguishable from palm kernel oils (heading 15.13, which are obtained from the same oil palms by having a very high palmitic and oleic acid content..."*
51. The Applicant submitted that the Respondent had failed to prove that the Applicant imported Crude Palm Olein instead of Crude Palm Oil and that the Applicant imported products under the wrong HS Code. The Applicant invited the Tribunal to grant the application and the reliefs prayed for.

VIII. The Determination

52. Having read the submissions and considered the evidence of both parties, this is the ruling of the Tribunal.
53. This dispute concerns the classification of certain goods that the Applicant imported into the country. The Applicant classified the goods as crude palm oil, which is subject to a duty rate of 0%. The Respondent reclassified the goods as crude palm olein, which attracts duty at a rate of 10%, resulting in Shs. 1,438,613,805 tax liability.
54. Therefore, the question that we are required to determine is whether the Applicant imported crude palm oil or crude palm olein. The Applicant submitted that all documents relating to the import entries, including the proforma invoices, refer to the imported product as crude palm oil, apart from the specifications contained in the proforma invoices, which erroneously indicate the iodine value as 56.2 instead of a lower figure. The Applicant has argued that this was a typographical error, which was later corrected by Louis Dreyfus Company Kenya Limited ("LDC-KE").
55. The Respondent's position is that the alleged error on the proforma invoice was an afterthought, and all other supporting documents have inconsistencies and are hence unreliable. Therefore, the Respondent was justified in relying on the pro forma invoice because it is the only document that indicated the iodine value.
56. To determine whether the goods are crude palm oil or crude palm olein, it's important to assess the import documentation. In the case of *Elgon Hydro Siti Limited v URA, App No. 125 of 2019*, the Tribunal stated that the most reliable source of information on imports is the import documents.
57. Since this dispute is primarily about customs documentation, it is important to examine the documents that are core to the dispute. We have undertaken this below.

(i) The proforma invoice

- a) This is a document that is sent to a customer to show what the price would be if a customer placed an order (*Black's Law Dictionary, 10th Edition, Page 956*). In other words, a proforma invoice is an indicative quotation for the price of goods to be purchased. In the present case, the pro forma invoice described the goods as crude palm oil and included an analysis showing an iodine value of 56.2, indicating crude palm olein.
- b) Given its purpose as a price quotation, we find it unusual for a pro forma invoice to include a chemical analysis of the products. However, the fact that the invoice is self-contradictory that is, on the one hand, describing the goods as crude palm oil, while indicating an iodine value for crude palm olein, makes it an unreliable document for evidential purposes. Therefore, the Respondent ought not have relied on it to conclude that it is proof that the goods are crude palm olein and not oil.
- c) In light of the above, it follows that the Respondent's contention that the Applicant's correction of the proforma invoice was an afterthought and should be disregarded is of no consequence since we have disqualified this document. Therefore, neither party can rely on it.

(ii) Bill of Lading (BoL)

- a) This is a document acknowledging the receipt of goods by a carrier or by the Shipper's agent and the contract for the transportation of those goods (*Black's Law Dictionary, 10th Edition, page 198*). It is a standard document that contains details of the shipper and consignee, as well as the description and quantities of the goods.

- b) In the present case, the Applicant presented seven (7) bills of lading for the respective entries. All the BoLs describe the goods as crude palm oil. The Respondent's reasons for disregarding the bills of lading were that they do not contain any identifying characteristics of the imported goods. We do not agree with this submission because a bill of lading is a standard document with pre-defined fields. The only field that is relevant for the purposes of identifying the shipped goods is "Commodity/ name of the product" and this was accordingly filled as "CRUDE PALM OIL IN BULK".
- c) The Respondent also stated that for entry C26368, the BoL was dated 5 March 2018, while the accompanying proforma invoice was dated 26 July 2018. The Respondent argued that, in practice, a pro forma invoice must predate the BoL. Therefore, in the present case, because the BoL was issued prior to the pro forma invoice, the goods invoiced do not match those outlined in the BoL and the accompanying SGS Certificate of Analysis.
- d) We have analysed both the BoL and the proforma invoice for entry C26368 and have established the following:
- i. The BoL dated 5 March 2018 was for a consignment of 11,735.000 MT of crude palm oil in bulk consigned to LDC – KE by LDC Asia PTE.
 - ii. The proforma invoice dated 26 July 2018 is for 750 MT of crude palm oil to be sold by LDC-KE to the Applicant.
- e) The above facts show that LDC -KE imported 11,735 MT of Crude Palm Oil in bulk and sold part of it to the Applicant. This explains why the proforma invoice from LDC-KE to the Applicant was dated after the bill of lading for the bulk products. Therefore, there are no inconsistencies between the two documents.

(iii) Certificates of Analysis

- a) This is a certificate from a laboratory confirming the results of the tests done on the goods. It identifies the product and its chemical composition.
- b) The Applicant submitted that 22,511.451 MT of crude palm oil were stored in tanks 2P,2S,3P,3S,4P,4S,5P,5S,6P, 6S and 7P without segregation. Of these, 2,745 MT was destined for Mombasa (LDC-KE), and the Applicant was entitled to 600 MT. The Applicant submitted samples taken from the said tanks for analysis, and the results showed an iodine value consistent with that of crude palm oil.
- c) From the above, it is clear that the samples were taken from the tanks without segregation, and the Respondent did not rebut this. This means that the tests were taken collectively.
- d) The Tribunal noted that the Certificates of Analysis from Inspectorate (Singapore) PTE Ltd, which are exhibited as AEXH2 at page 15 of the Joint Trial Bundle, indicate the iodine value of 52.3 for the ship's tanks No. 2P, 2S,3P,4P,4S,5P,5S,6P,6S & 7P. This is consistent with crude palm oil.

SGS

- e) The Certificate of Analysis on page 17 of the Joint Trial Bundle issued by SGS dated 14 March 2018 indicates the product as crude palm oil with an iodine value of 52.7. Another SGS certificate dated 23 March 2017 identifies the product as crude palm oil with an iodine value of 51.9.

- f) It should also be noted that while the Respondent challenged the Applicant's certificates of analysis, they admitted to having not carried out their independent analysis of the products. Further, at the hearing, the Respondent stated that the Applicant did not submit certificates of analysis as part of its import documentation at the point of declaration. When asked if the certificates of analysis are mandatory, the Respondent answered in the negative.
- g) For scientific products such as these, certificates of analysis should be mandatory, and the Respondent should always request samples for analysis in the event that disputes arise regarding the properties of the products.
- h) On the whole, the Tribunal finds no reason to doubt the authenticity of the certificates of analysis issued by internationally recognised laboratories such as SGS.

(iv) Certificates of origin

- a) ***Black's Law dictionary 10th Edition on page 272, defines a certificate of origin as:***
 - "an official document required by some countries upon entry of imported goods, listing the place of production and what goods are included, to be certified by a customs or consular officer".*
- b) However, the Respondent discredited the certificates of origin on the grounds that they were printed on the letterhead of LDC Singapore, yet the goods originated from Indonesia. The Respondent argued that documents relating to the goods should originate from the country of origin or export and not a neighboring country.
- c) The Applicant argued that the reason for the difference in location is for efficiency in timing of the certificate issuance and

documentation dispatch. The certificate is printed in Singapore's letter format to facilitate rapid turnaround, as all documents are dispatched from the LDC Singapore office.

- d) We do not agree with the Respondent's outright rejection of the certificates of origin, as it is common practice for multinational enterprises to centralise routine functions such as document production and issuance in one location. Therefore, the fact that the goods were loaded in Indonesia and the certificate issued by another entity is not grounds for disregarding the document.

(v) Certificate of conformity

- a) Regulation 3 of the Uganda National Bureau of Standards (Inspection and Clearance of Imports) Regulations, 2022, defines "certificate of conformity" as:

"a document issued by a third party contracted or recognised by the bureau, demonstrating that adequate assurance is provided by the importer that their commodities are in conformity with compulsory standard specifications".

- b) In the present case, a certificate was issued by the Kenya Bureau of Standards in respect of entries, and it confirmed that the goods meet the standards and details of the inspection conducted. In this case, it doesn't indicate the iodine value.
- c) The Certificate of Conformity's purpose is to ensure compliance with compulsory standards, not necessarily to provide technical detail such as iodine value.
- d) It's issued by the Kenya Bureau of Standards (KEBS) and is legally sufficient under Ugandan regulations to demonstrate that the imported goods meet the compulsory standards. While it does not indicate the iodine value, this does not undermine

its validity, as its primary purpose is to confirm conformity to standards, not to provide detailed technical specifications.

- e) Therefore, since the KEBS described the goods as crude palm oil and the Respondent has not advanced any reason for doubting its authenticity, it is only reasonable to conclude that KEBS were satisfied that the product in question is crude palm oil and not olein.

58. Having looked at all the above documents in totality, we find that the Applicant has proved on the balance of convenience that they imported crude palm oil and not olein. In the case of **Noorbrook Uganda Ltd v Uganda Revenue Authority TAT Application No. 18 of 2018**, the Tribunal held:

"The burden is on the Applicant to prove..... The burden of proof shifts. Where an applicant states its case, the burden shifts to the respondent to controvert it. The standard of proof is on a balance of probabilities. Balance of probabilities does not mean the Tribunal has to establish the absolute truth. It merely means that the party which adduces evidence with the most convincing force is successful."

59. It is clear from the import documentation that LDC-KE imported crude palm oil in bulk from LDC PTE. The products were tested in bulk and the certificates of analysis speak to this. Upon arrival in Mombasa, LDC-KE sold the product in smaller quantities to various customers, including the Applicant. LDC-KE imported the bulk oil into East Africa, which is a single customs territory. Further, the Applicant provided a certificate of conformity issued by KEBS, a standard-setting agency in Kenya.

60. In light of the fact that Kenya and Uganda both belong to a single customs territory and in view of the cooperation between the Respondent and the Kenya Revenue Authority, if the Respondent were ever in doubt, they could have corroborated all the information for the various entries with their counterparts in Kenya. This should be one of the benefits of operating in

a single customs entry, the easy flow of information between tax authorities.

61. In the circumstances, the application is allowed, and the Tribunal makes the following orders:

- i) The assessment of Shs. 1, 438, 613, 805 is set aside.
- ii) Refund of the 30% paid.
- iii) Costs are awarded to the Applicant.

Dated at Kampala this 30th day of January 2026.



HON. CRYSTAL KABAJWARA
CHAIRPERSON



HON. PROSCOVIA REBECCA NAMBI
MEMBER



HON. STELLA NYAPENDI CHOMBO
MEMBER