

**THE REPUBLIC OF UGANDA**  
**IN THE TAX APPEALS TRIBUNAL AT KAMPALA**  
**APPLICATION NO. 175 OF 2024**

TASCO INDUSTRIES LIMITED.....APPLICANT

VERSUS

UGANDA REVENUE AUTHORITY.....RESPONDENT

BEFORE: MS. CRYSTAL KABAJWARA, MS. REBECCA NAMBI, MS. STELLA  
NYAPENDI

**RULING**

This ruling is in respect of an application brought under Section 15 of the Tax Appeals Tribunal Act and Rule 30 of the Tax Appeals Tribunal (Procedure) Rules, seeking a declaration that the Applicant be permitted to pay 30 percent of the tax in dispute in three (3) instalments.

The application is supported by the affidavit of Mr. Havic Nayee, the Finance Manager of the Applicant.

**1. Background Facts**

In 2021, the Respondent carried out a customs post clearance audit of the Applicant for the period January 2019 to December 2020. The Applicant was assessed customs duties of Shs. 9,141,160,063, which, following objection, was reduced to Shs. 1,459,194,562. On 20 July 2022, the Applicant applied to this Tribunal for review of the Respondent's decision.

On 19 July 2024, the Applicant applied to the Respondent to be allowed to pay 30% of the tax in dispute amounting to Shs. 437,758,368 in three equal instalments. The Applicant explained that they are facing financial constraints which prevent it from paying the amount in one lumpsum.

The Respondent replied on 2 October 2024 denying the Applicant's request hence this application.

The Respondent filed an affidavit in reply deposed by Ms. Doreen Amutuhaire, an officer in the Respondent's Legal Department, opposing the application on grounds that:

- a) The Applicant ought to pay the deposit as a lumpsum as envisaged by section 15 of the Tax Appeals Tribunal Act. The provision mandates a taxpayer to pay 30 per cent of the tax assessed upon lodging of a notice of objection to assessment pending final resolution of the same.
- b) The Applicant has not demonstrated the alleged financial constraints.

## **2. Representation**

The Applicant was represented by Leku James and Turyamuhebwa Francis of M/S Solace Advocates while the Respondent was represented by Ms. Charlotte Katuutu and Ms. Eseza Victoria Ssendege

The parties were invited to make oral submissions.

## **3. Submissions of the Applicant**

The Applicant submitted that they are facing financial constraints and intend to borrow funds from their bankers to finance the 30 percent deposit. The Applicant also submitted that their bankers require a payment registration number which for customs matters can only be raised by the Respondent.

The Applicant further submitted that on several occasions, they approached the Respondent requesting for the payment registration number for instalment payments in vain. Without this number, the Applicant is unable to borrow to finance the deposit.

The Applicant also submitted that are engaged in the manufacture of laundry soap and edible oils. They have been operating for over ten years and their factory is located in Jinja. Therefore, they are of a known address and will not renege on the instalment payments.

## **4. The submissions of the Respondent**

The Respondent submitted that the Applicant is mandated by Section 15 of the Tax Appeals Act to pay the 30 percent deposit in full. However, if the Tribunal is inclined

to grant this application, it should only allow two instalments starting on 15 November 2024.

**5. The determination by the Tribunal**

Having listed to the submissions of both parties, this is the decision of the Tribunal.

The Application for leave to pay the 30% in instalments is hereby granted on the basis that the Applicant is currently facing financial constraints. If the application is not allowed, the applicant's cashflow will be significantly affected thereby posing a risk to the continuity of the business. The Applicant has expressed their willingness to pay the deposit in 3 instalments and has been proactive in following up the Respondent to this effect.

Further, the funds are currently not available and the Applicant seeks to borrow finance the deposit.

In arriving at this decision, we have taken into the government's current policy to promote value addition, manufacturing and industrialization. It will also not prejudice the Respondent. It is unfortunate that the Applicant has been pursuing the Respondent since July 2024. Had the Respondent agreed then, the monies would have been fully paid by now. There is need for the Respondent's officers to be more commercial in their approach to tax collection.

Consequently, the application is allowed and the Applicant is hereby required to pay the deposit in 3 equal instalments starting on 15 November 2024.

Dated at Kampala this 29<sup>th</sup> day of October 2024.



**CRYSTAL KABAJWARA**  
**CHAIRPERSON**



**REBECCA NAMBI**  
**MEMBER**



**STELLA NYAPENDI**  
**MEMBER**

