TAX APPEALS TRIBUNAL
Justice in Taxation

THE REPUBLIC OF UGANDA

IN THE TAX APPEALS TRIBUNAL AT KAMPALA

Misc App No. 98 OF 2026

(Arising from TAT App NO. 60 OF 2025)

UGANDA REVENUE AUTHORITY...APPLICANT

VERSUS

EPIC SERVICES GENERAL MERCHANDISE LIMITED..................RESPONDENT

BEFORE: HON. EDWARD BIRYETEGA, HON. NASSIMBWA REBECCA NSUMBA,

HON. BAGAMUHUNDA A KENNETH.

RULING

I. Introduction

1. This Application is brought under Rule 30 of the Tax Appeals Tribunal (Procedure) Rules and Section 98 of the Civil Procedure Act, seeking orders that:
    i. The Applicant's statement of reasons, already filed and on record of the Tribunal, be deemed duly filed and served, and the irregularity in its late filing be regularized.
    ii. Costs be in the main cause.

II. Background facts

2. The grounds of this application are stated in the affidavit in support of the application by Mrs. Mugisha Jennifer Ruth an Advocate in the Legal and Board Affairs Department of the Applicant, deponed and sworn on 30 June 2026, that;
    i. On 07 March 2025, the Respondent lodged Application No. 60 of 2025, which was served upon the Applicant on 11 March 2025. The Applicant

was required to lodge its Statement of Reasons for the taxation decision on or before 12 April 2025. It lodged its Statement of Reasons out of time on 9 July 2025, and the same was duly served upon the Respondent's Advocates.

ii. The delay in lodging the Statement of Reasons was occasioned by the omission of counsel previously having conduct of this matter, who failed to file the Statement of Reasons within the prescribed statutory period.

iii. There has been substantial progress towards the resolution of the dispute, and the parties have executed a Partial Consent Settlement Order whereby the penalty assessment of Shs. 61,929,763 was vacated, leaving only the VAT assessment of Shs. 30,964,882 for determination by the Tribunal on its merits.

iv. The mistake or omission of counsel ought not to be visited upon an innocent litigant. It is further in the interests of justice that the Applicant's failure to file the Statement of Reasons within the prescribed time be excused, and the Statement of Reasons filed be deemed properly filed and served.

v. Unless the orders sought herein are granted, the Applicant will be denied the opportunity to be heard on the merits of the remaining issues in TAT App No. 60 of 2025.

vi. The Respondent would suffer no prejudice if the orders sought are granted, as the Statement of Reasons has already been filed and served. The substantive dispute remains pending before this Tribunal.

3. The affidavit in reply by Mr. Mugisha Stanley, the managing director of the Respondent, deponed and sworn on 8 July 2026, states that;

i. The Application before the Tribunal is incompetent, incurably defective and an abuse of court process and should be struck out with costs.

ii. The Tribunal has no jurisdiction to entertain the present application since the Tax Appeals Tribunals Act, the Tax Appeals Tribunals

(Procedure) Rules and the Civil Procedure Rules do not grant it powers to extend time for lodging material documents by the Applicant and/or validate/regularize documents filed out of time by the Applicant.

iii. Without prejudice to the above paragraphs, the present application is vague and defective in as much it does not seek leave from the Tribunal for extension of time within which to file its Statement of Reasons.

iv. The application does not disclose any specific reasonable grounds for late filing of the Applicant's Statement of Reasons. Counsel for the Applicant and the Applicant are guilty of inexcusable dilatory conduct since they were aware that the Respondent had filed and served on the Applicant TAT App No. 60/2025 but did nothing to file the Statement of Reasons within the prescribed time under the law.

v. The grant of the present application will prejudice the Respondent's case since its grant will amount to condoning an illegality committed by the Applicant. The Applicant was required to lodge its Statement of Reasons for the taxation decision on or before 10 April 2025 but never filed the same.

III. Issues for determination

4. The issues for determination by the Tribunal are as follows:
   i. Whether the Statement of Reasons, being already filed and on record of this Tribunal, be deemed duly filed and served, and the irregularity in its late filing be regularised.
   ii. What remedies are available to the parties.

IV. Representation.

5. The Applicant was represented by Mr. Kenan Aruho and Ms. Ritah Nabirye of the Legal and Board Affairs Department of the Applicant while the Respondent was represented by Mr. Haruna Mbeeta of M/S Mbeeta, Kamya & Co. Advocates.

V. The Applicant's Submissions

6. The Applicant submitted that Section 98 of the Civil Procedure Act provides that nothing in this Act shall be deemed to limit or otherwise affect the inherent power of the court to make such orders as may be necessary for the ends of justice or to prevent abuse of the process of the court. It is in the interest of justice and fair hearing that this Application be granted to enable the Applicant to rely on its Statement of Reasons at the hearing of the main Application.

7. The Applicant cited **Order 51 Rule 6 of the Civil Procedure Rules** which provides;

   "Where a limited time has been fixed for doing any act or taking any proceedings under these Rules or by order of the court, the court shall have power to enlarge the time upon such terms, if any, as the justice of the case may require, and the enlargement may be ordered although the application for it is not made until after the expiration of the time appointed or allowed ....".

8. Section 17 of the Tax Appeals Tribunals Act gives the Applicant thirty (30) days within which to file its Statement of Reasons. The Applicant inadvertently lodged its Statement of Reasons out of time on 9 July 2025 (three months late), and the same was duly served upon the Respondent's Advocates.

9. The Applicant further contended that however, no provision in the TAT Act affords the Applicant the same remedy of extension of time, as given to taxpayers. Section 16 (2) of the Tax Appeals Tribunal Act provides that the Tribunal may, upon application in writing, extend the time for the making of an application to the Tribunal for review of a taxation decision. Section 16 (7) of the Tax Appeals Tribunal Act provides that (7) An application for review of a taxation decision shall be made within six months after the date of the taxation decision.

10. The Applicant submitted that the taxpayers are clearly allowed to apply for an extension of time to file an application for review, and the Tribunal may grant the same for justifiable reasons.

11. The Supreme Court of Uganda in ***George Mulindwa v Kisubika Joseph Civil Appeal No 12 of 2014*** held;

> *"The applicant seeking for extension of time has the burden of proving to the courts satisfaction that for sufficient reasons was not possible to lodge the appeal within the prescribed time." The Supreme Court of Uganda further set out the following factors that should be considered in an application for extension of time;*
>
> *i. The Length of delay*
> *ii. The reason of delay*
> *iii. The possibility or chances of success*
> *iv. The degree of prejudice of the other party".*

12. The Applicant submitted that the delay in lodging the Statement of Reasons was occasioned by the inadvertence and inadvertent omission of counsel previously having conduct of this matter, who failed to file the Statement of Reasons within the prescribed statutory period, the same being filed 3 months late. The mistake, inadvertence, or omission of counsel ought not to be visited upon an innocent litigant.

13. The Applicant further argued that there has been substantial progress towards the resolution of the dispute, and the parties have executed a Partial Consent Settlement Order whereby the penalty assessment of Shs. 61,929,763 was vacated, leaving only the VAT assessment of Shs. 30,964,882 for determination by the Tribunal on its merits.

14. The Applicant's submission that, as the Statement of Reasons together with the mediation summary were relied upon during the mediation sessions, denying the same to be used at Trial, amounts to denying the Respondent the opportunity to be heard on the merits of the remaining issues in Tax Appeals Tribunal Application No. 60 of 2025.

15. The Applicant submitted that Article 126 (2) (e) of the Constitution of the Republic of Uganda provides that in adjudicating cases of both a civil and criminal nature, the courts shall, subject to the law, apply the following

principles. Inter earlier, substantive justice shall be administered without undue regard to technicalities.

16. The Respondent (Epic Services Gen Merchandise Ltd) will suffer no prejudice if the orders sought are granted, as the Statement of Reasons has already been filed and served, and the substantive dispute remains pending before this Tribunal, whose determination could be in favor of either party. It is in the interests of justice that the Applicant's failure to file the Statement of Reasons within the prescribed time be excused and deemed properly filed and served.

VI. The Submissions of the Respondent

17. The Respondent vehemently opposed the application on grounds below:

(a) Illegality by the Applicant:

18. The Respondent submitted that it is trite law that once an illegality is brought to the attention of the court, it overrides all questions of pleadings and admissions, even if the issue was not formally raised by either party. ***Makula International Limited vs. His Eminence Cardinal Wamala, Court of Appeal Civil Appeal No. 4, 1981.***

19. The Applicant admits having filed its Statement of Reasons on 9 July 2025 which is 119 days after being served with the Respondent's application for review of the taxation decision, way beyond the strict deadline of 30 days prescribed by law under Section 17 (1) of the Tax Appeals Tribunals Act, and Rule 13 (1) of the Tax Appeals Tribunals (Procedure) Rules, 2012.

20. The Respondent argued that it is illegal and cannot be condoned by the Tribunal. Both Section 17 (1) of the Tax Appeals Tribunals Act and Rule 13 (1) of the Tax Appeals Tribunals (Procedure) Rules are couched in mandatory terms. The grant of the application will prejudice the Respondent since it amounts to condoning an illegality.

The Tribunal lacks jurisdiction

21. The Respondent submitted that both the Tax Appeals Tribunals Act and the Tax Appeals Tribunals (Procedure) Rules do not grant the Tribunal discretion or powers to extend, regularize or validate a statement of reasons and material documents filed by the Applicant out of time. It can only exercise such discretionary powers when the same are provided for in the substantive law. Tax statutes must be interpreted and applied strictly. See ***MTN Uganda Ltd vs. URA. TAT No. 8/2019.***

22. The Respondent further contended that the Application was wrongly brought under Rule 30 of the TAT Procedure Rules and Order 51 Rule 6 CPR, which provides:

> *"In any matter relating to the proceedings of a tribunal for which these Rules do not provide, the rules of practice and procedure of High Court shall apply, subject to such modifications as the tribunal may direct".*

23. The Tax Appeals Tribunal Act and TAT Procedure Rules provide for strict timelines by which the Applicant is mandated to file its statement of reasons not later than 30 days. This application is misconceived by the Applicant.

Order 51 Rule 6 CPR provides:

> *"Where a limited time has been fixed for doing any act or taking any proceedings under these Rules or by order of the court, the court shall have power to enlarge the time upon such terms, if any, as the justice of the case may require, and the enlargement may be ordered although the application for it is not made until after the expiration of the time appointed or allowed; except that the costs of any application to extend the time and of any order made on the application shall be borne by the parties making the application, unless the court shall otherwise order".*

24. The Respondent submitted that enlargement of time under Order 51 Rule 6 is strictly applicable to proceedings under the Civil Procedure Rules. The proceedings in the substantive application from which the instant application arises are brought under the Tax Procedure Code Act, Tax Appeals Tribunals Act and the Tax Tribunals (Procedure) Rules 2012 and thus Order 51 Rule 6

CPR relied on by the Applicant for enlargement of time does not apply to the current proceedings. The application is misconceived, and the Tribunal must reject the same.

The Application and its accompanying affidavit are incurably defective:

25. The Respondent submitted that in the unlikely event that the Tribunal finds that it has jurisdiction in the matter, it is our submission that the present application and its affidavit in support are incurably defective. The application and its accompanying affidavit do not seek an extension of time to file the Statement of Reasons out of time, it rather seeks consequential orders to regularise a statement of reasons which does not exist at law. The Applicant cannot move the Tribunal to cure illegality by another illegality of granting orders for something which does not exist and to which no application/orders have been sought.

26. The Respondent further submitted that the affidavit in support of the application is defective for being based on hearsay evidence. It is trite law that affidavits must be confined to facts which the deponent is able to prove. In the present case, facts regarding the mistake of counsel must have been deposed by counsel in personal conduct of the matter, which was not done. Order 19 Rule 3 (1) of the Civil Procedure Rules provides as follows;

"Affidavits shall be confined to such facts as the deponent is able of his or her own knowledge to prove, except on interlocutory applications on which statements of his or her belief may be admitted, provided that the grounds thereof are stated".

And Order 7 Rule 30 CPR provides that

"The Court may, upon application, order any pleading to be struck out on the ground that it discloses no reasonable cause of action or answer and in any such case, or in a case of the suit or defence being shown by the pleadings to be frivolous or vexatious, may order the suit to be stayed or dismissed or judgment to be entered accordingly, as may be just"

27. The Respondent contended that it is clear that a one Mugisha Jennifer Ruth who has never handled the main application and not Ritah Nabirye or Simon

Peter Orishaba who are counsel in personal conduct of TAT App No. 60 of 2025, did not depose to the source of all the information regarding the details of the Applicant's case and especially why the statement of reasons was filed out of time. Since counsel Mugisha Jennifer Ruth does not state the source of that information and knowledge, it is rendered hearsay within the meaning of Section 59 of the Evidence Act.

28. The Respondent argued that the above offends Order 19 Rule 3 of the CPR and thus must be struck out in accordance with Order 7 Rule 30 of the CPR. Without an affidavit the notice of motion itself fails, the whole application is incurably defective and must be struck out by the Tribunal.

The Applicant and its counsel are guilty of dilatory conduct

29. The Respondent maintained that Counsel are guilty of inexcusable dilatory conduct intended to delay proceedings in TAT Application No. 60 of 2025. The substantive application was fixed for scheduling and hearing on 9 July 2026 and the current application is deliberately meant to frustrate the hearing of the main application which is an abuse of court process to the prejudice of the Respondent. The Applicant has demonstrated persistent dilatory conduct since the main application was served to her on 11 March 2025 by filing its purported Statement of Reasons on 9 July 2025 after 119 days. The present application itself was lately filed on 30 June 2026, after 14 months and 20 days which is unreasonable delay in the circumstances.

30. The Respondent submitted that Counsel for the Applicant has not properly applied article 126 (2) (c) of the Constitution, in the present case as the Supreme Court of Uganda has consistently ruled that article 126 (2) (e) of the Constitution which requires courts to administer substantive justice without undue regard to technicalities is not a magic word or blanket excuse to ignore established rules of procedure. Fortified by the authority of ***Kasirye Byaruhanga and Co. Advocates vs. Uganda Development Bank, Supreme Court Civil Appeal No. 2 of 1997***, in support of the submissions.

31. The Respondent submitted that counsel in personal conduct of the matter being an employee of the Applicant; both are culpable of dilatory conduct; the Applicant having failed to supervise her employee. As admitted by the Applicant, the negligence of counsel to file the response out of time and late filing of the present application are directly attributable to the Applicant for they are in an employment relationship and cannot be excused for it's a duty of the Applicant to supervise its employees to comply with statutory obligations in time.

32. The Respondent argued that Annexture R1 to the Respondent's affidavit in reply in the instant application demonstrates that both the Applicant and her counsel were much aware of the application filed in the Tribunal but did not act diligently, which constitutes dilatory conduct. The application lacks merit and should be dismissed with costs to the Respondent.

33. The Respondent lastly raised a preliminary point of law to the effect that the Applicant's Statement of Reasons is time barred and should be struck out. The Tribunal fixes TAT App No. 60 of 2025 for formal proof by the Applicant therein without participation of the Applicant herein, as this will save time in the interest of justice.

VII. The Determination

34. Having read the submissions and evidence of both parties, this is the ruling of the Tribunal:

35. This is an application by Uganda Revenue Authority seeking to regularize its Statement of Reasons filed out of statutory time. It arises from a Tax Appeal by *Epic Services General Merchandise Ltd v URA, TAT App No 60 of 2025.* The Tribunal must determine whether it has jurisdiction to grant relief and whether the late filing ought to be excused in the interests of justice. Both parties made written submissions.

36. It is necessary to set out the legal requirements applicable to the filing of a Statement of Reasons. Section 17(1) of the Tax Appeals Tribunals Act provides that:

"Subject to this section, not later than thirty days after being served with a copy of an application to a tribunal to review a taxation decision, the decision maker shall lodge with the Tribunal two copies of-

(a) The notice of the decision
(b) A statement giving the reasons for the decision".

37. The procedure adopted by the Applicant was improper. They filed their statement of reasons out of time without first obtaining this Tribunal's leave to file out of time, and subsequently applied to regularise the filing.

38. In this case, the proper procedure would have been to make an application for extension of time within which to file their statement of reasons, stating clearly the grounds for the delay in filing their statement of reasons before this Tribunal and serve the same application to the Respondent.

39. The Tribunal notes that although the Act provides for the limitation of time for filing to be thirty days for the decision maker, it does not provide for an extension of time as compared to section 16 of the Tax Appeals Tribunal Act where the Taxpayer can seek an extension of time. Therefore, the Applicant should have applied for enlargement of time in accordance with Rule 30 of the Tax Appeals Tribunal (Procedure) Rules which states:

"In any matter relating to the proceedings of a tribunal for which these Rules do not provide, the rules of practice and procedure of High Court shall apply, subject to such modifications as the tribunal may direct."

40. Section 98 of the Civil Procedure Act:

"Nothing in this Act shall be deemed to limit or otherwise affect the inherent power of the court to make such orders as may be necessary for the ends of justice or to prevent abuse of the process of the court."

41. And Order 51 Rule 6 of the Civil Procedure Rules which provides:

"Where a limited time has been fixed for doing any act or taking any proceedings under these Rules or by order of the court, the court shall have power to enlarge the time upon such terms, if any, as the justice of the case may require, and the

enlargement may be ordered although the application for it is not made until after the expiration of the time appointed or allowed; except that the costs of any application to extend the time and of any order made on the application shall be borne by the parties making the application, unless the court shall otherwise order."

42. Notwithstanding the above, the Tribunal is cognisant of Section 23 (2) of the Tax Appeals Tribunal Act which provides:

    "(2) A proceeding before the Tribunal shall be conducted with as little formality and technicality as possible, and the Tribunal shall not be bound by the rules of evidence but may inform itself on any matter in such manner as it thinks appropriate".

43. Furthermore, the Tribunal also takes cognizance of Article 126(2) (e) of the Constitution of the Republic of Uganda which provides that in adjudicating cases, courts shall apply the principle that substantive justice shall be administered without undue regard to technicalities.

44. In the present case, while we acknowledge that the Applicant erred in filing the statement of reasons out of time, the same was relied on during the mediation process that led to the partial settlement with a positive mediation result of reducing the VAT of Shs. 92,894,645 to Shs. 30,964,882.

45. The absence of an explicit provision in the Tax Appeals Tribunals Act for extension of time to file a Statement of Reasons does not oust the Tribunal's jurisdiction to exercise its inherent powers under Section 98 of the Civil Procedure Act, and Order 51 Rule 6 of the Civil Procedure Rules. The objection to the jurisdiction is overruled.

Regularization of the Statement of Reasons

46. In light of the above, the Tribunal finds itself constrained in view of the lack of jurisdiction to grant the regularization of the statement of reasons. The Tribunal declines to grant this prayer.

47. The Tribunal further considered the reasons advanced by the Applicant that led to the delay, which included inadvertence and omission in handling the

matter. Given that the matter had reached a partial settlement during the mediation process, it would be an injustice to dismiss it on a technicality.

48. In view of the above, the ends of justice would demand that the Applicant be allowed to defend their position on its merits. Denying this application would not meet the ends of justice. The Respondent has not demonstrated any substantive prejudice beyond the passage of time or the inconvenience of late filing.

49. In the circumstances, the Tribunal invokes its discretionary powers under section 98 of the Civil Procedure Act and orders as follows:

   i. The Applicant's application to regularize the Statement of Reasons filed on 9 July 2025 is hereby disallowed.
   ii. The Applicant is granted leave to file a written statement of reasons and serve the Respondent accordingly within one week from the date of this ruling.
   iii. Costs in the main cause.

Dated at Kampala this **31st** day of **July** 2026.

HON. EDWARD BIRYETEGA
CHAIRPERSON

HON. BAGAMUHUNDA A KENNETH
MEMBER

HON. NASSIMBWA REBECCA NSUMBA
MEMBER