TAX APPEALS TRIBUNAL
Justice in Taxation

THE REPUBLIC OF UGANDA

IN THE TAX APPEALS TRIBUNAL AT KAMPALA

APPLICATION NO. 18 OF 2026

WHAVE SOLUTIONS LIMITED……………………………………………………APPLICANT

VERSUS

UGANDA REVENUE AUTHORITY…………………………………………RESPONDENT

BEFORE: HON. STELLA NYAPENDI CHOMBO, HON. EDWARD BIRYETEGA,

HON. REBECCA NASSIMBWA NSUMBA

RULING

I. Introduction

1. The Applicant challenges an Administrative Default VAT assessment of Shs.13,488,022, contending that it validly elected to treat its objection as allowed after the Respondent failed to issue its decision within the statutory period.

II. Background Facts

2. The Applicant is a not-for-profit organisation providing water maintenance services in Uganda. On 25 June 2025, the Respondent issued an Administrative Default VAT assessment of Shs. 13,488,022.80 in respect of foreign payments made to Sam Butterworth in November 2021.

3. After an unsuccessful attempt to object online, the Applicant lodged a manual objection on 17 October 2025, challenging the assessment as time-barred and contending that its failure to account for VAT resulted from guidance given by the Respondent's officials.

4. Under section 26(6) of the Tax Procedures Code Act, the Respondent was required to issue its objection decision within 90 days, by 15 January 2026. Having received no decision, the Applicant, on 20 January 2026, elected under section 26(7) to treat the objection as allowed.

5. On 29 January 2026, the Respondent alleged that the Applicant had failed to provide the requested information and subsequently issued an objection decision disallowing the objection. The Applicant maintains that the parties had corresponded through its registered email between 17 October 2025 and 20 January 2026, and that the requested information had been provided.

III. Issue for Determination

6. The Issues for determination are as follows:
   (i) Whether the Applicant's election dated 20 January 2026 is valid?
   (ii) Whether the Respondent's objection decision issued on 29 January 2026 is valid?
   (iii) Whether the Respondent's waiver of the statutory period for issuing its objection decision was lawful?

IV. Representation and Evidence

7. The Applicant was represented by Ms. Fatumah Ramathan Nabulya of M/S H & G Advocates while the Respondent was represented by Mr. Desire Mulindwa of the Legal Services and Board Affairs Department of the Respondent.

8. The Application is supported by the Affidavit of Ms. Annitah Atusinguza, the Applicant's Finance Manager, sworn and deponed on 31 July 2026.
9. She states that on 25 June 2025, the Applicant received an Administrative Default VAT assessment of Shs.13,488,022.80, relating to foreign payments made to Sam Butterworth for 1 November 2021 to 30 November 2021.
10. After unsuccessfully attempting to object online, the Applicant lodged a manual objection on 17 October 2025, challenging the assessment as time-

barred and contending that its failure to charge VAT was based on guidance from the Respondent's officials, which created a legitimate expectation that the payments were not subject to VAT.

11. Under section 26(6) of the Tax Procedures Code Act, the Respondent was required to issue its objection decision within 90 days, by 15 January 2026. Having failed to do so, the Applicant, on 20 January 2026, elected under section 26(7) to treat the objection as allowed.

12. On 29 January 2026, the Respondent alleged that it had been unable to contact the Applicant and issued an objection decision disallowing the objection. The Applicant maintains that the Respondent had corresponded with it through its registered email from 17 October 2025 to January 2026, requested supporting information, and received the same.

13. The Applicant seeks a declaration that its objection was allowed, an order setting aside the objection decision and assessment, a refund of the 30% tax deposit, and costs.

14. In the affidavit in reply by Ms. Harriet Mwebaze, an officer in the Respondent's Independent Review of Objections Office, and Mr. Alex Muhindo, an officer in the Respondent's Medium Taxpayers Office, sworn and deponed on 24 July 2026 states that the Respondent reviewed the Applicant's WHT and VAT returns for November 2021 and found foreign payments of Shs. 74,933,460 to Sam Butterworth for imported services which were subject to VAT.

15. On 25 June 2025, the Respondent issued an additional administrative VAT assessment of Shs. 13,488,022, on the basis that the payments constituted consideration for imported services and were liable to VAT. The Applicant lodged online objections on 16 October 2025 and a manual objection on 17 October 2025. The Respondent requested supporting documents on 17 October 2025 and 14 November 2025 but contends that the documents relating to the manual objection were not provided.

16. The Respondent further states that it unsuccessfully attempted to contact the Applicant and subsequently contacted Immaculate Nabwire, who had lodged the manual objection, but she neither attended the requested physical engagement nor furnished the requested documents.

17. On 28 January 2026, the Respondent informed the Applicant that its election was invalid because the requested documents had not been provided and that the statutory period for issuing the objection decision had therefore been waived. The Respondent maintained the Applicant's VAT liability for November 2021 at Shs. 13,488,022.

18. In her affidavits in rejoinder, **Ms. Annitah Atusinguza**, the Applicant's Finance Manager, reiterated the contents of her earlier affidavit and stated that the Respondent requested supporting information on 17 November 2025, which the Applicant furnished on 27 November 2025 by a letter duly received by the Respondent.

19. She further stated that the parties corresponded through the Applicant's registered email from 17 October 2025 to January 2026, and that section 26(9) of the Tax Procedures Code Act did not permit the Respondent to waive the statutory ninety-day period without notifying the Applicant before its expiry. She maintained that any alleged delay in furnishing information did not extend the statutory period.

20. The Applicant further maintained that its failure to charge VAT on the payments to Sam Butterworth was based on guidance from a Respondent's officer that the payments related to educational services and were not subject to VAT, thereby creating a legitimate expectation on which it relied.

21. The Applicant contended that the assessment issued on 25 June 2025 in respect of the tax period 1 November 2021 to 30 November 2021 was time-barred under section 25(2)(b) of the Tax Procedures Code Act and prayed that the orders sought in the Application be granted.

V. Applicants' Submissions

Whether the Applicant's election dated 20 January 2026 is valid?

22. The Applicant submitted that Section 26(1) of the TPCA provides that a person who is dissatisfied with a taxation decision may object to the Respondent's Commissioner General within forty-five days after receiving notice of the tax decision. Section 26(6) of the TPCA mandates the Commissioner to:

"Serve notice of an objection decision on the person objecting within ninety days from the date of receipt of the objection."

23. On 25 June 2025, the Respondent raised VAT Administrative Default Assessments against the Applicant, relating to foreign payments made to Sam Butterworth. In line with section 26(1) of the TPCA, the Applicant objected to the said assessments, and the Respondent duly acknowledged receipt of the Applicant's objection. Pursuant to section 26(6) of the TPCA, the Respondent had a duty to issue and notify the Applicant of its objection decision within ninety days from 17 October 2025, the date of objection.

24. The Applicant submitted that section 26(7) of the TPCA provides:

"Subject to subsection (9), where an objection decision has not been served within the time specified under subsection (6), the person objecting may, by notice in writing to the Commissioner, elect to treat the Commissioner General as having made a decision to allow the objection."

25. The Respondent was required to issue its objection decision by 15 January 2026, which it did not do, causing the Applicant, on 20 January 2026, to elect to treat the Respondent as having allowed its objection.

26. The Applicant relied on the case of ***Uganda Revenue Authority v Uganda Consolidated Properties Ltd; Civil Appeal No. 31 of 2000***, the Court of Appeal established that statutory timelines and procedural requirements for filing tax reviews are strict matters of substantive law, not mere technicalities.

27. The Applicant prayed that the Tribunal finds that its election, having been made after the expiry of the 90 days, was validly and lawfully made.

Whether the Respondent's objection decision issued on 29 January 2026 is valid?

28. The Applicant submitted that, after receiving its election letter dated 20 January 2026, the Respondent, on 29 January 2026, declared the election invalid for alleged failure to provide supporting documents and issued an objection decision disallowing the objection.

29. The Applicant contended that section 26(6) of the TPCA imposes a mandatory ninety-day period for issuing an objection decision and gives the Respondent no power to issue a decision outside that period once the taxpayer has validly elected under section 26(7) to treat the objection as allowed.

30. It was further submitted that, upon expiry of the statutory period and the Applicant's election, the Respondent became functus officio and could no longer issue an objection decision in respect of the same objection.

31. The Applicant invited the Tribunal to find that the Respondent's objection decision issued on 29 January 2026, nine days after the Applicant's election under section 26(7) of the TPCA, is invalid because the Respondent was functus officio and could not issue objection decisions after the Applicant's election.

Whether the Respondent's waiver of the statutory period for issuing its objection decision was lawful?

32. The Applicant submitted that on 29 January 2026, the Respondent contended that the Applicant's election dated 20 January 2026 was invalid, relying on section 26(9) of the TPCA, which provides:

"The time limit for making an objection decision is waived where a review of a taxpayer's records is necessary for settlement of the objection and the taxpayer is notified."

33. The Applicant contended that for the waiver to be valid, the Respondent was required to notify it that a review of its records was necessary and that the ninety-day statutory period had consequently been waived. The Respondent did not communicate the notification to the Applicant.

34. The Applicant further submitted that although the Respondent requested supporting documents on 17 October 2025, the Applicant furnished the requested information on 27 November 2025, which was received by the Respondent. The Respondent thereafter did not communicate any waiver of the ninety-day period.

35. The Applicant disputed the Respondent's assertion that the requested documents were not provided and maintained that any alleged delay in furnishing information could not extend the statutory period under section 26(6) of the TPCA. The Respondent ought to have made its decision based on the information available to it.

36. The Applicant submitted that the purported waiver was irregular and ineffective, as it was never communicated to the Applicant, and prayed that the Tribunal uphold its election dated 20 January 2026 and find the Respondent's objection decision and waiver unlawful.

VI. The Respondent's submissions

Whether the Respondent's waiver of the statutory period for issuing its objection decision was lawful?

37. The Respondent submitted that Section 26(6) of the Tax Procedure Code Act (TPCA) is to the effect that the Commissioner General shall serve notice of an objection decision on the person objecting within ninety days from the date of receipt of the objection.

38. Section 26 (9) and (10) of the TPCA are to the effect that the time limit for making an objection decision is waived where a review of the records of the taxpayer is necessary for settlement of the objection, and the taxpayer is

notified. Further, where the Commissioner General reviews the records of the taxpayer under subsection (9), the Commissioner General shall, within the time specified in subsection (6), review the objection.

39. The Respondent submitted that upon receiving the Applicant's objections, it issued document requests to the Applicant both manually and online on 17 October 2025 and 14 November 2025, respectively. The documents for the online request were provided except for the manual request.

40. The Respondent tried to reach out to the Applicant's registered contact person as per the taxpayer's profile to start the objection process, to no avail, as the telephone numbers were unreachable. They contacted Immaculate Nabwire, who had lodged the manual objection on behalf of the Applicant on mobile number 0779686866 but failed to get her.

41. The Respondent stated that Immaculate Nabwire was invited to attend a physical interparty engagement and was requested to provide documents for the objection process. She did not attend the meeting and did not provide the requested documents to date.

42. The Respondent relied on the manual objection acknowledgement form to Immaculate Nabwire, which notified the Applicant to submit the relevant documents for review within two weeks, but this was not done.

43. The Respondent contended that the document appearing as Annexure I to Annitah Atusinguza's affidavit was merely a cover letter, and no documents were attached to it, which would have enabled the Respondent to make an objection decision. The Respondent argued that the time to make the objection decision was waived because the Applicant was notified of the need to forward the documents for review and did not comply with this request.

Whether the Applicant's election dated 20 January 2026 is valid?

44. The Respondent submitted that Section 26(6) TPCA prescribes that the Commissioner General shall serve notice of an objection decision on the person objecting within ninety days from the date of receipt of the objection.

45. The Respondent further stated that upon receiving the Applicant's manual objection, it issued a manual objection acknowledgement form which notified the Applicant that the Respondent needed documents to aid in the review for an objection decision to be made.

46. However, the documents were never forwarded, and the Applicant was put on notice that they were needed for a review so that an objection decision would be made; consequently, the period within which to issue an objection decision was waived. The Respondent submitted that the Applicant's election was untenable and invalid.

Whether the Respondent's objection decision issued on 29 January 2026 is valid?

47. The Respondent submitted that Section 26(6) TPCA prescribes that The Commissioner General shall serve notice of an objection decision on the person objecting within ninety days from the date of receipt of the objection.

48. The Respondent maintained that upon receiving the Applicant's manual objection, it issued a manual objection acknowledgement form which notified the Applicant that the Respondent needed documents to aid in the review for an objection decision to be made. The documents were never forwarded and the Applicant was put on notice that they were needed for a review so that an objection decision would be made.

49. The Respondent maintained that the period within which to issue an objection decision was waived, and it was within its legal right and mandate

to issue the same outside the lawfully prescribed time hence not being functus officio. The Respondent's objection decision was valid.

Whether the Applicant is liable to pay the tax assessed?

50. The Respondent submitted that Section 4(b) of the Value Added Tax Act is to the effect that a tax, to be known as a value added tax, shall be charged in accordance with this Act on every import of goods other than an exempt import. Section 5(b) stipulates that except as otherwise provided in this Act, the tax payable in the case of an import of goods, is to be paid by the importer.

51. The Respondent reviewed the Applicant's Withholding Tax (WHT) returns for the month of November 2021 in comparison with the Value Added Tax (VAT) returns for the period November 2021 and found that foreign payments to the tune of Shs. 74,933,460 had been made to a one Sam Butterworth for provision of imported services in November 2021. The said transaction was subject to Value Added Tax (VAT) as required by Section 4 (c) of the VAT Act.

52. The Respondent further submitted that on 25 June 2025, it issued the Applicant with an additional administrative assessment for Value Added Tax (VAT) amounting to Shs. 13,488,022. The assessment was based on the Respondent's finding that payments made to Sam Butterworth, as reflected in the Applicant's Withholding Tax (WHT) declarations, constituted consideration for imported services and were therefore subject to VAT. The Respondent submitted that it has proved to the Tribunal that the Applicant is liable to pay the assessed VAT of Shs. 13,488,002. The Respondent prayed that this application is dismissed with costs, and the Applicant ordered to pay the assessed tax.

VII. Determination

53. Having carefully considered the pleadings, evidence on record, and the submissions of the parties, the Tribunal now proceeds to determine the issues framed.

Burden of Proof

54. This Tribunal is guided by section 19 of the Tax Appeals Tribunal Act, which places the legal burden upon the Applicant to demonstrate that the assessment raised by the Respondent is excessive, erroneous, or otherwise not in accordance with the law. This statutory position establishes that an assessment issued by the Respondent is presumed correct unless displaced by credible evidence and sound legal argument presented by the taxpayer.

55. This Application challenges the validity of the Respondent's objection decision dated 29 January 2026, issued in respect of the Applicant's objection to the VAT assessment of Shs. 13,488,022.80. The Applicant contended that the Respondent failed to issue its objection decision within the ninety days and that the election was valid. The Respondent alleged that the Applicant failed to furnish the information and documents requested in support of its objection, thereby occasioning a waiver of the statutory period under section 26(9) of the Tax Procedures Code Act.

56. If the statutory period had expired without such waiver, sections 26(7) and (8) entitled the Applicant to elect, by notice in writing to the Commissioner General, to treat the objection as allowed. If, on the other hand, the conditions prescribed under sections 26(9) and (10) had been satisfied within the statutory period, the Applicant could not rely upon section 26(7).

57. It is therefore unnecessary to approach this dispute as though its principal question were whether the underlying VAT assessment was excessive. The immediate challenge is to the legal validity of the objection decision issued on 29 January 2026 and the legal effect of the Applicant's election lodged before that decision.

58. Certain material facts are not in dispute. The VAT assessment was issued on 25 June 2025. The Applicant lodged an online objection on 16 October 2025 and a manual objection on 17 October 2025. The Respondent's own evidence acknowledges receipt of the manual objection and states that,

upon receiving it, the Respondent requested documents to consider the objection. The parties therefore proceeded, both administratively and before this Tribunal, on the basis that the objection received on 17 October 2025 was under consideration by the Commissioner General.

59. The Respondent states that it requested supporting documents on 17 October 2025 and again on 14 November 2025. It maintains that documents relating to the online request were furnished, but those relating to the manual objection were not. It further states that attempts were made to contact the Applicant and that Ms Immaculate Nabwire, who had lodged the manual objection, was invited for a physical engagement but neither attended nor furnished the documents which the Respondent says were required.

60. The Respondent also relies upon the manual objection acknowledgement form. Its evidence is that the form notified the Applicant to submit relevant documents for review within two weeks. The Respondent further contends that what the Applicant subsequently relies upon as proof of submission was only a covering letter and that the documents referred to in that letter were not attached.

61. The Applicant disputes that account. In her affidavit in rejoinder, Ms Annitah Atusinguza stated that the supporting information requested by the Respondent on 17 November 2025 was furnished on 27 November 2025 through a letter received by the Respondent. The Applicant also relies upon correspondence exchanged through its registered email address during the period from October 2025 to January 2026. There is therefore a factual disagreement as to whether all the documents sought by the Respondent were ultimately furnished.

62. In the Tribunal's view, however, resolution of that factual disagreement is not determinative of the statutory question before it. Even if the Tribunal were to accept, for purposes of argument, the Respondent's evidence that the required documents were not furnished, that fact does not by itself

answer whether the statutory time limit was waived under section 26(9). The waiver arises only upon satisfaction of the conditions enacted by Parliament.

63. Section 26(6) provides that:
"The Commissioner General shall serve notice of an objection decision on the person objecting within ninety days from the date of receipt of the objection."

Section 26(7) provides, *subject to subsection (9), that where an objection decision has not been served within the prescribed time, the person objecting may, by notice in writing to the Commissioner General, elect to treat the Commissioner General as having made a decision allowing the objection.*

Section 26(8) prescribes the legal consequence of that election: *the taxpayer is treated as having been served with notice of the objection decision on the date on which the election is lodged.*

Section 26(9) provides:
"The time limit for making an objection decision is waived where a review of the records of the taxpayer is necessary for settlement of the objection and the taxpayer is notified."

Section 26(10) further requires the Commissioner, where the taxpayer's records are reviewed under subsection (9), to notify the taxpayer of the review within the time specified in subsection (6).

64. Read together, these provisions establish a coherent statutory scheme. Parliament imposed a definite period within which an objection is ordinarily to be determined. It then created an exception where review of the taxpayer's records is necessary to settle the objection, but made that exception conditional upon notification to the taxpayer. Finally, Parliament prescribed a consequence where neither a decision nor a valid statutory intervention occurs within the prescribed period.

65. The word “shall” in section 26(6), read together with the express consequence enacted in sections 26(7) and (8), demonstrates that the ninety-day period is not merely directory. Parliament itself prescribed the consequences of failing to serve an objection decision within the stipulated period.

Whether the statutory period expired

66. The Applicant's manual objection was received on 17 October 2025. The parties themselves have proceeded on the footing that 15 January 2026 was the last day of the ninety-day period. Neither party placed before the Tribunal a competing computation material to the determination of this Application. It is common ground that no objection decision was served upon the Applicant by that date.

67. The objection decision relied upon by the Respondent was issued on 29 January 2026. On any view, therefore, that decision was issued after the ninety-day period on which the parties conducted their respective cases. The decisive question is consequently whether, before expiry of that period, the statutory time limit had been waived in accordance with section 26(9).

Whether section 26(9) was validly invoked

68. The Respondent bears the evidential burden of establishing the facts upon which its reliance on section 26(9) depends. This does not displace the Applicant's statutory burden where it challenges the correctness of an assessment. It simply recognises that the Respondent is the party asserting the occurrence of the particular administrative act; the statutory notification, which it says prevented the ninety-day period from expiring.

69. Section 26(9) does not provide that the time limit is waived merely because the Commissioner asks a taxpayer for documents. Nor does it provide that every outstanding request for information automatically suspends or extends the ninety-day period.

70. The statutory condition is more specific. A review of the taxpayer's records must be necessary to settle the objection, and the taxpayer must be notified of the review contemplated by the provision. Section 26(10) further places that notification within the period specified under subsection (6).

71. The Tribunal does not consider that any particular formula of words is indispensable. The Commissioner need not necessarily use the expression "the ninety-day period is waived" if the substance of the communication otherwise clearly conveys what the statute requires. The question is one of substance: whether the evidence establishes that, within the statutory period, the taxpayer was notified of the review of its records contemplated by section 26(9).

72. The Respondent relies principally upon its requests for documents, the manual objection acknowledgement form, its attempts to contact the Applicant and the invitation extended to Ms Nabwire for a physical engagement. The evidence concerning the manual acknowledgement form, as presented by the Respondent, is that it required the Applicant to provide relevant documents within two weeks to facilitate consideration of the objection. The Respondent's evidence regarding the subsequent communications is likewise that documents were requested to consider the objection.

73. What is absent from the evidence identified by the Respondent is a communication, made within the ninety-day period, which notified the Applicant that the Commissioner was undertaking the review of the taxpayer's records contemplated by section 26(9), thereby engaging the statutory exception to the ordinary ninety-day rule.

74. The Tribunal cannot equate every request for supporting evidence with the notification required by section 26(9). To do so would render the notification requirement largely superfluous and would permit the ordinary statutory period to become indeterminate whenever an objection officer requested further information. That is not what Parliament enacted. The ninety-day

period remains the rule. Section 26(9) is the statutory exception. A party relying upon that exception must establish the facts which bring the case within it.

75. The Respondent's letter of 28 January 2026 informing the Applicant that the election was considered invalid because the statutory period had allegedly been waived, cannot cure the difficulty. By that date, the ninety-day period relied upon by both parties had already expired, and the Applicant had already lodged its election on 20 January 2026.

76. Section 26(9), read together with subsection (10), does not confer a power upon the Commissioner retrospectively to convert an expired statutory period into a waived one after the taxpayer has exercised the right created by subsection (7). The Tribunal therefore finds that the Respondent has not established that the statutory time limit was waived in accordance with sections 26(9) and (10).

The effect of the Applicant's election of 20 January 2026

77. Once the ninety-day period expired without an objection decision and without a waiver established under section 26(9), section 26(7) became operative. The Applicant exercised that statutory right by lodging its written election with the Commissioner General on 20 January 2026.

78. Section 26(8) expressly states the consequences. The Applicant was, by operation of law, treated as having been served with notice of the objection decision on the date upon which its election was lodged. The statutory consequence does not depend upon acceptance, confirmation, or approval by the Commissioner General. To hold otherwise would permit the Commissioner to defeat the very remedy Parliament created in section 26(7) simply by declining to recognise the taxpayer's election.

79. This construction is consistent with the recent persuasive decision of this Tribunal in ***Munyanga Development Limited v Uganda Revenue Authority, TAT Application No. 73 of 2026, [2026] UGTAT 43***, decided on

30 June 2026. The Tribunal held, in the context of section 26(7), that once the prescribed period had expired and the taxpayer lodged the statutory election, the legal consequence followed by operation of statute and a subsequent objection decision could not displace it.

80. The importance of adhering to statutory time limits in tax proceedings is also consistent with the Court of Appeal's decision in ***Uganda Revenue Authority v Uganda Consolidated Properties Ltd, Civil Appeal No. 31 of 2000, [2000] UGCA 2.*** While the case arose under a different statutory provision, it does not determine the meaning of section 26 in the present Application. Its relevance lies in the Court of Appeal's insistence that statutory time limits governing tax dispute procedures are matters to which legal effect must be given and cannot simply be disregarded as procedural technicalities.

81. Accordingly, by the time the Respondent issued its objection decision on 29 January 2026, the legal consequence prescribed by sections 26(7) and (8) had already occurred. The Respondent could not, by subsequently issuing an objection decision adverse to the Applicant, reverse a result which the statute had already deemed to have occurred. The Tribunal therefore finds that: the Applicant's election lodged on 20 January 2026 was valid; by operation of sections 26(7) and (8), the Applicant's objection was treated as having been allowed on that date; and the objection decision subsequently issued by the Respondent on 29 January 2026 was legally ineffective and cannot stand.

The substantive VAT grounds

82. The Applicant also pleaded that the assessment was time-barred and that its treatment of the payment to Sam Butterworth arose from guidance allegedly given by an officer of the Respondent.

83. In light of the Tribunal's conclusion that the Applicant validly exercised its statutory election under section 26(7) and that its objection thereby stood allowed by operation of sections 26(7) and (8), it is neither necessary nor

appropriate for the Tribunal to determine those alternative substantive grounds. It should ordinarily decide only those questions necessary for disposal of the controversy before it.

84. Having found that the objection stood allowed by operation of statute before the Respondent issued the impugned objection decision, no live controversy remains in this Application requiring determination of whether the underlying assessment would independently have failed on limitation, legitimate expectation or the substantive incidence of VAT.

Conclusion

85. Section 26 of the Tax Procedures Code Act establishes a clear statutory framework for the determination of objections. It requires the Commissioner General to serve an objection decision within the prescribed period, while permitting that period to be waived where a review of the taxpayer's records is necessary for settlement of the objection and the taxpayer is notified in accordance with sections 26(9) and (10). Where no objection decision is served within the prescribed period and the requirements for waiver have not been satisfied, sections 26(7) and (8) confer upon the taxpayer the right to elect to treat the objection as allowed and prescribe the legal consequence of that election.

86. On the evidence before the Tribunal, the Respondent received and proceeded to consider the Applicant's objection lodged on 17 October 2025. It requested documents and corresponded with the Applicant in the course of considering the objection. Although the parties disagree as to whether all the documents requested were furnished, that dispute is not determinative. The Respondent has not established that, within the ninety-day period prescribed by section 26(6), the Applicant was notified of the review contemplated by sections 26(9) and (10). The statutory period was therefore not shown to have been waived.

87. It is common ground that no objection decision was served within the ninety-day period. Upon expiry of that period, the Applicant became

entitled, subject to section 26(9), to exercise the right of election under section 26(7). The Applicant exercised that right by lodging its written election on 20 January 2026. By operation of section 26(8), the Applicant was thereupon treated as having been served with an objection decision allowing the objection on that date.

88. The statutory consequence arising from that election had therefore taken effect before the Respondent issued its objection decision on 29 January 2026. The Respondent could not, by a subsequent objection decision, reverse or displace a consequence which had already arisen by operation of statute. The Tribunal accordingly finds that the Applicant's election of 20 January 2026 as valid and that the Respondent's objection decision of 29 January 2026 was legally of no effect and cannot stand.

ORDERS

89. In the circumstances, the Tribunal orders as follows:

(i) The election dated 20 January 2026 is valid.

(ii) The Respondent's objection decision dated 29 January 2026 is consequently invalid and is hereby set aside.

(iii) The 30% tax deposit paid by the Applicant is to be refunded in accordance with the Respondent's standard procedure for refunds.

(iv) Costs to the Applicant.

Dated at Kampala this **28th** day of **August** 2026.

HON. STELLA NYAPENDI CHOMBO
CHAIRPERSON

HON. EDWARD BIRYETEGA
MEMBER

HON. REBECCA NASSIMBWA NSUMBA
MEMBER