

**THE REPUBLIC OF UGANDA**  
**IN THE TAX APPEALS TRIBUNAL AT KAMPALA**  
**APPLICATIONS 165 OF 2020 AND 05 OF 2021**

WIPRO TECHNOLOGIES SOUTH AFRICA PTY LIMITED ..... APPLICANT

VERSUS

UGANDA REVENUE AUTHORITY..... RESPONDENT

BEFORE: DR. ASA MUGENYI, DR. STEPHEN AKABWAY, MS. CHRISTINE KATWE.

**RULING**

This ruling is in respect of Value Added Tax (VAT) credit claimed by the applicant but rejected by the respondent who issued a VAT assessment of Shs. 1,557,626,825.

The applicant is a Ugandan branch of Wipro South Africa Pty Limited. The applicant does business of information technology and consulting. It applied for a VAT refund of Shs. 1,144,539,328 for March 2014 to October 2019. The respondent conducted a refund audit, disallowed the input tax credit claimed and raised an assessment of Shs. 1,557,626,815 for the said period. On 20<sup>th</sup> July 2020, the applicant objected to the assessment. On 10<sup>th</sup> December 2020, the respondent issued an objection decision partially allowing the objection and issued amended additional VAT assessments of Shs. 1,522,905,918.

**Issues.**

1. Whether the applicant is liable to pay the tax assessed by the respondent?
2. What remedies are available?

The applicant was represented by Mr. Joshua Mugisha while the respondent by Ms. Diana Mulira Kagonyera.

On 26<sup>th</sup> April 2021, Application No. 165 of 2020 and 05 of 2021 were consolidated since they relate to the same matter.

The applicant's first witness, Ms, Ruchiķa Tibrewal, its finance officer testified that on 5<sup>th</sup> January 2016 and 11<sup>th</sup> November 2019, the applicant applied for VAT refunds of Shs. 510,180,213 and Shs. 634,359,115 respectively. The respondent conducted a refund audit and issued assessments totaling to Shs. 1,557,626,816. The applicant objected. She stated that the respondent partially allowed the objection decision providing net relief of Shs. 43,983,252 but maintaining the assessment of 1,513,643,564.

She stated that the dispute comprises of disallowed input VAT on credit notes issued of Shs. 1,316,082,094 and disallowed vendor purchase invoices of Shs. 197,561,475. She testified that the credit notes arose from the applicant's transactions with MTN emanating from a service agreement for the establishment of internet infrastructure. Some of the invoices were not paid and the applicant issued credit notes. She stated that the applicant declared the invoices and the corresponding credit notes in its VAT return. She stated that the respondent disallowed vendor purchase invoices because the suppliers did not disclose them in their VAT returns. The applicant received invoices from suppliers, paid the invoices and disclosed input VAT in its VAT returns. The applicant was able to retrieve confirmation from one of the suppliers, Deloitte Uganda Ltd.

The respondent's witness, Ms. Catherine Nyafwono, a tax officer in its compliance section under the Domestic Taxes Department testified that the respondent established the refund claims arose from credit notes issued. The credit notes availed by the applicant were found to be wanting. They did not match specific invoices. Some credit notes were not in the returns of MTN Uganda Limited or MTN Sea Shared Services Limited. The Management Service Agreement between the applicant and MTN Sea Shared Services, MTN Dubai had one signature and no stamp or endorsement to confirm authenticity. Additional information was not availed.

The witness testified that the applicant declared output tax of Shs. 28,397,041 which was not affected by input credit of Shs 15,119,404 for January 2016 to October 2019. On 15<sup>th</sup> June 2020, respondent raised an assessment of Shs. 936,072,902 after disallowing input tax credit of Shs. 896,118,733 arising from credit notes. It rejected a refund claim of Shs. 510,180,213 for October 2015 as no documents were provided by Deloitte Uganda Limited.

The applicant submitted that the respondent's witness admitted that it is not liable to pay the tax assessed. It contended that S. 6 of the Evidence Act defines an admission as follows: "An admission is a statement, oral or documentary, which suggests any inference as to any fact in issue or relevant fact, and which is made by any of the persons, and in the circumstances, hereinafter mentioned". The witness admitted that the applicant is not liable to pay the tax assessed, therefore it is tax compliant.

The applicant submitted that the credit notes to MTN Uganda Limited were issued in order to correct mistakes because some invoices issued were not supported by purchase orders. They were in respect of transactions to which MTN Uganda Limited was not a party. Some invoices were not paid for which the applicant issued credit notes. The supplies were cancelled and credit notes issued to correct errors.

The applicant submitted that output tax exceeded output tax properly chargeable in relation to the supplies. It contended S. 22 (4) of the VAT Act provides that where the output tax actually accounted for exceeds the output tax properly chargeable in relation to supply, the taxable person making the supply shall be allowed a credit for the amount of the excess in the tax period. The applicant submitted that S. 22(1)(a) of the VAT Act provides for where a supply is cancelled and output tax accounted exceeds the output tax properly chargeable. It cited DHL Supply Chain International Ltd v URA Application 59 of 2019, where the Tribunal relied on *British United Shoe Machinery Co. Ltd (1977) 1 BVC 1062* for the principle that a credit note has to be bona fide. It was noted that "...it seems to us that that the issue of a credit note is a common and usual commercial method of rectifying an overcharge, or giving credit for damaged goods". The applicant submitted

that denying it a refund of output tax yet the customers (MTN Uganda Ltd and MTN Sea Shared Services) neither paid the tax nor claimed the same as input VAT in their returns is contrary to public policy

The applicant submitted that the respondent was unjustified in rejecting its claim for VAT input of Shs. 197,561,475 on the ground that the said suppliers did not disclose the said invoices. The applicant's witness testified that the applicant received invoices from suppliers, paid VAT and filed returns. S. 28(1)(a) of the VAT Act provides that a credit is allowed to the taxable person for the tax payable in respect of all taxable supplies made to that person during the tax period. It cited *Target Well Uganda Limited v URA HCCS No. 751 of 2015*, where the defendant declined to grant the plaintiff input credit because the supplier did not remit the VAT. The Court held that:

"It as I said before could never be the duty of the payer to ensure that the money was remitted. Even where the plaintiff did not do due diligence, the defendant was obliged to demand it from Neptune and the latter was obliged to hand over the tax to Uganda Revenue Authority."

The applicant submitted that this decision was followed by the Tribunal in *East African Investment v URA* Application 6 of 2019. The applicant submitted that it is entitled to the input credit of Shs.197,561,475. The respondent is ordered to refund the 30%.

In reply, the respondent submitted that the applicant applied for VAT refunds but the credit notes were not allowed which led to an assessment. It submitted that the applicant when claiming a refund used credit notes issued to MTN Uganda Limited which were rejected because the contract signed was between the applicant and MTN South Africa.

The respondent submitted that a credit note is a document that allows a store customer to either purchase another item or receive cash or credit for merchandise the customer has returned to the store (*Black's Law Dictionary*, 11<sup>th</sup> Edition, p. 466). It submitted that a credit note is issued in various situations to correct a mistake such as when (1) an invoice amount is overstated, (2) correct discount rate is not applied, (3) goods spoil within the guaranty period, or (4) they do not meet the buyer's specifications and are returned -

Refer to <https://www.invoiceberry.com> > accounting-terms> credit note. The respondent submitted that that credit notes the applicant provided as proof of cancelled invoices were rejected as could not be verified. The credit notes could not be traced to the return declarations of MTN Uganda Limited or MTN Sea Shared Services Limited. The credit notes did not relate to any specific invoices issued. The credit notes were issued to cancel invoices of Shs. 1,316,082,093 in comparison to the entire output wrongly declared of Shs. 5,612,160,985.

The respondent submitted that the circumstances under which credit notes can be validly issued are stated in S. 22 (1) of the VAT Act as; (a) the supply is cancelled; (b) the nature of the supply has been fundamentally varied or altered; (c) the previously agreed consideration for the supply has been altered by agreement with the recipient of the supply, whether due to an offer of a discount or for any other reason; or (d) the goods or services or part of the goods or services have been returned to the supplier. Or where the taxable person making the supply has provided a tax invoice in relation to the supply and the amount shown in the invoice as the tax charged on the supply is incorrect as a result of the occurrence of any one or more of the above-mentioned events; or has filed a return for the tax period in which the supply occurred and has accounted for an incorrect amount of output tax on that supply as a result of the occurrence of any one or more of the above-mentioned events.

The respondent submitted that credit notes are not used to claim refunds. There are no instances where credit notes can be issued where services have been provided by a different party and who never subsequently issued correct invoices to the right party. The applicant witness testified that the correct invoices were never re-issued to MTN Sea Shared and neither were the issued invoices ever paid. There was no evidence produced by the applicant's witness to show that the supply was actually canceled. Invoices of US\$ 3,694,766 were not paid and said that they never raised any other invoices to neither MTN Uganda Limited nor MTN Sea Shared Services Limited

The respondent submitted that as regards validity of credit notes, in *Temple Gothard & Co. No. 702*, a firm of chartered accountants issued invoices for accountancy services to a group of companies. When receivers were appointed for the companies, the firm purported to reverse the charge by issue of credit notes. The accountants argued that the notes were in order because the work done had no continuing value, and the issue of the credit notes was to preserve partnership good will by maintaining good relations with the individual directors of the company. The Tribunal rejected this contention, holding that the credit notes were not issued bona fide to correct a genuine mistake or overcharge.

The respondent submitted that the credit notes issued fall short of a credit note as envisaged under S. 22 of the VAT Act. The amounts in the credit notes of Shs. 1,316,082,093 did not tally with the entire output allegedly wrongly declared of Shs. 5,612,160,985.

The respondent submitted that that the applicant ought to have claimed a refund under S. 43(1) which deal with bad debts. However, the conditions in S. 43(1)(b) ought to be fulfilled to the satisfaction of the Commissioner General before such refund can be made. The respondent submitted that the law spells out when credit notes may be issued and when VAT refunds should be made. It cited *Kinyara Sugar Ltd v Commissioner General Uganda Revenue Authority* HCCS 73 of 2011 where it was stated that;

" If the intention of Parliament can be discerned from the wording of the statute, then there would be no need to look beyond the wording of the section".

The respondent also cited *Mangin v Inland Revenue Commissioner [1971] ALLER at 182 Lord Donovan*, where it was stated that

"First the words are to be given their ordinary meaning. They are not to be given some other meaning simply because their object is to frustrate legitimate tax avoidance devices Secondly...one has to look merely at what is clearly said. There is no room for any in dement. There is no presumption as to a tax. Nothing is to be read in, nothing is to be implied. One can only look fairly at the language used. Thirdly, the object of the construction of a statute being to ascertain the will of the legislature, it may be presumed that neither injustice nor absurdity was intended. Fourthly, the history of an enactment and the reasons which led to its being passed may be used as an aid to its construction".

The respondent submitted that it has established that the credit notes issued were not valid under the law.

In respect of input tax of Shs. 197, 561,475 the respondent submitted that input tax is defined under S. 8(1) of the VAT Act to mean the tax paid or payable in respect of a taxable supply to or an import of goods or services by a taxable person. It cited *Margaret Rwaheru Akilki & 13945 Others v URA*, Civil Suit 117 of 2013 where the court defined input tax as "...a cost to the importer or taxable person that generates a credit in favour of the taxable person...". It submitted that input tax is claimable by a taxable person under S. 42(1) of the VAT Act which provides that;

"If, for any tax period, a taxable person's input tax credit exceeds his or her liability for tax for that period, the Commissioner General shall refund him or her the excess".

S. 18(1) of the VAT Act; a taxable supply is defined as "a supply of goods or services, other than an exempt supply, made in Uganda by a taxable person for consideration as part of his or her business activities." It further provides that

"a supply is made as part of a person's business activities if the supply is made by him or her as part of, or incidental to, any independent economic activity he or she conducts, whatever the purposes or results of that activity".

The respondent submitted that input tax is claimable by way of refund by the taxable person who made the supply and subsequently declares the same to the respondent. The respondent cited *Manilla North Tollways Corporation v Commissioner of Internal Revenue C.T.A EB No. 812 of 2012*, where the court stated that;

"Tax refunds are in the nature of tax exemptions and are to be construed in stricissimi juris against the entity claiming the same; the law does not look with favour on tax exemptions; and he who claims an exemption must be able to point the provision of the law creating the said right and justify it (relay the facts upon which the claim is based) by words too plain to be mistaken and too categorical to be misinterpreted".

The respondent submitted that the burden to prove entitlement to a tax refund claimed rests on the applicant. No evidence has been adduced to prove that the applicant is entitled to the input tax claimed. The input VAT relating to the supplies received against the invoices could not be verified from the respective suppliers. No evidence was produced in form of invoices so there was nothing to be relied on.

Having listened to the evidence and read the submissions of the parties, this is the ruling of the tribunal;

The applicant is a branch of Wipro South Africa Pty Ltd in Uganda. It carries on business of providing information technology and consulting. The applicant applied for VAT refunds of Shs.1,144,539,328 for March 2014 to October 2019. The respondent conducted a refund audit, disallowed the input tax claim and raised assessments of Shs. 1,557,626,815 for the same period.

The dispute between the applicant and the respondent is twofold. The first dispute is in respect of credit notes that were issued but disallowed. The applicant submitted that invoices were issued without corresponding purchase orders and as such credit notes were issued to correct the mistake. The invoices issued were not supported by purchase orders and they were in respect of a transaction to which MTN Uganda Limited was not a party.

A person making a taxable supply is required to issue a tax invoice. S. 29. of the VAT Act provides that;

- (1) A taxable person making a taxable supply to any person shall provide that other person, at the time of supply, with an original tax invoice for the supply.
- (2) A taxable person making a taxable supply shall retain one copy of the tax invoice referred to in subsection (1)"

The applicant having issued tax invoices issued credit notes to cancel them. S. 30 of the VAT Act provides that;

- (1) Where a tax invoice has been issued in the circumstances specified in S. 22(1)(e) and the amount shown as tax charged in that tax invoice exceeds the tax properly chargeable in respect of the supply, the taxable person making the supply shall provide the recipient of the supply with a credit note containing the particulars specified in section 3 of the 4<sup>th</sup> Schedule".

S.22 relates to adjustments in relation to a taxable supply. It reads.

- (1) This section applies where, in relation to a taxable supply by a taxable person—
  - (a) the supply is cancelled;
  - (b) the nature of the supply has been fundamentally varied or altered;



- (c) the previously agreed consideration for the supply has been altered by agreement with the recipient of the supply, whether due to an offer of a discount or for any other reason; or
  - (d) the goods or services or part of the goods or services have been returned to the supplier, and the taxable person making the supply has—
  - (e) provided a tax invoice in relation to the supply and the amount shown in the invoice as the tax charged on the supply is incorrect as a result of the occurrence of any one or more of the abovementioned events; or
  - (f) filed a return for the tax period in which the supply occurred and has accounted for an incorrect amount of output tax on that supply as a result of the occurrence of any one or more of the above-mentioned events.
- (2) Where subsection (1) applies, the taxable person making the supply shall make an adjustment as specified in subsection (3) or (4).
- (3) Where the output tax properly chargeable in respect of the supply exceeds the output tax actually accounted for by the taxable person making the supply, the amount of the excess shall be regarded as tax charged by the person in relation to a taxable supply made in the tax period in which the event referred to in subsection (1) occurred".

In the dispute before us, the applicant contends that the invoices were issued to MTN Uganda Limited and MTN Sea shared Services from March 2014 to October 2019 which were rejected. The said companies did not claim VAT. The applicant issued credit notes. Credit notes worth Shs. 1,316,082,094 were rejected.

A credit note has to be issued bona fide. There must have been no taxable supply. In *British United Shoe Machinery Co. Limited (1977) 1 BVC 1, 062* which was cited in *DHL Supply Chain International Ltd v URA Application 59 of 2019* it was stated that.

"In the first place we think that for the purposes of VAT a mere supply is irrelevant: what is relevant is that no taxable supply should have taken place: secondly it seems to us that the issue of a credit note is a common and usual commercial method of rectifying an overcharge or giving credit for damaged or returned goods.....In the judgment of the tribunal the duty of the Commissioners, and of the Tribunal on appeal is to satisfy ourselves that a credit note has been issued bona fide in order to correct a genuine

mistake or overcharge, or to give a proper credit. If this test be not satisfied then the credit note is for a false purpose and is void as being contrary to public policy”.

The tribunal has to resolve that there was no supply and the credit notes were issued bona fide.

The dispute also arose from the respondent's contention that the credit notes were lacking. S. 3 of the 4<sup>th</sup> Schedule of the VAT Act provides that;

“A credit note as required by S. 30(1) shall, unless the Commissioner General provides otherwise, contain the following particulars —

- (a) the words “credit note” in a prominent place;
- (b) the commercial name, address, place of business and the taxpayer identification and VAT registration numbers of the taxable person making the supply;
- (c) the commercial name, address, place of business and the taxpayer identification and VAT registration numbers of the recipient of the taxable supply;
- (d) the date on which the credit note was issued;
- (e) the rate of tax; and
- (f) either —
  - (i) the taxable value of the supply shown on the tax invoice, the correct amount of the taxable value of the supply, the difference between those two amounts and the tax charged that relates to that difference; or
  - (ii) where the tax charged is calculated under section 24(2), the amount of the difference between the taxable value shown on the tax invoice and the correct amount of the taxable value and a statement that the difference includes a charge in respect of the tax;”

The law does not state that the credit should indicate the invoice it is canceling. If a credit note is cancelling a tax invoice, the Tribunal would still want to know which invoice was cancelled.

The applicant entered an agreement with MTN Dubai Limited and MTN Sea shared Services Limited for the provision of internet services. Clause 20.1 states that the service provider shall issue invoices in accordance with this clause. Clause 20.1.1. stated that all invoices shall be addressed to MTN Dubai Limited. Clause 20.3 stated that payment of 100% of any invoice should take place within 60 days after the invoice date. There was a

novation agreement that was made where MTN Sea Shared Services Limited replaced MTN Dubai Limited. Clause 1 (a) provides that;

“(a) MTN and the service provider shall cease to be parties to the MSA and MTN SSS and Wipro Uganda respectively, shall become parties to it in place of MTN and the service provider

(b) MTN SSS and WIPRO Uganda, respectively, under take to accept, observe, perform and discharge all the liabilities and obligations of MTN and the service provider under the MSA (however arising and whether arising on, before or after the effective date) in substitute for MTN and the service provider.”

The applicant contended it issued invoices to MTN Uganda Limited and MTN Sea Shared Services Limited. It is not clear why the applicant issued invoices to MTN Uganda Limited whereas the contract has stated invoices should be issued to MTN Dubai which was replaced with MTN Sea Shared Services Limited. Even though the respondent contended that the novation agreement was signed by one party, the main agreement was between MTN Dubai Uganda and Wipro. MTN Uganda Ltd is still not a party. The novation agreement shows that MTN Dubai was replaced with MTN sea Shared Services. Invoices should be issued to and paid by the correct person. The applicant contended that the invoices issued could not be paid as there were no purchase orders. If MTN Uganda was not a party it could not be supplied with services. It is for this reason that the credit notes were issued to correct this error. Where one is not party to an agreement the nature of the supply is fundamentally varied or altered as under S, 22(b) of the VAT Act. They can be no supply.

The respondent contended that credit notes cannot be issued where services have been provided by a party who never issued correct invoices to the right party. The applicant contended that it issued invoices to MTN Uganda Limited and MTN Sea Shared Services Limited. If the applicant provided services to MTN Sea Shared Services which it the correct party to receive as it replaced MTN Dubai Limited, then the respondent should follow up with MTN Sea Shared Services Limited for VAT due if the supply was not cancelled. The respondent should present evidence that the applicant did not issue invoices to MTN Sea Shared Services Limited for the supply and there was no declaration

instead of arguing that the credit notes were issued irregularly. There is no evidence to show that the applicant's issuing credit notes was not bona fide.

The applicant filed a matrix showing the credit notes and invoices which is addressed here below. The matrix exhibit AE 8 shows the invoices the credit notices were canceling or revoking. Table A. is a summary of the matrix

Date	Issued	Credit Note	Invoice	VAT US\$	Comment	Verified US\$
27/5/2015	MTN Uganda Limited	0821004821	82509397	41,398.38	Invoice was issued in error	41,398.38
27/5/2015	MTN Uganda Limited	0821004821	82559700	41,398.38	Invoice was issued in error	41,398.38
27/5/2015	MTN Uganda Limited	0821004822	82559739	73,439.64	Invoice was issued in error	73,439.64
27/5/2015	MTN Uganda Limited	0821004823	82566240	18,359.91	Invoice was issued in error	18,359.91
25/2/2016	MTN Uganda Ltd	950020053	82406579	322,799.82	Invoice was issued in error	322,799.82
3/4/2014	MTN Uganda Limited	1960368	82417527	54,891.72	Invoice was issued in error	54,891.72
15/4/2014	MTN Uganda Limited	821003934	82359785	99	Invoice was issued in error	99
15/4/2014	MTN Uganda Limited	821003935	82359792	2,029.50	Invoice was issued in error	2,029.50
15/4/2014	MTN Uganda Ltd	821003936	82359802	178.55	Invoice was issued in error	178.55
15/4/2014	MTN Uganda Ltd	821003937	82359854	6,840	Invoice was issued in error	6,840
15/4/2014	MTN Uganda Ltd	821003938	82359856	517.50	Invoice was issued in error	517.50
15/4/2014	MTN Uganda Ltd	821003939	82359870	787.50	Invoice was issued in error	787.50
15/4/2014	MTN Uganda Ltd	821003940	82359890	418.50	Invoice was issued in error	418.50
15/4/2014	MTN Uganda Ltd	821003941	82359893	450	Invoice was issued in error	450
<b>TOTAL</b>						<b>471,488.85</b>

The applicant has provided evidence of invoices and credit notes respectively. According to this evidence we find that the transactions were corrected and the applicant is entitled a VAT amount of US\$ 471,488.855 and the refund thereof.

The second dispute was in respect disallowed input VAT on invoices. The respondent contends that it disallowed them because they not included in their returns. The applicant contends that they were included in the returns. S. 28(1) of the VAT Act provides that:

“Where Section 25 applies for the purposes of calculating the tax payable by a taxable person for a tax period, a credit is allowed to the taxable person for the tax payable in respect of –

- (a) All taxable supplies made to that person during the tax period;
- (b) All imports of goods made by that person during the tax period,

If the supply or import is for use in the business of the taxable person.”

S. 28(11) states:

“Subject to subsection (13), an input tax credit allowed under this Section may not be claimed by the taxable person until the tax period in which the taxable person has-

- (a) An original tax invoice for the taxable supply: or
- (b) A bill of entry or other document prescribed under the East African Community Customs Management Act, 2004 evidencing the amount of input tax.”

An exception to S. 28(11) is provided for under S. 28(12) in the following terms:

“Where a taxable person does not have a tax invoice evidencing the input tax paid, the Commissioner General may allow an input tax credit in the tax period in which the credit arises where the Commissioner General is satisfied that-

- (a) The taxable person took all reasonable steps to acquire a tax invoice;
- (b) The failure to acquire a tax invoice was not the fault of the taxable person; and
- (c) The amount of input tax claimed by the taxable person is correct.”

In *Enviroserv (U) Ltd v URA* Application.24 of 2017, the tribunal held that for an applicant to be entitled to input tax credit under S. 25 of the VAT Act, the following had to be proved. Firstly, that the applicant is a taxable person. Secondly, that taxable supplies have been made to the applicant during the tax period and thirdly that the taxable supplies were for use in the business of the applicant. The Tribunal stated that

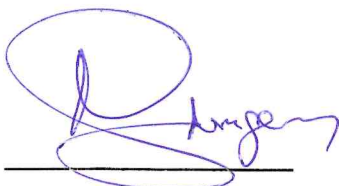
“Therefore where the applicant presented evidence that invoices were issued and VAT was paid to suppliers for the respondent to pay input VAT, it is not the duty of the tax payer to follow up with the suppliers to declare input VAT

This was also cited in *Target Well Uganda Limited v URA HCCS No. 751 of 2015*, where the count noted it is not the duty of the payer to ensure that the money was remitted.

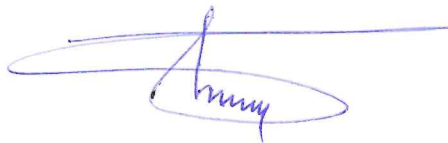
Taking the above into consideration, the Tribunal has perused the applicants documents and wishes to comment as follow. The Tribunal notes that those the applicant tendered in tax invoices and tax returns as exhibits. It did not tender in receipts or proof of payment though it tendered in bank statements. By perusing the bank statements, it is difficult to discern the payments the applicant was making. Bank statements do not indicate the invoices that are being paid, not do they disclose the nature of supply being paid for. They do not show who is being paid. Where there no cheques paid or other instructions to the bank, one cannot ascertain the transactions in the bank statement. In the absence of a receipt of other proof of payment, the Tribunal cannot state that the suppliers were paid. It is difficult for the respondent to tract the taxpayer to declare input VAT when there is no clear evidence of payment. A receipt states the address of the supplier and it enables the respondent to follow input VAT. A receipt is a confirmation that the suppliers used a portion of the payment to pay VAT. Therefore, the claim for input VAT of Shs. 197,561,475 cannot stand as the applicant has not discharged the burden of proof.

Taking the above into consideration, the application is partially allowed. The applicant is entitled to a VAT refund of US\$ 471,488.855 or its equivalent in Uganda Shillings but not more than what was stated in the VAT returns. The VAT assessment in respect of the said amount is set aside. The respondent is ordered to refund the 30% in respect of the said assessment as adjusted. The applicant is not entitled to input VAT of Shs. 197,561,475. The assessment in respect thereof still stands. The applicant is entitled to costs of the amount allowed.

Dated at Kampala this 29<sup>th</sup> day of September 2022.



**DR. ASA MUGENYI**  
**CHAIRMAN**



**DR. STEPHEN AKABWAY**  
**MEMBER**



**MS. CHRISTINE KATWE**  
**MEMBER**