

**THE REPUBLIC OF UGANDA  
IN THE HIGH COURT OF UGANDA AT KAMPALA  
(COMMERCIAL DIVISION)  
CIVIL APPEAL NO. 0058 OF 2022  
ARISING OUT OF MISC. CAUSE NO. 93 OF 2022**

**AFRICA RENEWAL MINISTRIES LIMITED:::::::::::::::::::::APPELLANT**

**VERSUS**

**UGANDA REVENUE AUTHORITY:::::::::::::::::::::RESPONDENT**

**Before Hon. Lady Justice Patricia Kahigi Asiiimwe**

**Judgment**

Introduction

1. This is an appeal from the Ruling of the Tax Appeals Tribunal in TAT Cause No.93 of 2022. In that Ruling, the Tribunal denied the Appellant an extension of time to file its application for review of the Respondent's objection decision.

Background

2. The facts as ascertained from the record of appeal are that the Appellant is a non-government organization and a company limited by guarantee incorporated in Uganda. The company carries out child sponsorship, and evangelism and relies on donations and gifts to carry out its activities.
3. On 17<sup>th</sup> June 2019, by a resolution, Howie Christian Charitable Trust transferred land comprised in LRV 3026 Folio 8 Plot 120, Main Street Iganga to the Appellant for no monetary consideration. On 7<sup>th</sup> July 2020, the Appellant received an assessment of 6% withholding tax (WHT) amounting to UGX

54,000,000 from the Uganda Revenue Authority, the Respondent in respect to the land.

4. On 10<sup>th</sup> July 2020, the Appellant objected to the assessment on the grounds that the land was given to them as a gift and was not purchased. On 7<sup>th</sup> October 2020, the Respondent communicated the objection decision stating that the objection had been allowed in part and disallowed without stating which part had been allowed and which part had been disallowed.
5. The Appellant appealed to the Respondent against the objection decision for lack of clarity. On 15<sup>th</sup> December 2021, an email was sent to the Appellant by the Respondent maintaining the assessment.
6. The Appellant alleges that it did not see the email until 11<sup>th</sup> March 2022 after a visit to the Respondent's office to complain about the delay in delivery of the appeal decision and discuss the possibility of alternative dispute resolution.
7. On 11<sup>th</sup> March 2022, the Appellant wrote to the Respondent requesting that the dispute be handled through an alternative dispute resolution process. On 26<sup>th</sup> May 2022, the Respondent responded to the said letter stating that alternative dispute resolution was not applicable in tax matters because the Regulations concerning Alternative Dispute Resolution in tax matters had not yet been published. The Respondent advised the Appellant to apply for review of the decision to the Tax Appeals Tribunal or High Court.
8. Following the Respondent's guidance, on 15<sup>th</sup> June 2022, the Appellant filed an application before the Tribunal requesting for extension of time to file an application for review of the objection



decision since the 30 days within which to apply for review of the assessment/decision had lapsed.

### The Application before the Tribunal

9. The Appellant argued that upon their objection to the 6% withholding tax assessment on the purported purchase of the subject property, they received an unclear decision from the Respondent which contravened section 24 (5) Tax Procedures Code Act, 2014.
10. The Appellant argued that they had to seek clarity from the Respondent through an appeal. The clarification was made on the 15<sup>th</sup> December 2021 however the Appellant claims that it only found out about it on the 11<sup>th</sup> March 2021 after they visited the Respondent's office and made inquiries. They also argued that the decision issued on 7<sup>th</sup> October 2020 was not a tax decision since it disallowed and allowed the objection at the same time.
11. In the alternative, the Appellant argued that their application for extension of time was filed before the expiry of six months from the date of the objection decision since they considered the clarification of 15<sup>th</sup> December 2021 as the objection decision. They further argued that the law does not prescribe a six months statutory limitation period within which an Application for extension of time must be filed. The prescribed six months under *Section 16 (7) of the Tax Appeals Tribunals Act* is in respect to an application for review of a tax decision and not an application for extension of time. They relied on the Learned Justice Stephen Mubiru's decision in **Farid Meghani versus Uganda Revenue Authority, Civil Appeal No. 6 of 2021.**