



PwC Uganda

Tax Case Summaries

March 2025

Get in touch with us

Samson Ssonko
Associate Director
samson.ssonko@pwc.com

Hilda Kamugisha
Manager
hilda.kamugisha@pwc.com

Joel Ndyamuhaki
Senior Associate
Joel.ndyamuhaki@pwc.com

Tinasah Investments Limited V Uganda Revenue Authority TAT Application No. 170 Of 2023.

TAT has ruled in favour of URA stating that taxpayers must maintain and provide sufficient evidence to prove that purchases occurred, in order to claim the respective input VAT.

Introduction and Background

Tinasah Investments Limited (“Tinasah”) is in the business of supplying stationery, printery materials and other general supplies. The matter relates to input VAT claimed by Tinasah which URA rejected.

URA rejected Tinasah’s input VAT claim on specific purchases made from three supplier companies on the basis that Tinasah failed to prove the existence of the underlying purchases from the named suppliers and amounted to fraudulent invoice trading.

Submission by parties

In summary, Tinasah’s arguments were mainly based on the fact that it only had EFRIS invoices as evidence of the respective

purchases which they believed should be sufficient evidence alone to qualify for the respective input VAT claims.

Tinasah also argued that it is not the responsibility for the taxpayer to check and confirm the legibility of its suppliers but should be the responsibility of the URA.

On the other hand, URA’s arguments were mainly based on the fact that Tinasah failed to provide any proof that the respective purchases had actually taken place and been received.

URA was also unable to reach or contact any of the 3 companies because Tinasah did not know their locations, while the physical location and contact details indicated on their EFRIS invoices were all false.



Ruling of the Tribunal

The Tribunal agreed with the URA arguments with additional arguments including the inability of Tinasah to name a single individual from any of the respective suppliers.

In ruling in favour of the URA, the Tribunal summarily stated that:

An actual supply/purchase must precede a claim for input VAT. It is therefore incumbent for a taxpayer to prove that a purchase did happen in respect of any e-invoice.

Although it is URA's role to administer and collect the nation's taxes, taxpayers should be active participants in this effort as practically possible.

The Tribunal held that Tinasah failed to provide such sufficient evidence of the

purchases made from the respective suppliers in question. Tinasah was therefore not entitled to the respective input tax credit and is liable to pay the assessed tax.

Key Takeaways

1. Taxpayers claiming input VAT on their purchases must always maintain evidence of the supply, and receipt, of the respective purchases made to them.

2. Presentation of EFRIS invoices without providing additional supporting documents to prove the respective purchase does not automatically entitle a taxpayer to claim the corresponding input VAT credits.

Please feel free to contact your usual PwC contact or any of our experts above should you wish to discuss this further.

