COCA-COLA KWANZA LIMITED V COMMISSIONER GENERAL, TANZANIA REVENUE AUTHORITY

COURT OF APPEAL OF TANZANIA

AT DAR ES SALAAM

(W. B. KOROSSO, J.A, P. S. FIKIRINI J.A, AND A. M. MWAMPASHI J.A)

CIVIL APPEAL NO. 208 OF 2025

(Appeal from the Judgment and Decree of the Tax Revenue Appeals Tribunal at Dar es Salaam)

Tax Practice and Procedure *– Requirement for the Tax Revenue Appeals Tribunal to give reasons for its decision – whether failure to comply with* ***Rule 22(c) of the Tax Revenue Appeals Tribunal Rules, 2018*** *renders the decision a nullity.*

Tax Practice and Procedure *– Duty of a tribunal as a first appellate body to evaluate and analyze evidence on record – whether mere conclusions without reasons amount to proper decision and whether such omission violates principles of fair hearing and invalidates the entire decision.*

The Appellant, Coca-Cola Kwanza Limited, is a company engaged in manufacturing and selling soft drinks in Tanzania. In 2019, the Tanzania Revenue Authority conducted a tax audit for the years 2015–2017, focusing on Value Added Tax (VAT). The audit revealed that the Appellant made **exempt and special relief sales**, and there were **disputed input claims**, particularly on VAT treatment. TRA, rejected some of the Appellant's claims, arguing that, **Invoices alone were insufficient proof** of exempt/special relief sales, proper **approval documentation** was required. Consequently, TRA issued a **revised VAT assessment** of over **TZS 1.09 billion**.

The Appellant lodged **an objection** on **30th July 2020**, arguing that certain **special relief sales** and invoices were **not subject to VAT** and further the Appellant submitted supporting evidence, including **analysis of sales, invoices, and staff incentives**. On **25th December 2020**, TRA issued a **decision on the objection**. It **partially accepted** the Appellant's claim on verified special relief sales (TZS 191,717,239) and maintained its position on the remaining disputed VAT items. Despite partial acceptance, the Appellant was dissatisfied with TRA's decision on other items, and **appealed to the Tax Appels Board** where the decision was partly allowed appeal. Dissatisfied the Appellant appeals to Tax Revenue Appeals Tribunal in Tax Appeal No 55 of 2023 where the tribunal dismissed the Appeal in entirety holding that the appellant had failed to prove its case.

Aggrieved the Appellant further **appeal to Court of Appeal** on the three grounds that Tax Revenue Appeals Tribunal erred in law by failing to give reasons for the decision, That the Tribunal erred in law by failing to analyze the evidence on record and thereby wrongly holding that the appellants invoices were time-barred under section 69 (2) of the VAT Act, and that the Tribunal erred in law by holding that the respondent was correct to impose interest for late payment of tax under Section 76 of the Tax Administration Act.

Held:

(i) Mere conclusions on the decision without a thorough evaluation of the evidence were insufficient.

(ii) The Tribunal has not properly evaluated the Appellant's evidence against that of the Respondent

(iii) The Tribunal did not satisfactorily compose its judgment in line with the requirement of rule 22 (c) of the Tax Tribunal Rules

(iv) Appeal allowed, **Court ordered** the record to be remitted to the Tribunal for a proper composition of the judgment in line with rule 22 (c) of the Tax Appeals Tribunal Rules, 2018.

Order accordingly.

Statutory provisions referred to

Rule 22 (c) of the Tax Appeals Tribunal Rules, 2018.

Case Laws

(i) Mang'eni Ibaga v. David Sospeter Magambo {as an administrator 4 of the Estate of the Late Sospeter Magambo), (Civil Appeal No. 31 of 2021) [2024] TZCA 638 (18 July 2024; TANZLII).

(ii) The Registered Trustees of Holy Spirit Sisters Tanzania v. January Kamili Shayo and 136 Others, (Civil Appeal No. 193 of 2016) [2018] TZCA 773 (6 August 2018; TANZLII),

(iii) Depson Balyagati v. Veronica J. Kibwana, (Civil Appeal No. 21 of 2021) [2023] TZCA 17772 (23 October 2023; TANZLII)

Mr. Mahmoud Mwangia, counsel for the Appellant,
Mr. Trofmo Tarimo assisted by Ms. Veronica Warioba, and Ms. Nise Mwasalemba learned counsel for the Respondent