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# ANALYSIS OF 2025 TAX JUDGMENTS & WINS BY RÖDL KENYA

## January 2026

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# Introduction and Administrative changes at the Tax Appeals Tribunal (TAT)

Rödl & Partner Kenya has over time cut a niche in its tax advisory and consulting line by boldly supporting and directing its clients involved in disputes with the Kenya Revenue Authority (KRA). This role has set it as a key player in the process of reviewing tax laws in Kenya every year to align them with determinations from tax courts (Tax Appeals Tribunal and other higher courts) recorded as judicial precedents or case laws.

In this issue we have discussed the outcome of various cases where Rödl & Partner represented its clients to demonstrate and check the rationality, fairness, efficiency and legality of decisions taken by the KRA but challenged at the Tax Appeals Tribunal (TAT).

To begin with we wish to report an administrative update in the year 2025 where the Judicial Service Commission advertised the position of a Chairperson to the Tax Appeals Tribunal on March 2025 in line with its appointment powers under Section 4 of the Tax Appeals Tribunal (Amendment) Act of 2022. This was in preparation for the expiry of the tenure of the then Chairperson later in May 2025.

The process culminated in the appointment of a new Chairperson, Mr. Robert Mugambi Mutuma and other five members and a new Secretary in June 2025.

On a separate note a consultative meeting between the National Treasury, Kenya Revenue Authority, Tax Appeals Tribunal and the Presiding Judge under Commercial Division of the High Court took place on 18th March 2025 to explore ways of enhancing the effectiveness and efficiency of tax-related dispute resolution. This asserts the separation of powers between the Executive and the Judiciary (where the TAT falls) and signifies the independence of the Tribunal and permitted consultative engagements with other arms of Government.

## Analysis of VAT judgments

### Majorel Kenya Limited-vs-Commissioner of Legal Services & Board Coordination (TAT Cases numbered E846/2024 and E1302/2024)

**Background**

The Appellant is part of a global group that offers business process outsourcing services which involve providing customer service support to external clients in the Ride Hailing & Food Delivery Services industry. As the Kenyan entity, it played the role of hiring personnel within the African region and executing the customer service tasks of its global clients that contracted its non-resident parent entity,

The following trail of events was recorded in our two statements

- The Appellant lodged applications for various VAT refund claims in the online tax portal (iTax platform) for the months between March 2021 and February 2024 totaling to Kshs 104,885,568;

- The Appellant received disbursement orders for the above claims specifying the approved amounts as Kshs 93,711,5964;
- The Appellant first challenged the disallowed amounts partially by filing an appeal at the Tribunal directly under case no. E846/2024;
- A separate but similar appeal was also lodged to challenge the remaining disallowed amounts by an initial application seeking leave to appeal out of time. The substantive appeal lodged thereafter and concurrently with the first appeal was numbered E1302/2024.

The Appellant grounded its case as follows;

- The disbursement orders issued by the Respondent indicating the approved amounts (and their accompanying assessment orders) represented decisions that did not indicate reasons for the disallowed VAT refund portions or assessments;
- The Appellant also stated that it had never been served with any letter of findings providing reasons for the assessment;
- It termed the absence of reasons for the Respondent decisions as contrary to Sections49 and 50(2) of the TPA, and an infringement on the constitutional right to fair administrative action.

In opposition to the appeal the Respondent defended its decisions as follows:

- It maintained that it sent assessment orders to the Appellant electronically via iTax-generated emails in accordance with Section 50(2) of the TPA;
- The Respondent stated that the Appellant had not disputed the additional assessments after failing to object to them as per provisions of the law;
- The Respondent also explained that the issued electronic assessment orders had all the inputs disallowed itemized line by line with the amount per invoice on each row. It asserted that this ensured the Appellant was able to point out the disallowed inputs by simply consulting the filed VAT returns on iTax or from the invoices used to file the VAT returns;
- The Respondent further added that upon review of the Appellant's refund applications and supporting documents it established that the disallowed input invoices were incurred in the course of hiring of passenger vehicles and provision of restaurant and accommodation services contrary to section 17(4) of the VAT Act;
- The Respondent also pointed out that it considered all the documents provided by the Appellant and established that the Appellant did not provide any evidence that would have altered the tax assessment;
- It also stated that some of the disallowed invoices had disparities compared with the Appellant's Suppliers' VAT declarations, and the Appellant failed to provide evidence to explain the inconsistencies as per section 51(3) of the TPA;
- In its written submissions the Respondent averred that the appeal is invalid on the basis that disbursement orders are not appealable decisions hence the Tribunal lacks jurisdiction to determine the matter.

**Decision**

The first decision issued on 4th April 2025 on case E846/2024 struck out the appeal on the following determination:

- The Appellant lodged the appeal following dissatisfaction with the Respondent's decision to partially allow the refund claims and issued assessment orders. The Tribunal ruled that a Respondent's assessment order is not an appealable decision but rather a tax decision subject to an objection process.
- The Appellant ought to have objected to the assessment orders and prosecuted its case at the objection stage to prove that the disallowed input VAT claims were indeed justified. The Appellant would then only proceed to Appeal at the Tribunal once an Objection Decision was issued.
- The Tribunal finds that the Appellant failed to exhaust the available remedies by objecting to the Respondent's tax decision prior to the institution of the instant Appeal. The Appeal at the Tribunal is therefore premature as it is not founded on an appealable decision.

Surprisingly, the Tribunal's subsequent judgment on case no. E1302/2024 totally contrasted the above position and allowed the appeal as follows:

- The Appellant made multiple applications for refund upon which the Respondent issued multiple disbursement orders that partially allowed part of the refund applications and rejected part of the applications. The Tribunal ruled that disbursement orders are appealable decisions within the meaning of Section 47 (13) of the TPA. Therefore, the Appellant had a duty to adduce documents to demonstrate that the Respondent should have fully allowed the refund applications.
- The Tribunal held that the disbursement orders are refund decisions and therefore appealable decisions within the meaning of Section 47 (13) of the Tax Procedures Act.
- The Tribunal noted that the Respondent in paragraph 8 of its Statement of Facts listed the disallowed input tax and specified therein the reasons for disallowing the amounts. However, in as much as the Respondent averred about these reasons in the statement of facts, there is absolutely no evidence that these reasons were set out in the Respondent's refund decision in line with the foregoing statutory provision.
- In the absence of reasons for disallowing the refunds appearing in the Respondent's refund decision the Tribunal ruled that the disallowed amounts were not justified as they contravened Section 49 of Tax Procedures Act.

**Our Comment**

It is our valued opinion that the first judgment (on case E846/2024) was a serious mistake of interpretation, and the Tribunal indeed redeemed itself by taking a paradigm shift in the later judgment on case no. E1302/2024. It was an indictment on the technical capacity and objectivity of some of the panels at the Tribunal that also questions the consistency and certainty of its precedents.

The Honorable Tribunal's position that disbursement and assessment orders transmitted electronically to taxpayers via iTax are indeed refund decisions hence appealable decisions, should compel the Kenya Revenue Authority (KRA) to reconfigure the electronic notices/ templates of these decisions to sufficiently accommodate statement of reasons for any disallowed refund portions.

# Analysis of Judgments on Customs and related levies

## Aco Drainage Limited-vs-Commissioner, Customs & Border Control (Tax Appeal no. E866 of 2024)

Background

The Appellant is a local subsidiary and distributor of its Global Group that manufactures and distributes customized drainage applications that fit customer requirements.

Our statement of facts detailed the following:

- The Appellant imported a waste water treatment plant called Rox – Ecological Total Oxidation Sewage Treatment Plant under B/L MEDUV8787073 and entry numbers 23EMKIM400908598 and 23EMKIM400805350 where it classified the item under tariff classification 8421.21.00;
- The Respondent challenged the declared tariff classification 8421.21.00 and assessed the item under HS code 8421.29.00;
- The Appellant expressed its dissatisfaction with the Respondent's tariff classification in a letter on 4th September 2023 that also communicated the Appellant's wish to pay any extra taxes arising under protest but with a request for a technical tariff ruling;
- The Respondent undertook a physical verification of the imported item under entry numbers 23EMKIM400908598 and 23EMKIM400805350 and challenged the tariff classification 8421.21.00 declared by the Appellant in a tariff ruling dated 25th September 2023;
- The Appellant responded to the Respondent's ruling in a letter dated 27th September 2023 (application for Commissioner's review in line with Section 229 of the East African Community Customs Management Act

(EACCMA), where the Appellant shared the product manual for the item labeled as EN12566-3 and requested for a meeting to explain and demonstrate the functionality of the imported plant.

In opposition to the appeal the Respondent defended its decisions as follows:

a. The Respondent stated that the Appellant lodged Entry Number 23EMKIM400908598 on 23rd August, 2023 and declared the plant as ROX waste water treatment plant under the Code 8421.21.00 of 20022EAC/CET that provides for centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus for liquids or gases;
b. That the Respondent stopped further processing of the import to confirm the declared HS Code. That upon verification, a different HS code 8421.29.00 that provides for other centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus for liquids or gases was advised.
c. That Heading 8421 covers the classification of filtering or purifying machinery and apparatus for liquids which is split into the following categories at subheading level:

    - Subheading 8421.21.00 covers the classification of filtering or purifying machinery and apparatus for filtering or purifying water.
    - Subheading 8421.22.00 covers the classification of filtering or purifying machinery and apparatus for filtering or purifying beverages other than water.
    - Subheading 8421.23.00 covers the classification of filtering or purifying machinery and apparatus for oil or petrol-filters for internal combustion engines.
    - Subheading 8421.29.00 covers the classification of other filtering or purifying machinery and apparatus;

d. The Respondent stated that the item as presented was not for purifying water but to treat effluents/sewage water. It also averred that the item was not used to purify water but to reduce its toxicity levels and make the final discharge less harmful to life aquatic or otherwise;
e. The Respondent asserted that the water referenced under Heading 8421.21.00 pertains to drinking water, not sewage water, and therefore does not meet the terms under the HS Code proposed by the Appellant, but rather the one under which the Respondent classified the item.

**Decision**

The decision delivered on 31st January 2025 set aside the Respondent's review decision of 3rd October 2023 and tariff ruling dated 25th September 2023 based on the following analysis:

a. It is the view of the Tribunal that in the description provided in EAC/CET it does not matter whether it is to "purify" or "filter". Either fits to the description under HS Code 8421.21.00. This was emphasized in Cape Brandy Syndicate V Inland Revenue Commissioners (1920) 1KB as applied in TM Bell V Commissioner of Income Tax (1960) EALR 224 where Roland J stated: "…. In a taxing Act, one has to look at what is clearly said. There is no room for intendment as to a tax, nothing is to be read in, nothing is to be implied. One has look into the language used…".
b. It was the view of the Tribunal that the Respondent ought to have simply looked at the purpose or use of the product before arriving at its decision. In this case the product description clearly states the purpose to be for purifying to reduce human waste content in water.
c. In the instant case, after considering the Chapter Notes, Explanatory Notes and product description and intended use, the Tribunal determines that the classification of the product imported by the Appellant is determinable using GIR 1. In this regard, the Tribunal finds that the ROX- Ecological Total Oxidation Sewage Treatment Plant imported by the Appellant answered the description of a plant for filtering or purifying water and is described most specifically in tariff number 8421.21.00.

**Our Comment**

Once again the Tribunal has emphasized the reliance on Chapter Notes, Explanatory Notes of EAC/CET, product description and its intended use in determination of a classification using GIR 1.

GIR refers to the General Rules for Interpretation of the Harmonized System which originated in the International Convention on the Harmonized Commodity Description and Coding System. They are structured in cascading form

so that, if the classification of the goods cannot be determined in accordance with Rule 1, then regard must be heard to Rule 2 and so on.

The following steps must be followed before arriving at the proper classification of goods:
- Examine the schedule to see if the goods fit prima facie within the language of a tariff heading;
- See if there is anything in the chapter or section notes that precludes the goods from classification in the heading; and ;
- Examine the Classification Options and the Explanatory Notes to confirm classification of the goods in the heading.

## KLM Royal Dutch Airlines-vs-Commissioner of Customs & Border Control (Tax Appeal no. E120 of 2024); and Compagnie Nationale Air France (Air France)-vs- Commissioner of Customs & Border Control (Tax Appeal no. E119 of 2024)

**Background**

K.L.M Royal Dutch Airlines ("KLM") is an international air carrier that proudly marked 50 years of service in Kenya in 2019. KLM has also partnered with the national air carrier, Kenya Airways, as part of the larger Sky Team Alliance. Compagnie Nationale Air France ("Air France') is part of the Air France – KLM group that was formed back in the year 2004. The Air France – KLM group is a leader in international air transport departing from Europe.

Rödl & Partner filed two separate appeals at the Tax Appeals Tribunal on behalf of these clients, K.L.M. Royal Dutch Airlines and Air France, on 12th January 2024 to challenge the following matter:

a. The Respondent conducted an in-depth audit on the Appellant's Air Passenger Service Charge (APSC) returns covering the period July 2017 to December 2023, and issued its preliminary findings in a management letter followed by a demand notice;
b. The Appellant objected to the entire demanded tax as per Section 229 of the East Africa Community Customs Management Act (EACCMA), and also filed a notice of appeal under Section 2 and 12 of the Tax Appeals Tribunal Act, 2013 (TAT).

The Appellant contended the following issues in the case:

a. The Respondent wrongly failed to acknowledge the right of the Appellant to appeal to the Tax Appeals Tribunal since the APSC Act qualifies as a tax law that is subject to the TAT Act;
b. That the Respondent relied on incorrect and incomplete records in computing the taxes demanded from the Appellant;
c. That the Respondent's interpretation of Section 3 of the APSC Act is contrary to the "doctrine of harmonious construction" applied in statutory interpretation;
d. That the Respondent's interpretation of Section 3 of the APSC Act is contrary to the Respondent's own interpretation in a private ruling issued to the Appellant's associate, and which the Appellant legitimately expected to apply since the associate is a party in the assessed transactions.

The Respondent highlighted the following issues in the case:

a. The Appellant having objected to the management letter, is a recognition that the same is not an appealable decision to warrant the court to consider the same;
b. The management letter issued to the Appellant relates to Air Passenger Service Charge as provided for under the provisions of the APSC Act, which is the relevant law in the current instance, and does not make reference to an appeal to the Tax Appeals Tribunal as the same is simply a fee for services rendered by the Kenya Airports Authority (KAA), and not a tax;

c. It was averred that while both are revenues to the government, taxes and charges are distinct. In the instant case, the Commissioner of Customs is merely a collecting agent for the APSC charge which is remitted to the KAA;
d. The Respondent further asserted that the Appellant's Appeal is premature and improper before the Tribunal, even if assuming the Tribunal had jurisdiction, as the issue herein is around aviation, and the same is properly dealt with as provided for under the Civil Aviation Act;
e. The Respondent also stated that its management letter as issued to the Appellant is not an appealable decision contrary to the Appellant's averment that the Respondent has wrongly construed Section 3 of the APSC Act contrary to the doctrine of harmonious construction applied in statutory interpretation, and contrary to the private ruling given to the Kenya Airways;
f. The Respondent contends that the Appellant failed to take into account those passengers commencing their journeys from within Kenya (other than Nairobi) but transiting through Nairobi;
g. The Respondent contended that during the audit it established that the Appellant had failed to remit the charge to the Commissioner and instead indicated during the audit that they had remitted the amounts through a partner airline. Section 5 of the APSC Act requires the collection agent/airline to collect the charge upon the sale of the ticket and remit the charge to the Commissioner.

Decision and Settlement under the Alternative Dispute Resolution (ADR)

The Tribunal opted to strike out both cases for being incompetent as follows:

1. The Appellant had lodged its Appeal while still awaiting review and communication of a Review Decision on its objection/review application pending with the Respondent.
2. The Tribunal having gleaned through the record evidently observed there was no Review Decision as per the process outlined in EACCMA, as the Appellant upon lodging its objection/review application with the Respondent, did not wait for a decision thereof, but simultaneously lodged its Appeal herein. Consequently, there is no appealable decision before this Tribunal to form the basis of the instant Appeal.
3. The Tribunal is therefore satisfied that the Appellant did not exhaust the internal processes leading to the issuance of a Review Decision, and jumped the gun by bringing the Appeal herein without the mandatory appealable decision thus rendering the same incurably incompetent.

Both the Appellant and Respondent were dissatisfied with these decisions since the Tribunal seemed to place APSC levy under the purview and legal provisions of the EACCMA without providing any reasons, or discussing the parties' submissions on this matter. The Appellant had contended in its submissions that the appeal relied on the definition of an appealable decision under the TAT Act (and not EACCMA), while the Respondent disputed the admissibility of APSC levy under existing tax laws (TPA, TAT Act or EACCMA). It is for this reason that both parties resolved to discuss and settle the matter out-of-court as provided for under Section 13(8) of the TAT Act. The parties were also disappointed that the substantial issues in the Appeal were also not determined after striking off by the Tribunal due to incompetency. In the interest of justice the parties discussed the substance of the case under the Alternative Dispute Resolution (ADR) framework and a settlement agreement dated 25th March 2025 was executed by both parties.

**Our Comment**

Once again, the quality of Tribunal decisions came into question in these cases. Both parties laid the first issue for determination in their submissions as the admissibility of the dispute under existing tax laws. It was disappointing that the Tribunal totally turned a blind eye to this prominent issue and opted to strike off the case based on a procedure under one tax law (EACCMA) without even discussing or justifying its reliance on this law.

The window provided by the ADR framework comes in handy in such situations and a number of disputes are opting for such amicable discussions in order to save on time and attain logical conclusion of matters. We highly recommend this approach but based on the sound intentions and willingness of both parties.

# Income Tax Judgments Analysis

## High-Definition Marine Company Limited-vs-Commissioner of Legal Services & Board Coordination (Tax Appeal no. E572 of 2025)

**Background**

The Appellant underwent an audit of its PAYE returns and records in the year 2024 that later demanded unpaid tax of principal amounts of Kes. 5,755,887 and Kes. 8,973,334 for the years 2022 and 2023 respectively.

The Appellant grounded its case as follows;

a. The Respondent's decision failed to consider the Appellant's explanation that management fees amounting to Kshs 25,638,098.00 comprised a consultancy fee of Kshs19,153,702.00 (on which withholding tax was paid), directors' fees of Kshs.3,116,708 (on which PAYE was paid), and international travel expenses totalling to Kshs 3,367,687.00;
b. The Respondent misdirected itself in determining that the earning of the consultant was subject to PAYE and not Withholding tax because the nature of engagement was that of independent contractor and not that of employee-employer relationship;
c. The Respondent failed to conduct a comprehensive and fair review of the provided documents for international travel expenses and opted to pressure the Appellant into paying taxes that are not legally due.

In opposition to the appeal the Respondent defended its decision as follows:

a. It reviewed the Appellant's tax returns and established that the remunerations paid to the Appellant's directors were claimed as management fees in the Appellant's 2023 income tax returns but the corresponding PAYE was neither deducted nor remitted to the Respondent;
b. The Respondent reviewed the Appellant's tax returns and established that the Appellant claimed management fees of Kshs 25,638,098.41.00 but had not subjected the same to PAYE contrary to the provisions of Section 37 of the ITA;
c. The Appellant designed its transactions in such a way so as to avoid paying tax. The Respondent reiterated that the Appellant has failed to discharge his burden of proof in proving that the Respondent's tax decision is incorrect as per the provisions of Section 56(1) of the TPA.

**Decision**

The Honourable Tribunal allowed the appeal based on the following analysis:

a. The Respondent's assessment of the consultancy fees ignored the fact that withholding tax had already been paid and any double taxationwould lead toa n excessive tax burden.
b. The Tribunal finds that the Appellant discharged its burden of proving that the decision of the Respondent was incorrect and ought to have been made differently. It was incumbent upon the Respondent to challenge the evidence that the Appellant adduced but it did not.
c. Whereas the Respondent averred that the Appellant designed its transactions in such a way so as to avoid paying tax, the Respondent did not support this assertion at all.

**Our Comment**

In this case the Tribunal embraced a principle set by the High Court on the non-stationary nature of the burden of proof in the case of Commissioner of Domestic Taxes v Chryso Eastern Africa Limited [2025] KEHC 16997 (KLR). The Court had observed as follows:

"The burden of proof borne by the Taxpayer is not stagnant, however. Once the Taxpayer discharges its burden, the evidentiary burden shifts to the Commissioner. This principle was reaffirmed in **Commissioner of Domestic Taxes vs Trical and Hard Limited [2022] KEHC 9927 (KLR)** where the Court stated "I agree with the Tribunal's holding

that the burden of proof in tax matters is not stationary but is like a pendulum swinging between the taxpayer and taxman at different points but more times than not swings towards the taxpayer."

Previously the Tribunal greatly sided with the Respondent in many cases where the Respondent submitted that the burden of proof under section 56(1) of the TPA and section 30 of the TAT Act had not been met. In those cases the Tribunal assumed a dangerous hands-off approach that took the Respondent's word as the gospel truth where evidence was required. It is only reasonable and fair that the Respondent is also tasked with analyzing and critiquing any evidence adduced to stand by and support its decision.

# H.P. Gauff Ingenieure GmbH & Co KG-vs-Commissioner of Domestic Taxes (HCCOMMITA E078 of 2024)

**Background**

The Appellant is a German multinational with over 25 representations worldwide that helps to carry out projects in the disciplines of water and sewerage, transport, roads and rail, mobility and IT solutions, environment and energy, urban planning and architecture. The Kenyan branch is headed by Director, East and southern Africa and is responsible for overseeing projects in Kenya, Ethiopia, Tanzania, Uganda and Zambia.

The Appellant was dissatisfied by a judgement it received from the Tax Appeals Tribunal challenging assessments raised by the Respondent totaling Kes. 1,955,787,203 in the year 2020 relating to Corporate tax, PAYE and VAT. The appeal at the High Court was grounded on the following;

- That the Honourable Tribunal failed to apply the decision in the judgment in HCCCOMMITA/E057/2020 on the application of tax exemptions granted to Official Aid Funded Projects;
- That the Honourable Tribunal erred in holding that the VAT assessments were justified by reason of the Appellant failing to obtain tax exemption certificates, when the taxpayer discharged all its duties in the administrative process of obtaining the same;
- That the Honourable Tribunal erred in upholding the Income Tax and Pay as You Earn assessments by reason of the Appellant failing to obtain VAT tax exemption certificates;
- That the Honourable Tribunal erred in failing to make any findings on the issue of the Income Tax and Pay As You Earn tax assessments;

In opposition to the appeal the Respondent defended its decision as follows:

a. Despite the High Court decision in Tax Appeal No. E057 of 2020, the operative fact remains that the Appellant has, for over four years, failed to produce the requisite exemption certificates from the National Treasury. The Respondent maintains that the administrative procedure for obtaining tax exemptions for OAFPs as outlined in the National Treasury Circular Ref DFN 425/232/011, is mandatory. In the absence of the explicit authority from the National Treasury in the form of exemption certificates, the supplies in question were correctly treated as standard-rated and subject to VAT at 16%;
b. Regarding the Corporate tax assessment, the Respondent justifies its decision by asserting that the income from the various projects was derived from or accrued in Kenya, as the supervision services were performed within the country by personnel employed by the Appellant's Kenyan branch;
c. In defence of the PAYE assessment, the Respondent contends that it was justified in benchmarking the salaries of expatriate employees because their declared remuneration was comparatively low and because the Appellant failed to provide their employment contracts for verification;
d. The Appellant failed to discharge the burden of proof required under law with concrete evidence, relying instead on legal arguments that do not negate the factual basis of the assessments.

**Decision and Orders**

The High Court allowed the appeal and issued the following orders:

1. The judgment and decree of the Tax Appeals Tribunal delivered on 2 February 2024 in Tax Appeal No. 442 of 2020is hereby set aside.
2. The Respondent's Objection Decision dated 22 July 2020, in so far as it upholds the Value Added Tax assessment of Ksh 526,022,967 is hereby set aside..
3. The decision of the Tribunal upholding the corporation tax and PAYE assessments is hereby set aside.
4. The matter is remitted back to the Tax Appeals Tribunal for fresh hearing and determination on merits before a differently constituted panel.

**Our Comment**

This judgment from the High Court highlights most of the serious concerns and tribulations that Appellants experienced with a number of decisions made by the Tax Appeals Tribunal. In summary the High Court has asserted its position on the Tribunal's omissions and commissions as follows:

a. The lack of a document due to administrative failure does not vitiate an otherwise compliant claim for exemption - the Tribunal is bound by this precedent under Tax Appeal No. E057 of 2020, Commissioner of Domestic Taxes-v-HP Gauff Ingenieure GmbH Co KG (2021) KEHC 206 (KLR).
b. The duty by a Tribunal to give reasons under Section 29(3) of the TAT Act is not a mere procedural formality; it is a fundamental aspect of the right to a fair hearing. It ensures that the decision is not arbitrary, allows the parties to understand the outcome, and provides a basis for any subsequent appeal. A decision devoid of reasons on the issues contested is no decision at all.
c. The Tribunal's failure to address the merits of the Income Tax and PAYE appeal is a procedural impropriety of such a magnitude that it vitiates that part of its decision. The Appellant was entitled to have its arguments heard and determined. By failing to do so, the Tribunal denied the Appellant a fair hearing. The only appropriate remedy for such a failure is to set aside the decision and remit the matter for a proper and reasoned determination on its merits.

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