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Court Nullifies Tribunal Decision for Failure to Give Reasons

- Failure to assign reasons renders a decision a nullity
- Tribunal must determine and pronounce itself on grounds of appeal
- Reproduction of parties' submissions is not a judgment
- Court invokes revisional powers to cure fundamental irregularity
- Matter remitted to Tribunal for fresh determination

Background

On 19 January 2026, the Court of Appeal of Tanzania (the Court) delivered its judgment in Civil Appeal No. 146 of 2025 arising from a tax dispute on the imposition of withholding tax on service fees paid to South African entities.

The dispute originated from a tax audit conducted by the Tanzania Revenue Authority (TRA/Respondent) in 2022 covering the years of income 2020 and 2021. Following the audit, the Commissioner General assessed the Appellant for failure to withhold tax on service fees paid to non-resident South African companies. The Appellant objected to the assessment on the basis that the payments constituted business profits not taxable in Tanzania under Article 7 of the Double Taxation Agreement between Tanzania and South Africa (the DTA). The objection was dismissed by the TRA.

Aggrieved by the TRA's objection decision, the taxpayer appealed to the Tax Revenue Appeals Board (the Board) which upheld the imposition of withholding tax together with interest. An appeal to the Tax Revenue Appeals Tribunal (the Tribunal) was equally dismissed, prompting the Appellant to approach the Court.

The Court's Decision

Before the Court, the Appellant challenged the Tribunal's decision on the ground that it failed to make a specific finding on whether the service fees constituted business profits under Article 7 of the DTA and section 128(1) of the Income Tax Act, 2004. It was contended that the Tribunal merely reproduced the Respondent's submissions without analysis, reasoning or findings on the grounds of appeal placed before it.

In its determination, the Court focused on whether the impugned decision of the Tribunal qualified as a decision in the eyes of the law. The Court revisited rule 22 of the Tax Revenue Appeals Rules, 2018, which mandatorily requires the Tribunal decisions to contain, among others, reasons for the decision and a clear determination of the appeal. Upon examination of the record, the Court found that the Tribunal did not analyze or determine the grounds of appeal raised by the Appellant. Instead, it mechanically reproduced the Respondent's submissions and concluded, without reasons, that the appeal lacked merit. The Court held that such an approach amounted to a failure to exercise judicial duty and rendered the decision of the Tribunal a nullity.

The Court reaffirmed the settled principle that failure by an adjudicative body to assign reasons or to pronounce itself on the issues or grounds placed before it constitutes a fundamental irregularity. Relying on its earlier decisions, the Court emphasized that a judgment devoid of analysis and reasons is not a judgment known to law.

Consequently, the Court invoked its revisional powers under section 6(2) of the Appellate Jurisdiction Act, Cap. 141 [R.E. 2023], nullified the Tribunal's judgment, and set aside the orders made therein. The matter was remitted to the Tribunal for the composition of a fresh judgment in accordance with the law.

This decision serves as an important reminder that tax adjudicative bodies must strictly comply with their statutory duty to give reasoned decisions. Failure to do so exposes their decisions to being quashed on appeal, regardless of the substantive merits of the dispute.

To read the judgment [click here](#)

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E: info@fbattorneys.co.tz

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FB Attorneys

8th Floor, Amani Place, Ohio Street
P. O. Box 19813
Dar es Salaam, Tanzania
T: +255 22 2135994/5
E: info@fbattorneys.co.tz
W: www.fbattorneys.co.tz

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