



## IN THE EAST AFRICAN COURT OF JUSTICE AT ARUSHA

## TAXATION, NO.5 OF 2008

(Originating from Reference Number 1 of 2007)

or Attorney-General of the Republic of Uganda	anabnoqeaA <sup>bn</sup> 2
ne Secretary-General of the East African Community	1 <sup>st</sup> Respondent
EKZOS	
mes Katabazi and 21 others	eantsilqqA

## **BULING**

9002 AVW 9008

## DR. J. E. RUHANGISA, TAXING OFFICER

In this Bill of Cost filed by Mr. Geoffrey Komakech learned Counsel for the Applicant, a total of USD176,000 including tax is claimed as cost incurred by the Applicants in the course of conducting the suit Reference No.1 of 2007. Out of that total amount, Item 1 in the Bill of Cost presents a claim of USD140,000 being destruction fees; USD547 in Items 24 to 23 relate to professional charges whereas a claim of USD8,864 as reflected in Items 24 to 61 relate to disbursements. On the all, the claims brought against the Attorney-General of the Republic of Uganda relate to the time invested in the preparation work done by the advocates and the nature of the case in terms of clarity, magnitude and peculiarity.

In this matter, Mr. Henry Oluka, the Counsel for the Respondents, represented the respondents in opposing the figure of USD140,000 in Item 1 of the bill as an arbitral one. The basis of his argument was that the Bill of Cost did not abide by the rules governing the awards of cost in taxation that are well established in Premchand Raichand Ltd and Another Vs Quarry Services of East Africa Ltd and Others [1972] EA 162, which was also followed in a reference of the Supreme Court of Uganda in Civil Application No.23 of 1999. He thus requested that the cost be kept 'to a level that is reasonable, affordable and do not deter anybody from the East African States' from seeking justice from the Court and at the same time be proportionate for purposes of remunerating any advocate.

Downloaded from worldcourts.com. Use is subject to terms and conditions. See worldcourts.com/terms.htm

Against this background, Mr. Oluka found the figure of USD9,411, which is the sum total of all professional charges, disbursement and miscellaneous costs in items 2 to 61 of the Applicants Bill of Cost to be a very fair figure to the Applicants. It must be appreciate that Mr. Oluka was not ignorant of the fact that there were 22 Applicants, all of whom are party to Reference No.1 of 2007; he therefore, requested that the Applicant accept a figure of USD50,000 as reasonable instruction fee plus the miscellaneous cost of USD9,411 fee.

Mr. Komakech, Counsel for the Applicants accepted the proposal by Mr. Oluka for the award of USD59,411 as a fair amount in a spirit to resolve the matter amicably thus saving the Court's time. I also find USD59,411 a reasonable amount representing the cost reasonably incurred by the Applicant in prosecuting their case. Given that the above figure is ordinarily considered a source of income, VAT has to be leveled on it at a rate of 18 per cent. That said, 18 per cent of USD59,411 works out to be USD10,694. Therefore, in total this Bill is taxed at USD70,185 only. It is so taxed.

Dated at Arusha this day of 2008

DR. JOHN EUDES RUHANGISA TAXING OFFICER 8<sup>th</sup> May 2008