

**IN THE TAX APPEAL TRIBUNAL  
SOUTH EAST ZONE  
HOLDEN AT ENUGU**

25<sup>th</sup> October 2011

**APPEAL NO: TAT/SEZ/012/10**

**BETWEEN:**

**FEDERAL INLAND REVENUE SERVICE ..... APPELLANT**

**AND**

**HINTER LOGISTICS CONSORTIUM LTD ..... RESPONDENT**

**Chairman: Professor C.J. Amasike**

**Commissioners: Ignatius Chibututu [Esq]  
Professor Eddy Omolehinwa  
Dr. [Mrs.] Josephine A.A. Agbonika**

**Appearances:**

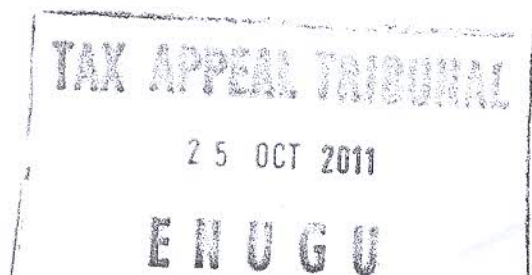
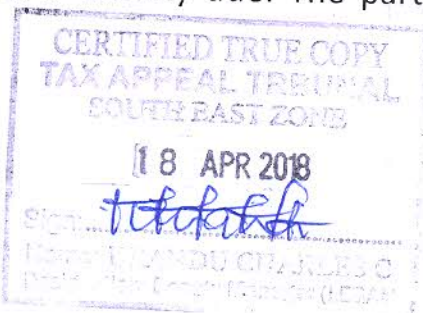
**Counsel for the Appellant: Eze Emmanuel**

**Counsel for the Respondent: Nnamdi Innocent Eze**

**JUDGMENT**

This action was commenced against the Respondent on the 13<sup>th</sup> day of February 2006 at the defunct VAT Appeal Tribunal, Enugu, wherein the Appellant, sought to collect the sum of Twenty-Two Million, Five Hundred and Sixty Two Thousand Seven Hundred and Seventy-Nine Naira, Eighty Two Kobo [N22, 562,779.82] as a Best of Judgment liability for VAT arising from penalty levied against the Respondent for its failure to file VAT returns in respect of its operations in Aba for the period of January 2003 to June 2004.

While the matter was pending before the defunct VAT Tribunal, the Respondent moved for an out of court settlement sequel to which an out of Tribunal meeting was held between the Respondent and the Appellant. In furtherance of the meeting parties thereafter agreed that the Respondent should pay the sum of Four Million, Nine Hundred and Forty One Thousand, Two Hundred and One Naira, Seventy Nine Kobo [N4, 941,201.79] as full and final VAT liability due. The parties agreed that the Respondent made a part





payment in the sum of Two Million Three Hundred and Fifty Thousand Naira Only [N2, 350,000.00] before the defunct VAT Tribunal on the 14<sup>th</sup> day of August 2006, leaving an outstanding balance of Two Million Five Hundred and Ninety One Naira Seventy Nine Kobo.

Pursuant to the establishment of the Tax Appeal Tribunal, which merged the Body of Appeal Commissioners and the VAT Tribunal, the matter was re-listed by the Appellant through a Notice of Appeal dated the 13<sup>th</sup> day of January, 2011 and filed at the Tax Appeal Tribunal, South East Zone on the 21<sup>st</sup> day of January, 2011.

The matter came before the Tax Appeal Tribunal for the first time on the 26<sup>th</sup> day of January, 2011. The Appellant was represented by Haruna Musa and Emmanuel Eze. There was no representation for the Respondent. The Counsel for the Appellant informed the Tribunal that the Respondent's business premises was locked up and overgrown with weeds and that there was no information about them. Pursuant to this development, an application for substituted service, by pasting at the last known address, was made by the Appellant which application was granted. The matter was thereafter adjourned to the 22<sup>nd</sup> day of February, 2011.

At the sitting of the 22<sup>nd</sup> day of February, 2011, the Appellant was represented by Haruna Musa and Emmanuel Eze. There was no representation for the Respondent. The Counsel for the Appellant informed the Tribunal that the Respondent had been served with the Hearing Notice. The Tribunal thereupon sought for confirmation from the TAT Secretariat and was informed that service had been effected and that the Respondent's Counsel [Chidozie Kingsley Ogunji] had applied and received the record of proceedings since 17<sup>th</sup> February, 2011. Upon the application of the Appellant, the matter was further adjourned to the 24<sup>th</sup> day of March, 2011 for hearing, without prejudice to out of Tribunal settlement.

On 24<sup>th</sup> March 2011, the Tribunal did not sit and the matter was adjourned to 3<sup>rd</sup> May 2011 for hearing, or report of settlement.

At the resumed sitting of 3<sup>rd</sup> May, 2011, the Appellant was represented by Haruna Musa and Emmanuel Eze. The Respondent was represented by Chidozie Kingsley Ogunji Esq. The Counsel for the Appellant informed the Tribunal that they had settled the matter out of the Tribunal and drawn up with The Terms of Settlement. The parties therefore urged the Tribunal to adopt the Terms of Settlement dated the 24<sup>th</sup> day of March, 2011 as the judgment of the Tribunal.





On critical review of the Terms of Settlement by the Tribunal it was found that the parties failed to give details on how the Terms of Settlement were reached. Following this, the Tribunal ordered that further and better particulars be attached to support the Terms of Settlement. Thereupon, the Appellant applied for an adjournment to enable parties furnish the Tribunal with further and better particulars on the Terms of Settlement. The matter was therefore adjourned to the 25<sup>th</sup> day of October, 2011.


At the sitting of 25<sup>th</sup> day of October, 2011, the parties filed a comprehensive and amended Terms of Settlement dated the 24<sup>th</sup> day of October 2011. The Tribunal having verified and being satisfied with the facts as contained in the Terms of Settlement adopted the Terms of Settlement as its judgment in the matter.

**ACCORDINGLY THE HONOURABLE TRIBUNAL DIRECTS AND ORDERS, AS ITS JUDGMENT, AS FOLLOWS:**

1. That the Respondent shall pay the Appellant the sum of Two Million Naira Only [N2, 000,000.00] as full and final settlement of the outstanding VAT liability in this matter.
2. That the respondent shall pay the said sum on or before the 16<sup>th</sup> day of November 2011.
3. That upon receipt of the said sum by the Appellant the Respondent shall be discharged of the entire tax liability and no further prosecution by the Appellant in respect of this matter.

Dated this 25<sup>th</sup> Day of Oct, 2011

Signed

  
Prof. C.J. Amasike

Chairman

Tax Appeal Tribunal, South East Zone

