



**IN THE CHIEF RESIDENT MAGISTRATE'S COURT SITTING AT BLANTYRE AS A SPECIAL  
ARBITRATOR UNDER THE TAXATION ACT  
ARBITRATION CASE NO 1499 OF 2015**

**IN THE MATTER OF SECTIONS 15B AND 98 OF THE TAXATION ACT  
(CAP 41:01 OF THE LAWS OF MALAWI)**

**AND**

**ALLIANCE ONE TOBACCO (MALAWI) LIMITED ..... APPELLANT**

**AND**

**COMMISSIONER GENERAL FOR MALAWI REVENUE AUTHORITY..... RESPONDENT**

CORAM: Ligowe : Special Arbitrator/ Chief Resident Magistrate  
Savjani OBE SC : Counsel for Appellant  
Chipeta : Counsel for Respondent  
Luciano : Court Clerk

**JUDGMENT**

1 Alliance One Tobacco Malawi Ltd (AOTM) disposed of its assets comprising four plots of land, a tobacco processing factory and other items of used machinery, equipment and personal property located in Kanengo, Lilongwe to AfricaLeaf (Malawi) Ltd for a consideration of US\$ 15 million. This transaction commenced with an Asset Transfer Agreement dated 17<sup>th</sup> April 2007 by which the parties desiring to transfer the assets to each other, agreed for the transaction to be closed on 31<sup>st</sup> March 2008. It was a specific provision in the agreement that the "Seller agrees to sell, transfer and assign to the Purchaser, and the Purchaser agrees to purchase, accept and assume from the Seller, all of Seller's right, title and interest in and to the Assets." It was also specifically agreed between the parties that the Seller would transfer the assets to the Purchaser at closing. This indicates to me that the Asset Transfer Agreement of 17<sup>th</sup> April 2007 was an agreement to sell. S. 3(4) of the Sale of Goods Act states that "where the transfer



