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LEGAL NEWS

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Court Renders a Landmark Decision on Reinstatement, Breach of Trust, and Minimum Compensation

On 2 April 2026, the Court of Appeal of Tanzania (Court) delivered its judgment in the case of Majaliwa Mussa Kagoma v. K. K. Security Co. Ltd, Civil Appeal No. 188 of 2022. In this case, the Court addresses issues pertaining to unfair termination; substantive and procedural fairness; employer's burden of proof; bias in disciplinary hearing; conditions for reinstatement; and compensation for unfair termination.

Background

The Appellant was employed by the Respondent as a security guard and later promoted to Crew Commander. His employment was terminated in 2018 due to alleged misconduct, including lateness, disrespect, and sleeping on duty. He challenged the termination before the Commission for Mediation and Arbitration (CMA), arguing that it was both substantively and procedurally unfair. The CMA ruled in favour of the Appellant, ordering reinstatement and compensation of 19 months' salary. The Respondent sought revision of the CMA's decision at the High Court. Having heard the revision application, the High Court upheld the CMA's finding on unfair termination, but overturned reinstatement due to broken trust in the employment relationship and maintained compensation in lieu of reinstatement. The Appellant then appealed to the Court.

Arguments Raised by Parties

On the one hand, the Appellant argued that reinstatement is the primary remedy for unfair termination and should have been granted automatically after the finding of unfairness. Further, he claimed entitlement to increased compensation and continued salary payments until reinstatement. On the other hand, the Respondent contended that reinstatement is discretionary, not automatic, and should not be granted where the employment relationship has irreparably broken down. The Respondent supported the High Court's decision to award compensation instead.

Decision of the Court

Having considered the parties' arguments, the Court finally held that reinstatement is not automatic and depends on the circumstances of each case, particularly the existence of trust between employer and employee. The Court agreed with the Respondent that the employment relationship had broken down, making reinstatement inappropriate. Further, the Court found that compensation of 19 months' salary exceeded what was appropriate under the law and revised it to 12 months' salary. As such, the appeal was dismissed, and each party was ordered to bear its own costs.

To read the Judgment [click here](#)

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ECRA Attorneys offers professional services in various areas of the law ranging from Taxation (both tax litigation and tax advisory); Corporate; Employment; Immigration; Intellectual property; Litigation, Arbitration and Regulatory; Engineering, Procurement and Construction (EPCs-related Services); Banking and Project Finance, Real Estate; Capital Market and Securities; Oil and Gas, Mining Law; Competition Law; Telecommunications and ICT Law; Payment Systems Law; Insurance Law and International Trade Law and Financing.

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