DOMESTIC TAX LAWS OF UGANDA 2025/2026

Edited by Deus Mugabe

H&G

ADVOCATES

est. 1903 as Hunter & Greig

120+ YEARS OF EMINENCE

Trusted by Generations

DOMESTIC TAX LAWS OF UGANDA 2025/2026

EDITED BY DEUS MUGABE

eBook, PDF

TABLE OF CONTENTS

ABOUT THE EDITOR vi

PREFACE TO LAST YEAR'S EDITION viii

THE VALUE ADDED TAX ACT 1

The Value Added Tax Regulations, Statutory Instrument 349—1 81

The Value Added Tax Regulations. 82

THE VALUE ADDED TAX (RATE OF TAX) ORDER, 2005. 92

The Value Added Tax (Rate of Tax) Order, 2005 92

The Value Added Tax (Rate of Tax) Order 2006 94

THE VALUE ADDED TAX (DEFERMENT OF TAX ON PLANT AND MACHINERY) REGULATIONS, 2013. 95

The Value Added Tax (Deferment of Tax on Plant and Machinery) Regulations, 2013. 96

The Value Added Tax (Tax Withholding) Regulations, 2018 99

The Value Added Tax (Designation of Tax Withholding Agents) Notice, 2018 .. 102

Practice Notes – 2007 102

Practice Notes - 2008 106

Practice Notes - 2008 107

Practice Notes -2010 109

PRACTICE NOTES: URA/ VAT/PN2/14 111

PRACTICE NOTES: URA/ VAT/PNI/17 112

THE INCOME TAX ACT 115

The Income Tax (Withholding Tax) Regulations. 304

The Income Tax (Distraint) Rules. 315

The Income Tax (Approved Industrial Buildings) Regulations, 2003 325

THE INCOME TAX (TAX INCENTIVES FOR EXPORTERS OF FINISHED CONSUMER AND CAPITAL GOODS) REGULATIONS, 2009 328

THE INCOME TAX (TRANSFER PRICING) REGULATIONS 2011 339

The Income Tax (Designation of Payers) Notice, 2018. 350
The Income Tax (Rental Rates) Regulations, 2020..... 353
Practice Notes - 2001 358
Practice Notes - 2002 361
Practice Notes - 2006 362
Practice Notes - 2007 366
Practice Notes - 2008 368
Practice Notes - 2008 371
Practice Notes - 2009 372
Practice Notes – 2009- No. URA/IT/PN 2/09 376
Practice Notes - 2012 378
THE EXCISE DUTY ACT..... 388
THE HIDES AND SKINS (EXPORT DUTY) ACT 428
THE STAMP DUTY ACT..... 432
THE STAMPS ACT- Statutory Instrument 342—1..... 496
THE STAMPS RULES. 496
The Stamps (Compounding of Duty) Rules. 505
THE LOTTERIES AND GAMING ACT 516
THE TAX PROCEDURES CODE ACT 536
The Tax Procedures Code (Commencement) Instrument, 2016..... 619
THE TAX PROCEDURES CODE (TAX STAMPS) REGULATIONS, 2018. 620
The Tax Procedures Code (Prescription of Goods for Affixation of Tax Stamps Instrument, 2021..... 632
THE TAX PROCEDURES CODE (E- INVOICING AND E- RECEIPTING) REGULATIONS, 2020 634
THE TAX PROCEDURES CODE (ALTERNATIVE DISPUTE RESOLUTION PROCEDURE) REGULATIONS, 2023..... 644
GENERAL NOTICE NO. 595 OF 2020..... 656

THE TAX APPEALS TRIBUNALS ACT 659

THE TAX APPEALS TRIBUNALS (PROCEDURE) RULES, 2012 681

THE CONVENTION ON MUTUAL ADMINISTRATIVE ASSISTANCE IN TAX MATTERS (IMPLEMENTATION) ACT 711

ABOUT THE EDITOR

Mr. Mugabe is an Associate Partner and head of the Tax & Revenue team at H&G Advocates. Mr. Mugabe specialises in tax practice. His areas of practice include; international taxation (US International Taxation, United Kingdom Taxation, European Union Corporate Taxation and International Taxation Law and Practice in general), transfer pricing, and all aspects of the Ugandan domestic tax system. He is an expert in areas of tax planning and tax litigation. He has participated in numerous cases at the Tax Appeals Tribunal and courts of law.

Mr. Mugabe has acted as a part-time lecturer at Makerere University School of Law where he teaches Revenue Law and Taxation.

He holds a Master of Laws (with Distinction) in tax law from Queen Mary University of London, United Kingdom; a Post Graduate Diploma in Taxation and Revenue Administration from the East African School of Taxation; a second-class upper (Honours) Bachelor of Laws Degree from Makerere University and a Post Graduate Diploma in Legal Practice from the Law Development Centre, Uganda.

He is currently pursuing a Ph.D in International Taxation and Transfer Pricing at Queen Mary University of London.

Mr. Mugabe is the sole author of a leading textbook on insolvency law in Uganda titled “Mugabe on Insolvency Law in Uganda”. He was the Editor in Chief of the 2024/2025 edition published jointly with the East African School of Taxation.

Disclaimer: This publication has been carefully compiled by H&G Advocates and the Editor, but no representation is made, or warranty given (either express or implied) as to the completeness or accuracy of the information it contains. The material contained in this publication is not intended to be advice on any particular matter. No reader should act on the basis of the contents of this publication without seeking appropriate advice. The editor expressly disclaims all and any liability to any person in respect of anything and of the consequences of anything done or omitted to be done by such person in reliance upon the contents of this publication.

PREFACE TO LAST YEAR'S EDITION

This publication aims at providing students of Uganda's taxation system and those who practice in that area with the most important basic texts. The 2024/2025 edition contains the Income Tax Act, Value Added Tax Act, Stamp Duty Act, Excise Duty Act, Lotteries and Gaming Act, Tax Appeals Tribunal Act, Tax Procedures Code Act, convention on Mutual Administrative Assistance in Tax Matters (Implementation) Act, and the Hides and Skins (Export Duty) Act. The publication also contains the statutory instruments made pursuant to the laws listed above and the Practice Notes issued by the Commissioner General of Uganda Revenue Authority.

The Uganda Law Reform Commission, pursuant to powers conferred on it under the Law Revision Act, released the Laws of Uganda, revised edition 2023 in mid-2024. The Laws of Uganda 2023 contain the laws of Uganda, including the tax laws reproduced herein, as at 31 December 2023.

The revised edition, 2023, was very important for tax practitioners. The laws have been amended so many times between 2000 and 2023 rendering it hard to keep track of both the numbering and content. The Uganda Law Reform Commission did a very good job that has resulted in cleaner tax laws.

Tax laws change rapidly. Indeed, a few months after the release of the 2023 edition of the Laws of Uganda, we now have huge changes in tax laws following the president's assent to tax amendment acts on 15 July 2024. The new amendments require that a tax student and practitioner read both the read volume and the amendments. To compendium is therefore intended and designed to simplify the work of those who use the tax laws regularly, by providing updated tax laws. The current edition is intended to provide users with the revised editions of tax laws as amended by the 2024 amendment acts.

This publication will be updated from time to time as circumstances may require. This publication is dedicated to all those who find taxation fascinating and sometimes complex!

July 2024

Deus Mugabe (Editor in Chief), Godfrey Akena and Andrew. Kyambadde

PREFACE TO THE 2025/2026 EDITION

This edition is an update of the last year's edition of the Domestic Tax Laws of Uganda 2024/2025. This edition contains the 2025 amendments to the Income Tax Act, Value Added Tax Act, Stamp Duty Act, Excise Duty Act, Tax Procedures Code Act, and the Hides and Skins (Export Duty) Act. We have also referenced recent tax cases decided in the last financial year in foot notes.

This year's edition will be released in both hard and soft copy. I wish to thank Anthony Ahimbisibwe, Newton Buteraba, and Simon Nyakoojo for their assistance.

JULY 2025

DEUS MUGABE

CHAPTER 344

THE VALUE ADDED TAX ACT

Arrangement of Sections

Section

PART I—PRELIMINARY

1. Interpretation
2. Interpretation of fair market value
3. Interpretation of associate

PART II—CHARGE OF TAX

4. Charge of tax
5. Person liable to pay tax

PART III—TAXABLE PERSONS

6. Taxable person
7. Persons required or permitted to register
8. Registration
9. Cancellation of registration

PART IV—SUPPLIES OF GOODS AND SERVICES

10. Supply of goods
11. Supply of services
12. Mixed supplies
13. Supply by agent
14. Time of supply
15. Place of supply of goods
16. Place of supply of services
17. Imports

PART V—TAXABLE SUPPLIES

18. Taxable supply
19. Exempt supply
20. Exempt import

PART VI—TAXABLE VALUE

21. Taxable value of taxable supply
22. Adjustments
23. Taxable value of import of goods

PART VII—CALCULATION OF TAX PAYABLE

24. Calculation of tax payable on taxable transaction
25. Calculation of tax payable by taxable person for tax period
26. Cash basis accounting
27. Consequences of change in accounting basis
28. Credit for input tax
29. Tax invoices
30. Credit and debit notes
31. Returns
32. Due date for payment of tax

Collection and recovery of tax

33. Duties of receivers

Refund of tax

34. Refund of overpaid tax
35. Refund of tax for bad debts
36. Interest on overpayments and late refunds
37. Refund of tax to diplomats and diplomatic and consular missions and international organisations
38. Refund of tax for use of electronic receipt or invoice

Penal tax

39. Penal tax
40. Interest on unpaid tax
41. Recovery of penal tax
42. Remission of tax

PART VIII—GENERAL

43. Application of Act to partnerships and unincorporated associations
44. Trustee
45. Currency conversion
46. Prices quoted to include tax
47. Schemes for obtaining undue tax benefits
48. Re-characterisation of arrangements under Islamic financial business
49. International agreements
50. Priority of Schedules
51. Regulations
52. Supremacy of Act
53. Power to amend Schedules

SCHEDULES

Schedule 1	Currency Point
Schedule 2	Public International Organisations
Schedule 3	Exempt Supplies
Schedule 4	Zero-rated Supplies
Schedule 5	Formulae, Tax Invoices, Credit Notes and Debit Notes
Schedule 6	Calculation of Interest Penalty

CHAPTER 344
THE VALUE ADDED TAX ACT

Commencement: **1 July, 1996**

An Act to provide for the imposition and collection of value added tax and for related matters.

PART I—PRELIMINARY

1. Interpretation

In this Act, unless the context otherwise requires—

“application to own use”, in relation to goods or services, means applying the goods or services to personal use, including personal use by a relative, or any other non-business use;

“citizen” means—

(a) a natural person who is a citizen of a Partner State of the East African Community;

(b) a company or a body of persons incorporated under the laws of a Partner State of the East African Community in which at least fifty-one percent of the shares are held by a person who is a citizen of a Partner State of the East African Community;

“Commissioner General” means the Commissioner General of the Uganda Revenue Authority;

“company” means a body corporate or unincorporate, whether created or recognised under a law in force in Uganda or elsewhere, but does not include a partnership or trust;

“consideration”, in relation to a supply of goods or services, means the total amount in money or kind paid or payable for the supply by any person, directly or indirectly, including any duties, levies, fees and

charges paid or payable on, or by reason of the supply other than tax, reduced by any discounts or rebates allowed and accounted for at the time of the supply;

“contractor” means a person supplying goods or services other than as an employee to the following—

(a) a licensee in respect of mining operations undertaken by the licensee; or

(b) a licensee in respect of petroleum operations undertaken by the licensee.

“currency point” has the value assigned to it in Schedule 1 to this Act;

“exempt import” has the meaning in section 20;

“exempt supply” means a supply of goods or services to which section 19 applies;

“finance lease”, in relation to goods, includes the lease of goods where—

(a) the lease term exceeds seventy-five percent of the expected life of the goods;

(b) the lessee has an option to purchase the goods for a fixed or determinable price at the expiration of the lease; or

(c) the estimated residual value of the goods to the lessor at the expiration of the lease term, including the period of any option to renew, is less than twenty percent of its fair market value at the commencement of the lease;

“goods” includes all kinds of movable and immovable property, but does not include money;

“hire purchase agreement” means an agreement that is a hire purchase agreement in terms of hire purchase law in Uganda;

“import” means to bring, or to cause to be brought, into Uganda from a foreign country or place;

“importer”, in relation to an import of goods, includes the person who owns the goods, or any other person for the time being possessed of or beneficially interested in the goods and, in relation to goods imported by means of a pipeline, includes the person who owns the pipeline;

“input tax” means the tax paid or payable in respect of a taxable supply to or an import of goods or services by a taxable person;

“Islamic financial business” means financial business which conforms to Shari’ah principles and includes—

(a) the business of receiving property into profit sharing investment accounts or of managing such accounts;

(b) any other business of a person which involves or is intended to involve the entry into one or more contracts under Shari’ah principles or otherwise carried out or purported to be carried out in accordance with Shari’ah principles including—

(i) equity or partnership financing;

(ii) lease-based financing;

(iii) sale-based financing;

(iv) currency exchange contracts; or

(v) fee-based activity;

(c) the purchase of bills of exchange, certificates of Islamic deposit or other negotiable instruments;

(d) the acceptance or guarantee of any liability, obligation or duty of any person; and

the business of providing finance by any means, including through the acquisition, disposal or leasing of assets or through the provision of services which have similar economic effect and are economically equivalent to any other financial business;

“licensee” means a person granted a mining right or a person with whom the Government has entered into a petroleum agreement;

“mining operations” includes every method or process by which any mineral is won from the soil or from any substance or constituent of the soil and includes mineral exploration and development operations undertaken pursuant to a mining lease or mineral agreement entered into under the Mining and Minerals Act;

“Minister” means the Minister responsible for finance;

“money” includes—

(a) coins or paper currency that the Bank of Uganda has issued as legal tender;

(b) coins or paper currency of a foreign country which is used or circulated as currency;

(c) a bill of exchange, promissory note, bank draft, postal order, or money order, other than a coin or paper currency that is a collector’s piece, investment article or an item of numismatic interest;

“output tax” means the tax chargeable under section 4 in respect of a taxable supply;

“person” includes an individual, a partnership, a company, a trust, the Government and any public or local authority;

“petroleum agreement” means an agreement entered into by the Government of Uganda with another person in accordance with the Petroleum (Exploration, Development and Production) Act, or the Petroleum (Refining, Conversion, Transmission and Midstream Storage)

Act;

“petroleum operation” means an authorised operation under a petroleum agreement for petroleum exploration, development, production, and export including, planning, installation, transportation of petroleum, storage or decommissioning, and for the construction of a pipeline or petroleum refinery;

“public international organisation” means an organisation listed in Schedule 2 to this Act;

“reduced consideration” has the meaning in section 18(8);

“relative”, in relation to an individual, includes an ancestor of the individual, a descendant of the individual’s grandparents or the spouse of the individual;

“services” means anything that is not goods or money;

“takaful” means insurance business conducted in accordance with Shari’ah principles;

“tax” means the value added tax chargeable under this Act;

“tax fraction” means the fraction calculated in accordance with the formula—

$$\frac{r}{r + 100}$$

in which formula “r” is the rate of tax applicable to the taxable supply;

“tax period” means a calendar month;

“taxable person” has the meaning in section 6;

“taxable supply” has the meaning in section 18;

“taxable transaction” means a taxable supply or an import of goods or services that is subject to tax under this Act;

“taxable value”, in relation to a taxable supply or an import of goods or

services, is determined under Part VI of this Act;

“trust” means any relationship where property is under the control or management of a trustee;

“trustee” includes—

(a) an executor, administrator, tutor or curator;

(b) a liquidator or judicial manager;

(c) a person having or taking on the administration or control of property subject to another person having a beneficial interest in the property;

(d) a person acting in a fiduciary capacity;

(e) a person having possession, control or management of the property of a person under a legal disability.

2. Interpretation of fair market value

(1) For the purposes of this Act, the fair market value of a taxable supply at any date is the consideration in money which a similar supply would generally fetch if supplied in similar circumstances at that date in Uganda, being a supply freely offered and made between persons who are not associates.

(2) Where the fair market value of a taxable supply cannot be determined under subsection (1), the fair market value of the supply shall be the amount that, in the opinion of the Commissioner General having regard to all the circumstances of the supply, is the fair market value of the supply.

(3) In this section, “similar supply”, in relation to a taxable supply, means a supply that is identical to, or closely or substantially resembles, the taxable supply, having regard to the characteristics, quality, quantity supplied, functional components, reputation of, and

materials comprising the goods and services which are the subject of the taxable supply.

3. Interpretation of associate

(1) For the purposes of this Act, “associate”, in relation to a person, means any other person who acts or is likely to act in accordance with the directions, requests, suggestions or wishes of the person whether or not they are communicated to that person.

(2) Without limiting the generality of subsection (1), the following are treated as an associate of a person—

(a) a relative;

(b) a partner, an associate of a partner under another application of this section or a partnership in which the person is a partner;

(c) the trustee of a trust under which the person, or an associate under another application of this section, benefits or is capable of benefiting;

(d) a company in which the person either alone or together with an associate or associates under another application of this section controls directly or indirectly fifty percent or more of the voting power in the company, or which is accustomed or may reasonably be expected to act in accordance with the directions or wishes of the person or an associate of the person;

(e) where e person is a partnership, a partner in the partnership, an associate of the partner under another application of this section or another partnership in which the person or an associate is a partner;

(f) where the person is the trustee of a trust, any other person or an associate of such other person under another application of this section who benefits or is capable of benefiting under the trust; or

(g) where the person is a company, a person who either alone or together with an associate or associates under another application of this section controls directly or indirectly fifty percent or more of the voting power of the company, or in accordance with whose directions or wishes the company is accustomed or may reasonably be expected to act.

PART II—CHARGE OF TAX

4. Charge of tax[1]

A tax, to be known as a value added tax, shall be charged in accordance with this Act on—

(a) every taxable supply made by a taxable person;[2]

(b) every import of goods other than an exempt import; and

(c) the supply of imported services other than an exempt service by any person.[3]

5. Person liable to pay tax[4]

(1) Except as otherwise provided in this Act, the tax payable—

(a) in the case of a taxable supply, is to be paid by the taxable person making the supply;

(ab) in the case of supply of goods through auction, is to be paid by

---

[1] See Sunday Plastics Uganda Limited v URA, TAT Application No. 249 of 2022. Decided 28 August 2024.
[2] See Premier Recruitment Limited v URA, TAT Application No. 73 of 2023. Decided on 28 March 2025.
[3] See Vivo Energy Uganda Limited v URA, TAT Application No. 268 of 2022. Decided on 21 February 2025.
[4] See Sunday Plastics Uganda Limited v URA, TAT Application No. 249 of 2022. Decided 28 August 2024; See Vivo Energy Uganda Limited v URA, TAT Application No. 268 of 2022. Decided on 21 February 2025.

the recipient of the proceeds of the auction.[5]

(b) in the case of an import of goods, is to be paid by the importer; and

(c) in the case of a supply of imported services, other than an exempt service, is to be paid by the person receiving the supply.

(2) The Minister shall, by notice in the *Gazette,* designate a person who shall withhold tax on payment of taxable supplies.

(3) A person designated under subsection (2), shall remit to the Uganda Revenue Authority, six percent of the taxable value referred to in sections 21 and 23 of this Act.

(4) Subsection (3) does not apply to a taxable person who the Commissioner General is satisfied has regularly complied with the obligations imposed on a taxable person under this Act.

(5) The six percent of the taxable value withheld by a person designated under subsection (2) shall be recognised as a payment in the subsequent value added tax return of the tax payer from whom the tax is withheld.

(6) A person designated under subsection (2) shall withhold tax where a person is registered or where a person who is not registered but who is required to be registered, makes a supply for an amount equivalent to one- quarter of the annual registration threshold under section 7(2).

[5] Inserted by the 2024 amendment Act.

PART III—TAXABLE PERSONS

6. Taxable person[6]

(1) A person registered under section 7 is a taxable person from the time the registration takes effect.

(2) A person who is not registered but who is required to be registered or to pay tax under this Act, is a taxable person from the beginning of the tax period immediately following the period in which the duty to apply for registration or to pay tax arose.

7. Persons required or permitted to register

(1) A person who is not already a registered person shall apply to be registered in accordance with section 8—

(a) within twenty days of the end of any period of three calendar months if during that period the person made taxable supplies, the value of which exclusive of any tax exceeded one-quarter of the annual registration threshold set out in subsection (2);

(b) at the beginning of any period of three calendar months where there are reasonable grounds to expect that the total value exclusive of any tax of taxable supplies to be made by the person during that period will exceed one-quarter of the annual registration threshold set out in subsection (2); or

(c) at the beginning of any tax period of more than three calendar months where there are reasonable grounds to expect that the total value exclusive of any tax of taxable supplies to be made by the person will exceed the annual threshold set out in subsection (2).

---

[6] Premier Recruitment Limited v URA, TAT Application No. 73 of 2023. Decided on 28 March 2025.

(2) The annual registration threshold is one hundred fifty million shillings.

(3) In determining whether the registration threshold is exceeded for the period specified in subsection (1), it is to be assumed that the person is a taxable person during that period.

(4) A person supplying goods or services for consideration as part of his or her business activities, but who is not required by subsection (1) or (5) to apply for registration, may apply to the Commissioner General to be registered in accordance with section 8.

(5) Notwithstanding subsection (4), the following persons may apply to the Commissioner General to be registered in accordance with section 8—

(a) a licensee undertaking mining or petroleum operations;

(b) a person undertaking the construction of a petroleum refinery or petroleum pipeline;

(c) a person engaged in commercial farming; and

(d) a person undertaking midstream operations as defined by the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act.

(6) Notwithstanding subsection (1), a person being a national, regional, local or public authority or body which carries on business activities shall apply for registration at the date of commencement of those activities.

(7) The registration under subsection (1)(c) shall be valid only for the purposes of accessing terms and conditions of payment of tax on plant and machinery as provided in section 32(7).

8. Registration

(1) An application for registration under section 7 shall be in the form prescribed by the Commissioner General, and the applicant shall provide the Commissioner General with such information as the Commissioner General may require.

(2) The Commissioner General shall register a person who applies for registration under section 7 and issue to that person a certificate of registration including the value added tax registration number unless the Commissioner General is satisfied that that person is not eligible for registration under this Act or, in the case of an application under section 7(4)—

(a) the person has no fixed place of abode or business; or

(b) the Commissioner General has reasonable grounds to believe that that person—

(i) will not keep proper accounting records relating to any business activity carried on by that person;

(ii) will not submit regular and reliable tax returns as required by section 31; or

(iii) is not a fit and proper person to be registered.

(3) Registration under this section takes effect—

(a) in the case of an application under section 7(1), (5) or (6), from the beginning of the tax period immediately following the period in which the duty to apply for registration arose; or

(b) in the case of an application under section 7(4), from the beginning of the tax period immediately following the period in which the person applied for registration.

(4) A certificate of registration shall state the name and other relevant

details of the taxable person, the date on which the registration takes effect, and the taxpayer identification number.

(5) The Commissioner General shall establish and maintain a register containing the relevant details of all taxable persons.

(6) The Commissioner General may register a person if there are reasonable grounds for believing that the person is required to apply for registration under section 7 but has failed to do so, and that registration shall take effect from the date specified in the certificate of registration.[7]

(7) The Commissioner General shall serve a notice, in writing, on a person of the decision to refuse to register the person under subsection (2) within one month of receiving the application.

(8) The Commissioner General shall serve a notice in writing on a person of a decision to register the person under subsection (6) within one month of making the decision.

(9) A person dissatisfied with a decision made under subsection (8) may only challenge the decision under the Tax Procedures Code Act on the basis that the decision is an assessment.

(10) A taxable person shall notify the Commissioner General in writing of any change—

(a) in the name or address of that person;

(b) in circumstances where the person no longer satisfies the grounds for registration; or

(c) of a material nature in business activities or in the nature of taxable supplies being made,

[7] Nguvu Dairy v URA, TAT Application No. 259 of 2022. Decided 15 May 2025.

and the notification shall be made within fourteen days after the change has occurred.

9. Cancellation of registration

(1) A taxable person shall apply in writing for the cancellation of the registration if that person has ceased to make supplies of goods or services for consideration as part of the business activities of the person.

(2) Subject to subsection (3), a taxable person may apply, in writing, to have his or her registration cancelled if, with respect to the most recent period of three calendar months, the value of his or her taxable supplies exclusive of tax does not exceed one-quarter of the annual registration threshold specified under section 7(2) and if the value of his or her taxable supplies exclusive of tax for the previous twelve calendar months does not exceed seventy-five percent of the annual registration threshold.

(3) In the case of a taxable person who applied for registration under section 7(4), an application under subsection (2) may only be made after the expiration of two years from the date of registration.

(4) The Commissioner General may cancel the registration of—

(a) a person who has applied for cancellation under subsection (1) or (2); or

(b) a person who has not applied for cancellation of registration but in respect of whom the Commissioner General is satisfied that he or she is neither required nor entitled under section 7 to apply for registration.

(5) The Commissioner General may cancel the registration of a person who is not required to apply for registration under section 7 where the person—

(a) has no fixed place of abode or business;

(b) has not kept proper accounting records relating to any business activity carried on by the person;

(c) has not submitted regular and reliable tax returns as is required by section 31; or

(d) is not, in the opinion of the Commissioner General, a fit and proper person to be registered.

(6) The Commissioner General shall serve a notice in writing on a taxable person of a decision to cancel or refuse to cancel the registration under this section within fourteen days of making the decision.

(7) The cancellation of registration shall take effect from the end of the tax period in which the registration is cancelled.

(8) Where the registration of a person is cancelled, the Commissioner General shall remove the name of that person and the details described in section 8 from the register.

(9) A taxable person whose registration has been cancelled under this section shall be regarded as having made a taxable supply of all goods on hand, including capital goods and shall be liable for output tax, at the time the registration is cancelled, on all goods in respect of which he or she received input tax credit, the output tax payable being based on the fair market value of the goods at the time the registration of the person was cancelled.

(10) The obligations and liabilities of a person under this Act, including the lodging of returns required under section 31, in respect of anything done or omitted to be done by that person while a taxable person shall not be affected by the cancellation of registration of the person.

PART IV—SUPPLIES OF GOODS AND SERVICES

10. Supply of goods

(1) Except as otherwise provided under this Act, a supply of goods means any arrangement under which the owner of the goods parts or will part with possession of the goods, including a lease or an agreement of sale or purchase.

(2) The application of goods to own use is a supply of the goods.

(3) The supply of goods through auction by an auctioneer in the course of auctioning goods is treated as a supply of goods by the recipient of the proceeds of the auction.[8]

(4) For avoidance of doubt, the treatment of the supply of goods by the auctioneer under subsection (3) is separate from the treatment of the supply of the auction services by the auctioneer.

11. Supply of services[9]

(1) Except as otherwise provided under this Act, a supply of services means any supply which is not a supply of goods or money, including—

(a) the performance of services for another person;

(b) the making available of any facility or advantage;

---

[8] Amended by the 2024 VAT Amendment Act. Please note that section 3 of the VAT Amendment Act intended to amend subsection 4 of section 10. After the 2023 Laws of Uganda revision, subsection 4 in the old law was renumbered subsection 3 after removing the repealed subsection 2 in the old law. That is why even though the subsection mentioned in the amendment is subsection 4, the amendment has been placed under subsection 3 in the Laws of Uganda, 2023.

[9] Allied Beverages Limited v URA, TAT Application No. 11 of 2023. Decided on 30 May 2025.

(c) the toleration of any situation or the refraining from the doing of any activity; or

(d) the provision of thermal and electrical energy, heating, gas, refrigeration, air conditioning and water.

(2) A supply of services made by an employee to an employer by reason of employment is not a supply made by the employee.

12. Mixed supplies

(1) A supply of services incidental to the supply of goods is part of the supply of goods.

(2) A supply of goods incidental to the supply of services is part of the supply of services.

(3) A supply of services incidental to the import of goods is part of the import of goods.[10]

(4) Regulations made under section 51 may provide that a supply is a supply of goods or services.

13. Supply by agent

(1) A supply of goods or services made by a person as agent for another person being the principal is a supply by the principal.

(2) Subsection (1) does not apply to an agent's supply of services as agent to the principal.

14. Time of supply

(1) Except as otherwise provided under this Act, a supply of goods or

[10] See CFAO Motors Uganda Limited v URA, TAT Application No. 93 of 2022. Decided on 31 January 2025.

services occurs—[11]

(a) where the goods are applied to own use, on the date on which the goods or services are first applied to own use;

(b) where the goods or services are supplied by way of gift, on the date on which ownership in the goods passes or the performance of the services is completed; or

(c) in any other case, on the earliest of the date on which—

(i) the goods are delivered or made available or the performance of the service is completed;

(ii) payment for the goods or services is made; or

(iii) a tax invoice is issued.

(2) Where—

(a) goods are supplied under a rental agreement;

(b) goods or services are supplied under an agreement or law which provides for periodic payments; or

(c) goods are supplied to a person offering Islamic financial business for purposes of sale-based financing,

the goods or services are treated as successively supplied for successive parts of the period of the agreement or as determined by the law, and each successive supply occurs on the earlier of the date on which payment is due or received.

(3) For the purposes of this section, where two or more payments are made or are to be made for a supply of goods or services, other than a supply to which subsection (2) applies, each payment shall be

[11] Sunday Plastics Uganda Limited v URA, TAT Application No. 249 of 2022. Decided 28 August 2024.

regarded as made for a separate supply to the extent of the amount of the payment on the earlier of the date the payment is due or received.

(4) A person making a supply to which subsection (1)(a) or (b) applies shall keep a record of the date on which the supply occurred as determined under this section.

(5) In this section, "rental agreement" means any agreement for the letting of goods, including a hire-purchase agreement or finance lease or lease-based financing.

15. Place of supply of goods

A supply of goods shall take place in Uganda if the goods are delivered or made available in Uganda by the supplier or if the delivery or making available involves transportation and the goods are in Uganda when the transportation commences.

16. Place of supply of services[12]

(1) A supply of services shall take place in Uganda if the business of the supplier from which the services are supplied is in Uganda.[13]

(2) Notwithstanding subsection (1), a supply of services by a person who carries on business outside Uganda and who does not have a place of business in Uganda shall take place in Uganda, if the recipient of the supply is not a taxable person or where the person who makes a supply with a total annual value in excess of the amount specified in section 7(2) or where it is a Government entity that is not registered under section 7(6) of this Act, and—

---

[12] Allied Beverages Limited v URA, TAT Application No. 11 of 2023. Decided on 30 May 2025.

[13] See Tanalec Uganda Limited v URA, TAT Application No. 182 of 2023. Decided on 23 August 2024; Premier Recruitment Limited v URA, TAT Application No. 73 of 2023. Decided on 28 March 2025.

(a) the services are physically performed in Uganda by a person who is in Uganda at the time of the supply;

(b) the services are in connection with immovable property in Uganda;

(c) the services are radio or television broadcasting services received at an address in Uganda;

(d) the services are electronic services delivered to a person in Uganda at the time of the supply;

(e) the supply is a transfer, assignment or grant of a right to use a copyright, patent, trademark or similar right in Uganda; or

(f) the services are the supply of telecommunications services initiated by a person in Uganda, other than a supply initiated by—

(i) a supplier of telecommunications services; or

(ii) a person who is roaming while temporarily in Uganda.

(3) For the purposes of subsection (2)(f), the person who initiates a supply of telecommunications services shall be the person who first does any of the following—

(a) the person who—

(i) controls the commencement of the supply;

(ii) pays for the services;

(iii) contracts for the supply; or

(b) the person to whom the invoice for the supply is sent.

(4) Where the supplier of a telecommunications service cannot identify any of the persons referred to in subsection (3) because it is

impractical to determine the physical location of a person due to the type of service or to the class of customer to which the person belongs, the supplier shall, in respect of all supplies of telecommunications services made for that type of service or that class of customer, treat the supply as being made where the physical residence or business address for the person receiving invoices from the supplier is located.

(5) Electronic services shall be delivered to a person in Uganda at the time of supply as referred to in subsection (2)(d).

(6) In this section—

(a) "electronic services" means services supplied through an online or digital network by a supplier from a place of business outside Uganda to a recipient in Uganda including—

(i) websites, web-hosting or remote maintenance of programs and equipment;

(ii) software and the updating of software;

(iii) images, text and information;

(iv) access to databases;

(v) music, films and games; including games of chance;

(vi) political, cultural, artistic, sporting, scientific and other broadcasts and events; including television;

(vii) advertising platforms;

(viii) streaming platforms and subscription based services;

(ix) cab-hailing services;

(x) cloud storage; and

(xi) data ware housing.

(b) "telecommunications services" means the transmission, emission, or reception of signals, writing, images, sounds, or information of any kind by wire, radio, optical, or other electromagnetic systems and includes—

(i) the related transfer or assignment of the right to use capacity for such transmission, emission, or reception; and

(ii) the provision of access to global or local information networks,

but does not include the supply of the underlying writing, images, sounds, or information.

17. Imports

An import of goods takes place—

(a) where customs duty is payable, on the date on which the duty is payable; or

(b) in any other case, on the date the goods are brought into Uganda.

PART V—TAXABLE SUPPLIES

18. Taxable supply[14]

(1) A taxable supply is a supply of goods or services, other than an exempt supply, made in Uganda by a taxable person for

[14] See Sunday Plastics Uganda Limited v URA, TAT Application No. 249 of 2022. Decided 28 August 2024.

consideration as part of his or her business activities.[15]

(2) A supply is made as part of a person's business activities if the supply is made by the person as part of, or incidental to, any independent economic activity the person conducts, whatever the purposes or results of that activity.

(3) The business activities of an individual do not include activities carried on by him or her only as part of his or her hobby or leisure activities.

(4) A supply is made for consideration if the supplier directly or indirectly receives payment for the supply, whether from the person supplied or any other person, including any payment wholly or partly in money or kind.

(5) The application to own use by a taxable person of goods and services supplied to a person for the purposes of the person's business activities shall be regarded as a supply of those goods and services for consideration as part of the person's business activities.

(6) For the purposes of subsection (5), a supply of business goods and services for no consideration is an application to own use.

(7) Where goods and services have been supplied to a taxable person for the purposes of the person's business activities, the supply of those goods and services for reduced consideration shall be regarded as a supply for consideration unless the goods and services are supplied or used only as trade samples.

(8) A supply is made for reduced consideration if the supply is made between associates for no consideration or between associates for a consideration that is less than the fair market value of the supply.

---

[15] See Premier Recruitment Limited v URA, TAT Application No. 73 of 2023. Decided on 28 March 2025.

(9) Notwithstanding subsection (1), a supply of services by a foreign person for consideration as part of the person's business activities is treated as a taxable supply if the services are considered as taking place in Uganda under section 16.

(10) Subject to section 19 and Schedule 3 to this Act, the sale or disposal of a business asset by a taxable person is a taxable supply.

10) The supply of goods or services by an employer who is a taxable person, to an employee for no consideration, shall be regarded as the supply of goods or services for consideration as part of the employer's business activities.[16]

19. Exempt supply

(1) A supply of goods or services is an exempt supply if it is specified in Schedule 3 to this Act.[17]

(2) Where a supply is an exempt supply under paragraph 1 (k) of Schedule 3 to this Act, both the transferor and transferee shall, within twenty- one days of the transfer, notify the Commissioner General in writing of the details of the transfer.

20. Exempt import

(1) An import of goods is an exempt import if the goods—

---

[16] Inserted by the 2024 VAT Amendment Act, section 4. The numbering repetition is not a mistake. Section 4 of the VAT Amendment Act 2024 provides that "section 18 of the principal Act is amended by inserting immediately after subsection (9), the following-…" Subsection 9 in the old law, referred to by the VAT Amendment Act 2024, became subsection 10 after the revision of 2023. That explains why we have maintained both subsections pending a legislative correction.

[17] See Nguvu Dairy v URA, TAT Application No. 259 of 2022. Decided 15 May 2025; East African Marine Transport Company Limited v URA, TAT Application No. 16 of 2024. Decided on 30 April 2025.

(a) are exempt from customs duty under the Fifth Schedule of the East African Community Customs Management Act, except compact fluorescent bulbs with a power connecting cap at the end and lamps and bulbs made from Light Emitting Diodes (LED) technology for domestic and industrial use; or

(b) would be exempt had they been supplied in Uganda.

(2) Import of a service is an exempt import if the service would be exempt had it been supplied in Uganda.

PART VI—TAXABLE VALUE

21. Taxable value of taxable supply

(1) Except as otherwise provided under this Act, the taxable value of a taxable supply is the total consideration paid in money or in kind by all persons for that supply.[18]

(2) The taxable value of—

(a) a taxable supply of goods by way of an application to own use;

(b) a taxable supply for reduced consideration; or

(c) a taxable supply described in section 9(9),

is the fair market value of the goods and services at the time the supply is made.

(3) Where a taxable supply is made without a separate amount of the consideration being identified as a payment of tax, the taxable value of that supply is the total amount of the consideration paid excluding

[18] See Vivo Energy Uganda Limited v URA, TAT Application No. 268 of 2022. Decided on 21 February 2025.

tax.

(4) The taxable value of a taxable supply of goods under a rental agreement, as defined in section 14(2)(a), is the amount of the rental payments due or received.

(5) The taxable value of a taxable supply of goods or services where the Government has provided a subsidy is the consideration paid in money or in kind by all persons for that supply less the subsidy.

22. Adjustments

(1) This section applies where, in relation to a taxable supply by a taxable person—

(a) the supply is cancelled;

(b) the nature of the supply has been fundamentally varied or altered;

(c) the previously agreed consideration for the supply has been altered by agreement with the recipient of the supply, whether due to an offer of a discount or for any other reason; or

(d) the goods or services or part of the goods or services have been returned to the supplier,

and the taxable person making the supply has—

(e) provided a tax invoice in relation to the supply and the amount shown in the invoice as the tax charged on the supply is incorrect as a result of the occurrence of any one or more of the above mentioned events; or

(f) filed a return for the tax period in which the supply occurred and has accounted for an incorrect amount of output tax on that supply as a result of the occurrence of any one or more of the above mentioned events.

(2) Where subsection (1) applies, the taxable person making the supply shall make an adjustment as specified in subsection (3) or (4).

(3) Where the output tax properly chargeable in respect of the supply exceeds the output tax actually accounted for by the taxable person making the supply, the amount of the excess shall be regarded as tax charged by the person in relation to a taxable supply made in the tax period in which the event referred to in subsection (1) occurred.

(4) Subject to subsection (6), where the output tax actually accounted for exceeds the output tax properly chargeable in relation to that supply, the taxable person making the supply shall be allowed a credit for the amount of the excess in the tax period in which the event referred to in subsection (1) occurred.

(5) The credit allowed under subsection (4) shall, for the purposes of this Act, be treated as a reduction of output tax.

(6) No credit is allowed under subsection (4) where the supply has been made to a person who is not a taxable person, unless the amount of the excess tax has been repaid by the taxable person to the recipient, whether in cash or as a credit against any amount owing to the taxable person by the recipient.

23. Taxable value of import of goods

The taxable value of an import of goods is the sum of—

(a) the value of the goods ascertained for the purposes of customs duty under the laws relating to customs;

(b) the amount of customs duty, excise tax and any other fiscal charge other than tax payable on those goods; and

(c) the value of any services to which section 12(3) applies which is not otherwise included in the customs value under paragraph

(a).

PART VII—CALCULATION OF TAX PAYABLE

24. Calculation of tax payable on taxable transaction

(1) Subject to subsection (2), the tax payable on a taxable transaction is calculated by applying the rate of tax to the taxable value of the transaction.

(2) Where the taxable value is determined under section 21(2) or (3), the tax payable is calculated by the formula specified in paragraph 1(a) of Schedule 5 to this Act.

(3) Subject to subsection (4), the rate of tax shall be as specified in section 51(2).

(4) The rate of tax imposed on taxable supplies specified in Schedule 4 to this Act is zero.[19]

(5) The tax payable on a taxable supply made by a contractor to a licensee to undertake mining or petroleum operations is deemed to have been paid by the licensee to the contractor provided the supply is for use by the licensee solely and exclusively for mining or petroleum operations.

(6) For the purposes of this section, the tax payable on a taxable supply made by a supplier to a contractor executing an aid-funded project is deemed to have been paid by the contractor provided the supply is for use by the contractor solely and exclusively for the aid-funded project.

(7) For purposes of this section, the tax payable on a taxable supply

---

[19] See Tanalec Uganda Limited v URA, TAT Application No. 182 of 2023. Decided on 23 August 2024; Allied Beverages Limited v URA, TAT Application No. 11 of 2023. Decided on 30 May 2025.

made to a Ministry, department or agency of Government by a contractor executing an aid-funded project is deemed to have been paid by that Ministry, department or agency if the supply is for use solely and exclusively for the aid-funded project.

(8) Under subsection (7), "aid-funded project" means a project financed by a foreign Government or a development agency through a loan, grant or donation.

(9) The tax payable on the following taxable supplies shall not be deemed to have been paid under subsections (5) and (6)—

(a) a passenger automobile, and the repair and maintenance of that automobile; or

(b) entertainment.

(10) In this section—

"passenger automobile" means a motor vehicle designed solely for the transport of persons with a seating capacity of not more than eight persons;

"entertainment" means the provision of food, beverages, tobacco, accommodation, amusement, recreation, or hospitality of any kind.

25. Calculation of tax payable by taxable person for tax period

(1) Subject to section 26, the tax payable by a taxable person for a tax period is calculated according to the formula specified in paragraph 1(b) of Schedule 5 to this Act.

(2) For a contractor, component X of the formula in paragraph 1(b) of Schedule 5 to this Act, for a tax period does not include the amount of tax that the licensee is deemed to have paid to the contractor under section 24(5) for the period.

(3) For a supplier, component X of the formula in paragraph (1)(b) of Schedule 5 to this Act, for a tax period does not include the amount of tax that the contractor is deemed to have paid to the supplier under section 24(6) for the period.

(4) For a licensee, component Y of the formula in paragraph 1(b) of Schedule 5 to this Act for a tax period does not include the amount of tax that the licensee is deemed to have paid to the contractor under section 24(5) for the period.

(5) For a contractor of a Ministry, department or agency of Government, component X of the formula in paragraph (l)(b) of Schedule 5 to this Act, for a tax period does not include the amount of tax that the Ministry, department or agency of Government is deemed to have paid to the contractor under section 24(7) for the period.

26. Cash basis accounting

(1) This section applies to—

(a) a taxable person, the annual value of whose taxable supplies does not exceed five hundred million shillings; or

(b) a supplier who supplies goods or services to the Government.

(2) A taxable person to whom this section applies may elect to account for tax purposes on a cash basis.

(3) An election under subsection (2) shall be made in writing to the Commissioner General by the due date for the first return in which the taxable person seeks to use the method of accounting specified in subsection (2).

(4) Where a taxable person makes an election under subsection (2), that person must account for both the output tax payable and the input tax credited on a cash basis.

(5) A taxable person who has made an election under subsection (2)

shall determine the tax payable for a tax period according to the formula specified in paragraph 1 (c) of Schedule 5 to this Act.

(6) An election made under subsection (2) remains in force until—

(a) withdrawn by the taxable person by notice in writing to the Commissioner General; or

(b) the Commissioner General, by notice in writing to the taxable person, requires the person to determine the tax payable for a tax period in accordance with section 25.

(7) A taxable person who has made an election under subsection (2) may not withdraw the election within two years after making the election unless the person is no longer a person to whom this section applies.

27. Consequences of change in accounting basis

(1) Every taxable person whose accounting basis is changed is liable for tax, if any, as determined under this section in the tax period in which the change occurred.

(2) Where a taxable person changes from the method of accounting provided under section 25 (referred to as the “invoice basis”) to the method of accounting provided under section 26 (referred to as the “cash basis”), the tax payable under subsection (1) is determined in accordance with the formula specified in paragraph 1 (d) of Schedule 5 to this Act.

(3) Where a taxable person changes from a cash basis to an invoice basis of accounting, the tax payable under subsection (1) is determined in accordance with the formula specified in paragraph 1(e) of Schedule 5 to this Act.

(4) If the amount determined in accordance with subsection (2) or (3) is negative, it shall be refunded to the taxable person in accordance

with section 34(1).

28. Credit for input tax[20]

(1) Where section 25 applies for the purposes of calculating the tax payable by the taxable person for the taxable period, a credit is allowed to the taxable person for the tax payable in respect of—

(a) all taxable supplies made to that person during the tax period;

(b) all imports of goods made by that person or imports of services made by the contractor or licensee or a person providing business processes outsourcing services during the tax period;

(c) a taxable supply to the person offering Islamic financial business for purposes of sale-based financing to the taxable person; or

(d) import of goods by the person offering Islamic financial business for purposes of a sale-based financing to the taxable person,

if the supply or import is for use in the business of the taxable person.

(2) Where section 26 applies for the purposes of calculating the tax payable by a taxable person for a tax period, a credit is allowed to the taxable person for any tax paid in respect of taxable supplies to, or imports by, the taxable person where the supply or import is for use in the business of the taxable person.

(3) A credit is allowed to a taxable person on becoming registered for input tax paid or payable in respect of—

(a) all taxable supplies of goods, including capital assets, made to

---

[20] See Kisozi Complex (U) Limited v URA, TAT Application No. 08 of 2023. Delivered on 31 October 2024)

the person prior to the person becoming registered; or

(b) all imports of goods, including capital assets, made by the person prior to becoming registered,

where the supply or import was for use in the business of the taxable person, provided the goods are on hand at the date of registration and provided that the supply or import occurred not more than six months prior to the date of registration or in the case of manufacturers, not more than twelve months before the date of registration.

(4) An input tax credit—

(a) under subsection (1) arises on the date the goods or services are supplied to, or imported by, the taxable person;

(b) under subsection (2) arises on the date the tax is paid; or

(c) under subsection (3) arises on the date of registration.

(5) A taxable person who is allowed a tax credit on purchase of goods and services from a supplier who is designated to use the e-invoicing system, shall only claim a tax credit on expenses supported by e-invoices or e-receipts.[21]

(6) A taxable person under this section shall not qualify for input tax credit in respect of a taxable supply or import of—

(a) a passenger automobile, and the repair and maintenance of that automobile, including spare parts, unless the automobile is acquired by the taxable person exclusively for the purpose of making a taxable supply of that automobile m the ordinary course of a continuous and regular business of selling or dealing in or hiring of passenger automobiles;

---

[21] Tinasah Investments Limited v URA, TAT Application No. 170 of 2023. Decided on 17 January 2025.

(b) entertainment, unless the taxable person—

(i) is in the business of providing entertainment; or

(ii) supplies meals or refreshments to his or her employees in premises operated by him or her, or on his or her behalf, solely for the benefit of his or her employees; or

(c) telephone services, to the extent of ten percent of the input tax on those services;

(d) payment for entertainment made by a taxable person for membership of a person in a club, association or society of a sporting, social or recreational nature; or

(e) goods or services incurred by a taxable person provided for under section 16(2) of this Act.

(7) For the purposes of subsection (1), (2), or (3) “business use” or “use in the business” applies only to the related business, generating a taxable supply.

(8) Subject to subsection (9), where a taxable supply to, or an import of goods by, a taxable person is partly for a business use as set out in subsection (1), (2) or (3) and partly for another use, the amount of the input tax allowed as a credit is that part of the input tax that relates to the business use.

(9) Subject to subsections (10) and (11), the input tax that may be credited by a taxable person for a tax period is—

(a) where all of the supplies of the taxable person for that period are taxable supplies, the whole of the input tax specified in subsection (1) or (2); or

(b) where only part of the supplies of the taxable person for that period are taxable supplies, the amount calculated according to the formula specified in paragraph 1(f) of Schedule 5 to this

Act.

(10) Where the fraction B/C in paragraph 1(f) of Schedule 5 to this Act is less than 0.05, the taxable person may not credit any input tax for the period.

(11) Where the fraction B/C in paragraph 1(f) of Schedule 5 to this Act is more than 0.95, the taxable person may credit all input tax for the period.

(12) Notwithstanding subsection (9)(b), the Commissioner General may approve a proposal by a taxable person for the apportionment of input tax credit where the taxable person makes both taxable and exempt supplies.

(13) Subject to subsection (15), an input tax credit allowed under this section may not be claimed by the taxable person until the tax period in which the taxable person has—

(a) an original tax invoice for the taxable supply; or

(b) a bill of entry or other document prescribed under the East African Community Customs Management Act evidencing the amount of input tax.

(14) Where a taxable person does not have a tax invoice evidencing the input tax paid, the Commissioner General may allow an input tax credit in the tax period in which the credit arises where the Commissioner General is satisfied that—

(a) the taxable person took all reasonable steps to acquire a tax invoice;

(b) the failure to acquire a tax invoice was not the fault of the taxable person; and

(c) the amount of input tax claimed by the taxable person is

correct.

(15) Where a taxable person has made a calculation under subsection (9) for any tax period of a calendar year, the person shall, in the first tax period of the following year, make a calculation based on the annual value of taxable and exempt supplies.

(16) Where—

(a) the calendar year credit exceeds the return credit, the excess shall be claimed as a credit in the first tax period of the following calendar year; or

(b) the return credit exceeds the calendar year credit, the excess shall be regarded as tax charged by the taxable person in relation to a taxable supply made in the first tax period of the following calendar year.

(17) A taxable person under this section shall apply for input tax credit within six months from the date of the invoice.

(18) In this section—

"calendar year credit" means the total input tax payable, where section 25 applies, or paid, where section 26 applies, for the calendar year;

"entertainment" means the provision of food, beverages, tobacco, accommodation, amusement, recreation or hospitality of any kind;

"passenger automobile" means a road vehicle designed solely for the transport of sitting persons;

"return credit" means the total of the input tax claimed as a credit in each tax period of the calendar year; and

"telephone services" does not include telephone call services supplied to a hotel, lodge or similar establishment where output tax

has been accounted for by the establishment on the supply of that service to their customers.

29. Tax invoices

(1) A taxable person making a taxable supply to any person shall provide that other person, at the time of supply, with an original tax invoice for the supply.

(2) A taxable person making a taxable supply shall retain one copy of the tax invoice referred to in subsection (1).

(3) Where a supplied person loses the original tax invoice, the supplier may provide a duplicate copy clearly marked “COPY”.

(4) An original tax invoice shall not be provided in any circumstance other than that specified in subsection (1).

(5) A person—

(a) who has not received a tax invoice as required by subsection (1); or

(b) to whom section 28(3) applies,

may request a person, who has supplied goods or services to that person, to provide a tax invoice in respect of the supply.

(6) A request for a tax invoice under subsection (5) shall be made—

(a) in the case of a request under subsection (5)(a), within thirty days after the date of the supply; and

(b) in the case of a request under subsection (5)(b), within thirty days after the date of registration.

(7) A taxable person who receives a request under subsection (5) shall

comply with the request within fourteen days after receiving that request.

(8) A tax invoice is an invoice containing the particulars specified in paragraph 2 of Schedule 5 to this Act.

30. Credit and debit notes

(1) Where a tax invoice has been issued in the circumstances specified in section 22(1)(e) and the amount shown as tax charged in that tax invoice exceeds the tax properly chargeable in respect of the supply, the taxable person making the supply shall provide the recipient of the supply with a credit note containing the particulars specified in paragraph 3 of Schedule 5 to this Act.

(2) Where a tax invoice has been issued in the circumstances specified in section 22(1)(e) and the tax properly chargeable in respect of the supply exceeds the amount shown as tax charged in that tax invoice, the taxable person making the supply shall provide the recipient of the supply with a debit note containing the particulars specified in paragraph 4 of Schedule 5 to this Act.

31. Returns

(1) A taxable person shall lodge a tax return with the Commissioner General for each tax period within fifteen days after the end of the tax period.

(2) Notwithstanding subsection (1) a taxable person who supplies services in Uganda under section 16(2), shall lodge a tax return with the Commissioner General within fifteen days after the end of three consecutive calendar months.

(3) Notwithstanding subsection (1), a manager of takaful business shall furnish a tax return to the Commissioner General for each tax period, within fifteen days after the end of the tax period on behalf of the participants in each group in the takaful business.

(4) A tax return shall be in the form prescribed by the Commissioner General and shall state the amount of tax payable for the period, the amount of input tax credit refund claimed, and such other matters as may be prescribed by the Commissioner General.

(5) In addition to a return required under subsection (1), the Commissioner General may require any person, whether that person is a taxable person or not, to lodge with the Commissioner General, further or other returns in the prescribed form, on that person's own behalf or as agent or trustee of another person.

32. Due date for payment of tax

(1) The tax payable under this Act is due and payable—

(a) in the case of a taxable supply by a taxable person in respect of a tax period, on the date the return for the tax period must be lodged;

(b) in the case of an assessment issued under this Act, on the date specified in the notice of assessment; or

(c) in any other case, on the date the taxable transaction occurs, as determined under this Act.

(2) The tax payable by a taxable person under subsection (1) shall be determined in accordance with this Part.

(3) Upon a written application by a person liable for tax, the Commissioner General may, where good cause is shown, extend the time for payment of tax beyond the date on which it is due and payable, or make such other arrangements as appropriate to ensure the payment of the tax due.

(4) Where the Commissioner General has reasonable grounds to believe that a person may leave Uganda permanently without paying all tax due under this Act, the Commissioner General may

issue a certificate containing particulars of the tax to the Director of Immigration and the Commissioner General may request the Director of Immigration to prevent that person from leaving Uganda until that person makes—

(a) payment in full; or

(b) an arrangement satisfactory to the Commissioner General for the payment of the tax.

(5) A copy of a certificate issued under subsection (4) shall be served on the person named in the certificate if it is practicable in the circumstances to do so.

(6) The production of a certificate signed by the Commissioner General stating that the tax has been paid or secured shall be sufficient proof of payment of tax specified in the certificate referred to in subsection (4) and shall be authority for allowing that person to leave Uganda.

(7) Notwithstanding subsection (1), the Minister may, by regulations, prescribe the terms and conditions of payment of tax on plant and machinery.

Collection and recovery of tax

33. Duties of receivers

(1) A receiver shall, in writing, notify the Commissioner General within fourteen days after being appointed to the position of receiver or taking possession of an asset in Uganda, whichever first occurs.

(2) The Commissioner General may, in writing, notify a receiver of the amount which appears to the Commissioner General to be sufficient to provide for any tax which is or will become payable by the person whose assets are in the possession of the receiver.

(3) A receiver shall not part with any asset in Uganda which is held by

the receiver in his or her capacity as receiver without the prior written permission of the Commissioner General.

(4) A receiver—

(a) shall set aside, out of the proceeds of the sale of an asset, the amount notified by the Commissioner General under subsection (2), or such lesser amount as is subsequently agreed on by the Commissioner General;

(b) is liable to the extent of the amount set aside for the tax of the person who owned the asset; and

(c) may pay any debt that has priority over the tax referred to in this section notwithstanding any provision of this section.

(5) A receiver is personally liable to the extent of any amount required to be set aside under subsection (4) for the tax referred to in subsection (2) if, and to the extent that, the receiver fails to comply with the requirements of this section.

(6) In this section, “receiver” includes a person who, with respect to an asset in Uganda, is—

(a) a liquidator of a company;

(b) a receiver appointed out of court or by a court;

(c) a trustee for a bankrupt person;

(d) a mortgagee in possession;

(e) an executor of a deceased person; or

(f) any other person conducting the business of a person legally incapacitated.

Refund of tax

34. Refund of overpaid tax[22]

(1) If, for any tax period, a taxable person's input tax credit exceeds his or her liability for tax for that period, the Commissioner General shall refund him or her the excess within one month of the due date for the return for the tax period to which the excess relates, or within one month of the date when the return was made if the return was not made by the due date.

(2) Notwithstanding subsection (1), the Commissioner General—[23]

(a) shall, where the taxable person's input credit exceeds his or her liability for tax for that period by less than ten million shillings, except in the case of a licensee or person providing mainly zero rated supplies, offset that amount against the future liability of the taxable person; and

(b) may, with consent of the taxable person, where the taxable person's input credit exceeds his or her liability for tax for that period by ten million shillings or more, offset that amount against the future liability of the taxable person, or apply the excess in reduction of any other tax not in dispute due from the taxpayer.

(3) If, for any tax period, taxable supplies in stock or stock in transit are lost due to theft, fire, accident, or force majeure and input tax has been paid on those goods, the Commissioner General may grant a refund or allow credit for the input tax paid on those goods if there is evidence that the goods are destroyed or lost and cannot be

---

[22] Canaan Sites Limited v URA, TAT Application No. 228 of 2022. Decided 19 December 2024.

[23] Subsection 2 amended by the 2024 VAT Amendment Act, replacing five million with ten million. Please also note that section 34 was previously section 42 in the old edition referred to in the 2024 amendment.

recovered.

(4) A person may claim a refund of any output tax paid in excess of the amount of tax due under this Act for a tax period.

(5) A claim for a refund under subsection (4) shall be made in a return within three years after the end of the tax period in which tax was overpaid.

(6) Where a person has claimed a refund under subsection (4) and the Commissioner General is satisfied that the person has paid an amount of tax in excess of the amount of tax due, the Commissioner General shall refund immediately the excess to the taxable person.

(7) Where a person claiming a refund is required by the Commissioner General to provide accounts or records to substantiate the claim and fails to do so in a manner satisfactory to the Commissioner General within seven days of being requested, the time period specified in subsection (1) for making the refund shall not be binding on the Commissioner General.

(8) The Commissioner General shall serve on a person claiming a refund a notice in writing of a decision in respect of the claim.

(9) A person dissatisfied with a decision under subsection (8) may only challenge the decision under Part IV of the Tax Appeals Tribunal Act.

(10) No refund shall be made under subsection (6) in relation to a taxable supply that has been made to a person who is not a taxable person, unless the Commissioner General is satisfied that the amount of the excess tax has been repaid by the taxable person to the recipient, whether in cash or as a credit against an amount owing to the taxable person by the recipient.

35. Refund of tax for bad debts

(1) Where a taxable person has supplied goods or services for a consideration in money, and has—

(a) paid the full tax on the supply to the Commissioner General, but has not within two years after the supply received payment, in whole or in part from the person to whom the goods or services are supplied; and

(b) taken all reasonable steps to the satisfaction of the Commissioner General, to pursue payment and he or she reasonably believes that he or she will not be paid,

that person may seek a refund of that portion of the tax paid for which the person has not received payment.

(2) If a refund is taken under subsection (1) and the taxable person later receives payment in whole or in part, in respect of the debt, he or she shall remit to the Commissioner General, with his or her next tax return, a sum equal to the portion of the payment that represents the tax refunded.

(3) A registered supplier who fails to remit the tax in accordance with subsection (2) with the next return of the registered supplier commits an offence and is liable, on conviction, to a fine not exceeding twenty- five currency points, in addition to the payment of the full amount of the undeclared tax plus a penal tax on that outstanding tax calculated at the rate specified in Schedule 6 to this Act.

36. Interest on overpayments and late refunds

(1) Where the Commissioner General is required to refund an amount of tax to a person as a result of—

(a) a decision of the Tax Appeals Tribunal; or

(b) a decision of the High Court, the Court of Appeal or the Supreme Court,

he or she shall pay interest at a rate of two percent per month compounded on the tax to be refunded.

(2) Where the Commissioner General fails to make a refund required under section 34(1) within the time specified in that section, he or she shall pay interest at a rate of two percent per month compounded on the amount of refund for the period.

(3) Where the Commissioner General finds, after conducting an investigation of any amount shown as an excess in terms of section 34(1), that the excess amount of input tax credit is greater than the true amount due in excess of not less than fifty thousand shillings, no interest shall be payable under subsection (2) where there has been a delay in making the refund.

(4) Notwithstanding subsection (1), a taxpayer who causes delay in determining a correct refund payable to him or her, and leading to a belated refund process, is only entitled to interest with effect from sixty days from the date on which he or she filed his or her delayed return, lodged an application with the Tax Appeals Tribunal or the High Court, or submitted to the Commissioner General all necessary and satisfactory information required in relation to the refund in question, whichever is the later.

(5) Notwithstanding subsections (1), (2) and (4), the interest due and payable on over payments and late refunds shall not exceed the principal tax.

37. Refund of tax to diplomats and diplomatic and consular missions and international organisations

(1) The Minister may, with the concurrence of the Minister responsible for foreign affairs, authorise the granting of a refund in respect of tax paid or borne by—

(a) any person enjoying full or limited immunity, rights or privileges under any local or international laws applicable in Uganda or under recognised principles of international law; or

(b) any diplomatic or consular mission of a foreign country or any

public international organisation established in Uganda or listed in Schedule 2 to this Act relating to transactions concluded for its official purposes.

(2) The refund provided for in subsection (1)(a) shall not be available to any citizen or permanent resident of Uganda.

(3) Any claim for a refund of tax under this section shall be made in such form and at a time that the Commissioner General may prescribe and shall be accompanied by proof of payment of tax.

(4) The Minister may make regulations specifying conditions to be met or restrictions to apply for claiming or granting of tax refunds under this section.

38. Refund of tax for use of electronic receipt or invoice

A person other than a taxable person who purchases goods or services from a taxable person and is issued with an electronic receipt or invoice or several electronic receipts or invoices worth five million shillings within a period of thirty consecutive days, shall be entitled to a refund of five percent of the tax.

Penal tax

39. Penal tax

(1) A person who fails to apply for registration as is required by section 7(1) or (6) is liable to pay a penal tax equal to double the amount of tax payable during the period commencing on the last day of the application period in section 7(1) until either the person files an application for registration with the Commissioner General or the Commissioner General registers the person under section 8(6).

(2) A person who fails to lodge a return within the required time under this Act is liable to pay a penal tax amounting to whichever is the greater of the following—

(a) two hundred thousand shillings; or

(b) an interest charge for the period the return is outstanding calculated according to the formula specified in Schedule 6 to this Act.

(3) A person who fails to pay tax imposed under this Act on or before the due date is liable to pay a penal tax on the unpaid tax at a rate specified in Schedule 6 to this Act for the tax which is outstanding.

(4) If a person pays a penal tax under subsection (3) and the tax to which it relates is found not to have been due and payable by the person and is refunded, then the penal tax, or so much of the penal tax as relates to the amount of the refund, shall also be refunded to that person.

(5) A person who fails to maintain proper records in a tax period in accordance with the requirements of this Act is liable to pay a penal tax equal to double the amount of tax payable by the person for the tax period.

(6) Where a person—

(a) makes a statement or declaration to an official of the Uganda Revenue Authority that is false or misleading in a material particular; or

(b) omits from a statement made to an official of the Uganda Revenue Authority any matter or thing without which the statement is misleading in a material particular, and

(i) the tax properly payable by the person exceeds the tax that was assessed as payable based on the false or misleading information;

(ii) the amount of the refund claimed was false; or

(iii) the person submitted a return with an incorrect offset claim,

that person is liable to pay penal tax equal to double the amount of the excess tax, refund or claim.

(7) Section 67(2) applies in determining whether a person has made a statement to an official of the Uganda Revenue Authority.

40. Interest on unpaid tax

The interest due and payable on unpaid tax shall not exceed the aggregate of the principal on penal tax.[24]

41. Recovery of penal tax

(1) Where good cause is shown, in writing, by the person liable to pay a penal tax, the Commissioner General may remit in whole or part any penal tax payable other than the penal tax imposed or payable under section 39 for late payment.

(2) Subject to subsection (3), the imposition of a penal tax is in addition to any penalty imposed as a result of a conviction for an offence under Part XVI of the Tax Procedures Code Act.

(3) No penal tax is payable under section 39 where the person has been convicted of an offence under section 60,64 or 68 of the Tax Procedures Code Act in respect of the same act or omission.

(4) If a penal tax under section 39 has been paid and the Commissioner General institutes a prosecution proceeding under section 60, 64 or 68 of the Tax Procedures Code Act in respect of the same act or omission, the Commissioner General shall refund the amount of penal tax paid; and that penal tax is not payable unless the

[24] See URA v K Files Ltd HCCA No. 0028 of 2022. Decided 11 October 2024. Discussing section 40 formerly section 65A.

prosecution is withdrawn.

(5) Penal tax shall for all purposes of this Act be treated as a tax of the same nature as the output tax to which it relates and shall be payable in and for the same tax period as that output tax.

(6) Penal tax shall be assessed by the Commissioner General in the same manner as the output tax to which it relates and an assessment of penal tax shall be treated for all purposes as an assessment of tax under this Act.

42. Remission of tax

(1) Where the Commissioner General is of the opinion that the whole or any part of the tax due under this Act from a taxpayer cannot be effectively recovered by reason of—

(a) considerations of hardship; or

(b) impossibility, undue difficulty or the excessive cost of recovery,

the Commissioner General may refer the taxpayer's case to the Minister.

(2) Where a taxpayer's case has been referred to the Minister under subsection (1) and the Minister is satisfied that the tax due cannot be effectively recovered, the Minister may remit or write-off in whole or part, the tax due from the taxpayer.

PART VIII—GENERAL

43. Application of Act to partnerships and unincorporated associations

(1) This Act applies to a partnership as if the partnership were a person, but with the following changes—

(a) obligations that would be imposed on the partnership are imposed on each partner, but may be discharged by any of the partners;

(b) the partners are jointly and severally liable to pay any amount that would be payable by the partnership; and

(c) any offence under this Act that would otherwise be committed by the partnership is taken to have been committed by each of the partners.

(2) This Act applies to an unincorporated association as if it were a person, but the obligations that would be imposed on the association are imposed on each member of the committee of management of the association, but may be discharged by any of those members.

(3) In a prosecution of a person for an offence that the person is taken to have committed under subsection (1)(c), it is a defence if the person proves that he or she—

(a) did not aid, abet, counsel or procure the relevant act or omission; and

(b) was not in any way knowingly concerned in, or party to, the relevant act or omission.

44. Trustee

A person who is a trustee in more than one capacity is treated for the purposes of this Act as a separate person in relation to each of those capacities.

45. Currency conversion

(1) For the purposes of this Act, all amounts of money are to be expressed in Uganda shillings.

(2) Where an amount is expressed in a currency other than Uganda shillings, the amount shall be converted into Uganda shillings using the weighted selling rates of the previous month for the currency concerned.

(3) Notwithstanding subsection (1), a taxpayer under section 16(2) of this Act may file a return and may pay the tax in the return in United States dollars.

46. Prices quoted to include tax

Any price advertised or quoted for a taxable supply shall include tax, and the advertisement or quotation shall state that the price includes the tax.

47. Schemes for obtaining undue tax benefits

(1) Notwithstanding anything in this Act, if the Commissioner General is satisfied that a scheme has been entered into or carried out where—

(a) a person has obtained a tax benefit in connection with the scheme; and

(b) having regard to the substance of the scheme, it would be concluded that the person, or one of the persons, who entered into or carried out the scheme did so for the sole or dominant purpose of enabling the person to obtain the tax benefit,

the Commissioner General may determine the liability of the person who has obtained the tax benefit as if the scheme had not been entered into or carried out, or in a manner as in the circumstances the Commissioner General considers appropriate for the prevention or reduction of the tax benefit.

(2) In this section—

"scheme" includes any agreement, arrangement, promise or

undertaking whether express or implied and whether or not enforceable, or intended to be enforceable, by legal proceedings, and any plan, proposal, course of action or course of conduct;

"tax benefit" includes—

(a) a reduction in the liability of any person to pay tax;

(b) an increase in the entitlement of a person to a credit or refund; or

(c) any other avoidance or postponement of liability for the payment of tax.

48. Re-characterisation of arrangements under Islamic financial business

(1) For the purposes of determining liability to tax under this Act, the Commissioner General may re-characterise an arrangement under Islamic financial business not provided for under this Act to the equivalent arrangement under conventional financial services for purposes of reflecting the equivalent economic substance, other than the form.

(2) The Commissioner General shall comply with Shari 'ah principles in re-characterising an arrangement under Islamic financial business not provided for under this Act.

49. International agreements

(1) To the extent that the terms of a treaty or other international agreement to which Uganda is a party are inconsistent with the provisions of this Act, apart from section 47, the terms of the treaty or international agreement prevail over the provisions of this Act.

(2) In this section, "international agreement" means an agreement between Uganda and a foreign government or a public international

organisation.

(3) Where an international agreement entered into between the Government of Uganda and the government of a foreign country or an international organisation provides tax relief to the foreign government or international organisation, the provisions relating to tax reliefs and benefits shall take effect on ratification of the agreement by Cabinet and approval by Parliament.

50. Priority of Schedules

Where a supply of goods or services may be covered by both Schedules 3 and 4 to this Act, the supply shall be treated as being within Schedule 4 to this Act.

51. Regulations

(1) The Minister may make regulations for better carrying into effect the provisions and purposes of this Act.

(2) The Minister may, by statutory order, specify the rates of tax payable under this Act, and the order shall cease to have effect unless it is introduced in Parliament within three months from the date of its publication and Parliament approves a resolution confirming that order.

52. Supremacy of Act

Where there is any inconsistency between this Act and any other law prescribing a rate of tax, this Act shall prevail.

53. Power to amend Schedules

The Minister may, by statutory instrument, with the approval of Cabinet amend Schedules 1, 2, 3 and 4 to this Act.

———————

SCHEDULES

Schedule 1

Sections 1, 53

Currency Point

A currency point is equivalent to twenty thousand shillings.

Schedule 2

Sections 1, 37(1), 53

Public International Organisations

African Development Bank (ADB)
African Development Foundation (ADF)
African Export-Import Bank
African Reinsurance Corporation (Africa Re);[25]
African Trade Insurance Agency
African Union (AU)
Aga Khan Development Network, Uganda, and the following agencies—

(a) Aga Khan Foundation, Uganda
(b) Aga Khan Education Service, Uganda
(c) Aga Khan Health Service, Uganda
(d) Aga Khan Trust for Culture
(e) Aga Khan University, Uganda

Austrian Development Agency (ADA)
Belgian Technical Cooperation (BTC)
Common Market for Eastern and Southern Africa (COMESA)
Danish International Development Agency (DANIDA)

---

[25] Inserted by the 2024 amendment.

Desert Locust Control Organisation for Eastern Africa (DLCOEA)
Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)
East African Community, its Organs and Institutions
East African Development Bank (EADB)
Eastern and Southern Africa Management Institute (ESAMI)
European Union (EU)
Food and Agricultural Organisation (FAO)
Foreign, Commonwealth and Development Office (FCDO)
French Development Agency (Agence Francaise de Development) (AFD)
Global Fund to fight AIDS, Malaria and Tuberculosis
Icelandic International Development Agency (ICEADA)
IGAD Regional HIV and AIDS Partnership Programme (IRAPP)
Independent Regulatory Board of the East African Power Pool;[26]
International Atomic **Energy** Agency (IAEA)[27]
International Civil Aviation Organisation (ICAO)
International Committee of the Red Cross (ICRC)
International Criminal Court (ICC)
International Development Law Organisation (IDLO)
International Labour Organisation (ILO)
International Monetary Fund (IMF)
International Organisation for Migration (IOM)
International Telecommunications Union (ITU)
International Union for Conservation of Nature
Islamic Cooperation for the Development of the Private Sector;[28]
Islamic Development Bank
Japan International Cooperation Agency (JICA)
Korea International Cooperation Agency (KOICA)
Kreditanstalt fur Wiederaufbau (KFW)
Medical Research Council
Netherlands Development Organisation (SNV)
Nile Basin Initiative
Norwegian Agency for Development Cooperation (NORAD)

---

[26] Inserted by the 2024 amendment
[27] Revised by the 2025 amendment from “International Atomic Agency (IAA)
[28] Inserted by the 2024 amendment.

Swedish International Development Agency (SIDA)
Uganda Red Cross Society
Union of National Radio and Television Organisations of Africa (UNRTNA- PEC)
United Nations African Institute for the Prevention of Crime and the Treatment of Offenders (UNAFRI)
United Nations Children's Fund (UNICEF)
United Nations Development Programme (UNDP)
United Nations Fund for Population Activities (UNFPA)
United Nations High Commission for Refugees (UNHCR)
United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)
United Nations related Agencies and specialised Agencies.[29]
United States Agency for International Development (USAID)
Universal Postal Union (UPU)
World Bank
World Food Programme (WFP)
World Health Organisation (WHO)
World Meteorological Organisation (WMO)
ZEP-RE (PTA Reinsurance Company)

Schedule 3

Sections 18(10), 19, 50, 53

Exempt Supplies

1. The following supplies are specified as exempt supplies for the purposes of section 19—

   (a) the supply of livestock, unprocessed foodstuffs and unprocessed agricultural products except wheat grain;

---

[29] Inserted by the 2025 amendment.

(b) **Repealed**;[30]

(c) thesupply of financial services;

(d) thesupply of—

(i) health insurance services;

(ii) life insurance services;

(iii) micro insurance services;

(iv) re-insurance services;

(v) aircraft insurance services;

(e) the supply of unimproved land;

(f) a supply by way of sale, leasing or letting of immovable property, other than—

(i) a sale, lease or letting of commercial premises;

(ii) a sale, lease or letting for parking or storing cars or other vehicles;

(iii) a sale, lease or letting of hotel or holiday accommodation;

(iv) a sale, lease or letting for periods not exceeding three months; or

(v) a sale, lease or letting of service apartments;[31]

(g) the supply of education services;

(h) the supply of veterinary, medical, dental and nursing services;

---

[30] Repealed by the 2024 VAT Amendment Act.
[31] Sharad Karia v URA, TAT Application No. 57 of 2023. Decided on 04 November 2024.

(i) the supply of social welfare services;

(j) the supply of betting, lotteries and games of chance;

(k) the supply of goods as part of the transfer of a business as a going concern by one taxable person to another taxable person;

(l) the supply of burial and cremation services;

(m) the supply of precious metals and other valuables to the Bank of Uganda for the State Treasury;

(n) the supply of passenger transportation services (other than tour and travel operators);

(o) the supply of petroleum fuels subject to excise duty (motor spirit, kerosene and gas oil), spirit type jet fuel, kerosene type jet fuel and residual oils for use in thermal power generation to the national grid;

(p) the supply of dental, medical and veterinary goods and for the purposes of this subparagraph “goods” means;

(i) dental, medical and veterinary equipment;

(ii) ambulances;

(iii) contraceptives of all forms;

(iv) maternity kits (mama kits);

(v) medical examination gloves;

(vi) medicated cotton wool;

(vii) mosquito nets, acaricides, insecticides and mosquito repellent devices;

(viii) disposable medical face masks and reusable face

masks made of fabric;

(ix) medical boots;

(x) medical impermeable aprons or coverall suits;

(xi) bouffant non-woven surgical cap;

(xii) protective goggles with indirect side ventilation;

(xiii) infra-red thermometers;

(xiv) motorised fumigation pumps;

(xv) oxygen cylinder or oxygen for medical use;

(xvi) body bags;

(xvii) biohazard bags;

(xviii) container, used sharps, leak proof;

(xix) disinfectants or sanitisers;

(xx) medical plastics or rubber gloves;

(xxi) gas masks with mechanical parts;

(xxii) disposable hair nets; and

(xxiii) paper bed sheets.

(q) the supply of animal feeds and mixed components such as eggshells, feed additives, wheat bran, maize bran, premixes, concentrates and seed cake;

(r) the supply of raw materials and inputs for the manufacture of the following—

(i) disposable medical face masks and reusable face masks made of fabric;

(ii) medical boots;

(iii) medical impermeable aprons or coverall suits;

(iv) cap, surgical, bouffant, non-woven;

(v) goggles, protective, indirect side ventilation;

(vi) infra-red thermometers;

(vii) motorised fumigation pumps;

(viii) oxygen cylinders;

(ix) body bags;

(x) biohazard bags;

(xi) container, used sharps, leak proof;

(xii) disinfectants;

(xiii) medical plastics or rubber gloves;

(xiv) gas masks with mechanical parts;

(xv) disposable hair nets; and

(xvi) paper bed-sheets.

(s) the supply of machinery, tools and implements suitable for use only in agriculture, and for the purposes of this subparagraph, “machinery, tools and implements” means—

(i) knapsack sprayers;

(ii) ox ploughs;

(iii) drinkers and feeders for chicken;

(iv) agricultural tractors (includingwalking tractors);

(v) disk harrows;

(vi) cultivators;

(vii) ploughs;

(viii) weeders;

(ix) seeders;

(x) planters;

(xi) sub-soilers;

(xii) seed drills;

(xiii) threshers;

(xiv) bale wrappers;

(xv) milking machinery;

(xvi) milk coolers;

(xvii) maize mills;

(xviii) wheat flour mills;

(xix) homogenisers;

(xx) dairy machinery;

(xxi) grain cleaners and sorters;

(xxii) feed grinders hatcheries;

(xxiii) implements used for artificial insemination in animals.

(xxiv) hullers;

(xxv) oil press;

(xxvi) tillers;

(xxvii) grain driers;

(xxviii) manure spreaders;

(xxix) fertiliser distributor;

(xxx) transplanters;

(xxxi) juice presses and crushers;

(xxxii) seed and grain shelters;

(xxxiii) silage chopper machines;

(xxxiv) colour sorters for coffee;

(xxxv) coffee roasters;

(xxxvi) rice mills;

(xxxvii) agricultural sprayers;

(xxxviii) trailer for agricultural purposes;

(xxxix) combined harvesters;

(xl) tractor mounted hay mowers, slashers, rakes and tedders; crop sprayers; hay and straw balers; tractor mounted hole diggers or borers; tractor mounted scrapers; levelling blades and dam scoops; root or tuber harvesting machinery; tractor mounted loaders; irrigation equipment; drinkers and feeders for all farm animals;

(t) the supply of crop extension services;

(u) the supply of irrigation works, sprinklers and ready to use drip lines;

(v) the supply of deep cycle batteries, solar lanterns and raw material for the manufacture of deep cycle batteries and solar lanterns;[32]

(w) the supply of agriculture insurance premium or policy;

(sf) the supply of an electric vehicle locally manufactured or supply of frame and body of an electric vehicle locally fabricated;

(sg) the supply of electric vehicle charging equipment or supply of charging services of an electric vehicle;

(sh) the supply of cooking stoves, that use ethanol, assembled in Uganda, up to 30th June, 2028.[33]

(x) the supply of photosensitive semiconductor devices, including photovoltaic devices, whether or not assembled in modules or made into panels; light emitting diodes, solar water heaters, solar refrigerators and solar cookers;

(y) the supply of life-jackets, lifesaving gear *safety*, headgear and speed governors;[34]

(z) the supply of any goods and services to the contractors and subcontractors of hydro-electric power, solar power, geo-thermal power or bio-gas and wind energy projects *and does not include goods and services used for personal and domestic*

---

[32] Amended by the 2025 amendment.
[33] Paragraphs (sf) – (sh) were introduced in 2024. The 2024 provided that the forementioned paragraphs were to come immediately after paragraph (se). Paragraph se in the old edition of laws was renumbered paragraph (w) under the 2023 Laws of Uganda.
[34] The word “safety” was added by the 2024 VAT Amendment Act. Paragraph (y) herein was previously (x) in the old edition of the laws of Uganda.

use;[35]

(aa) the supply of Bibles and Qu'rans and text books;

(ab) the supply of services to conduct a feasibility study, design and construction to a developer of an industrial park or free zone whose investment is at least fifty million United States Dollars;

(ac) the supply of earth moving equipment and machinery for development of an industrial park or free zone to a developer of an industrial park or free zone whose investment is at least fifty million United States Dollars;

(ad) the supply of construction materials for development of an industrial park or free zone to a developer of an industrial park or free zone whose investment is at least fifty million United States Dollars;

(ae) supply of services to conduct a feasibility study and design; the supply of locally produced materials for the construction of a factory or a warehouse and the supply of locally produced raw materials and inputs or machinery or equipment, to an operator within an industrial park, free zone or any other person carrying on business outside the industrial park or free zone whose minimum investment capital is ten million United States Dollars in the case of a foreigner or three hundred thousand United States Dollars in the case of a citizen; or one hundred fifty thousand United States Dollars, for a citizen whose investment is placed upcountry who uses at least seventy percent of the raw materials that are locally sourced, subject to their availability and at least seventy percent of the employees are citizens earning an aggregate wage of at least seventy percent of the total wage bill; and who—[36]

---

[35] Amended by the 2024 VAT Amendment Act. Paragraph (z) herein was previously paragraph (dda)

[36] See East African Marine Transport Company Limited v URA, TAT Application. No. 16 of 2024. Decided 30 April 2025.

(i) processes agricultural goods;

(ii) manufactures or assembles medical appliances, medical sundries or pharmaceuticals, building materials, automobile, household appliances;

(iii) manufactures furniture, pulp, paper, printing and publishing of instructional materials;

(iv) establishes or operates vocational or technical institutes;

(v) carries out business in logistics and warehousing, information technology or commercial farming;

(vi) manufactures tyres, footwear, mattress or toothpaste; or

(vii) manufactures chemicals for agricultural and industrial use, textiles, glassware, leather products, industrial machinery and electrical equipment, sanitary pads and diapers;

(viii) manufactures an electric vehicle, electric battery or electric vehicle charging equipment or fabricates the frame and body of an electric vehicle;[37]

(af) the supply of services to conduct a feasibility study, design and construction; the supply of locally produced materials for construction of premises, infrastructure, machinery and equipment or furnishings and fittings which are not available on the local market to a hotel or tourism facility developer whose investment capital is eight million United States Dollars with a room capacity exceeding one hundred guests;

(ag) the supply of services to conduct a feasibility study, design and construction; the supply of locally produced materials for the

[37] Inserted by the 2024 VAT Amendment Act. Paragraph (pp)(vii) referred to in the old version of the VAT Act is now paragraph (ae)(vii) under the 2023 Laws of Uganda.

construction of premises and other infrastructure, machinery and equipment or furnishings and fittings to a hospital facility developer whose investment capital is at least five million United States Dollars and who develops a hospital with capacity to provide specialised medical care;

(ah) the supply of movie production;

(ai) the supply of wet processing operations and garmenting, cotton lint, artificial fibres for blending; polyester staple fibre, viscose rayon fibre, yarn, other than cotton yarn, textile dyes and chemicals, garment accessories, textile machinery spare parts, industrial consumables for textile production, textile manufacturing machinery and equipment;[38]

(aj) the supply of fabrics and garments made in Uganda by vertically integrated textile mills that operate spinning, weaving or knitting, wet processing operations and garmenting;

(ak) **repealed**;[39]

(al) the supply of services to conduct a feasibility study, design and construction; the supply of locally produced materials for the construction of premises and other infrastructure, machinery and equipment or furnishings or fittings for technical or vocational institute operators whose investment capital is at least ten million United States Dollars in the case of a foreigner or one million United States Dollars in the case of a citizen;

(am) the supply of imported drugs, medicines and medical sundries;

(an) the supply of imported mathematical sets and geometry sets used in educational services;

(ao) the supply of woodworking machines;

---

[38] Amended by the 2025 amendment.
[39] Repealed by the 2025 amendment.

(ap) the supply of welding machines and sewing machines;

(aq) supply of imported crayons, colored pencils, lead pencils, rulers, erasers, stencils, technical drawing sets, educational computer tablets, educational computer applications or laboratory chemicals for teaching science subjects used in educational services;

(ar) the supply of the following services—

(i) **repealed**;[40]

(ii) services incidental to tele-medical services; and

(iii) royalties paid in respect of agricultural technologies;

(as) the supply of accommodation in tourist hotels and lodges located up-country;

(at) the supply of liquefied gas;

(au) the supply of processed milk;[41]

(av) the supply of locally developed computer software, its maintenance and software licences;

(aw) the supply of services to a manufacturer other than a manufacturer referred to in subparagraph (af) whose investment capital is at least United States Dollars thirty million for a foreign investor or United States Dollars five million for a local investor to conduct a feasibility study or to undertake design and construction, or in the case of any other manufacturer, from the date on which the manufacturer

[40] Paragraph (ggg)(i) was repealed by the 2024 VAT Amendment Act. Following the revision of the laws under the Laws of Uganda 2023, paragraph (ggg) was renumbered (ar)

[41] See Nguvu Dairy v URA, TAT Application No. 259 of 2022. Decided 15 May 2025 for proposition that yoghurt is not milk.

makes an additional investment equivalent to United States Dollars thirty million for a foreign investor or United States Dollars five million for a local investor—

(i) who has the capacity to use at least seventy percent of the raw materials that are locally sourced subject to their availability; and

(ii) who has the capacity to employ at least seventy percent of the employees that are citizens earning an aggregate wage of at least seventy percent of the total wage bill;

(ax) the supply of liquefied gas and denatured fuel ethanol;

(ay) the supply of assistive devices for persons with disabilities;

(az) the supply of airport user services charged by the Uganda Civil Aviation Authority.

(ba) the supply of biomass pellets.[42]

2. In this Schedule—

(a) "education services" means education provided by—

(i) a pre-primary, primary or secondary school;

(ii) a technical college or university;

(iii) an institution established for the promotion of adult education, vocational training, technical education or the education or training of physically or mentally handicapped persons;

(b) "financial services" means—

[42] Inserted by the 2025 amendment.

(i) granting, negotiating and dealing with loans, credit, credit guarantees and any security for money, including management of loans, credit or credit guarantees by the grantor;

(ii) transactions concerning deposit and current accounts payments, transfers, debts, foreign currency sales and purchases, cheques, and negotiable instruments, other than debt collection and factoring;

(iii) transactions relating to shares, stocks, bonds and other securities, other than custody services;

(iv) management of investment funds, but does not include provision of credit facilities under a hire-purchase or finance lease agreement;

(v) Islamic financial arrangements offered by a person as an Islamic financial business but does not include provision of credit facilities under a lease-based financing;

(c) “passenger transportation services” means the transportation of fare-paying passengers and their personal effects by road, rail, water or air, but does not include passenger transport services provided by a registered tour operator;

(d) “social welfare services” means—

(i) care for the elderly, sick and disabled, including care in a hospital, aged person’s home and similar establishments; or

(ii) care and welfare services provided for the benefit of minors;

(e) “transfer of a going concern” includes the disposal of any part of a business which is capable of separate operation;

(f) insurance services include brokerage.

3. For the purposes of paragraph 1(a) of this Schedule, the term "unprocessed" includes low value added activity such as sorting, drying, salting, filleting, husking, deboning, freezing, chilling or bulk packaging, where, except in the case of packaging, the value added does not exceed 5% of the total value of the supply.

4. Specialised vehicles, plant and machinery, feasibility studies, engineering designs, consultancy services and civil works related to hydro-electric power, roads and bridges construction, public water works, agriculture, education and health sectors shall be exempt supplies, for the duration of the contract of supply until the completion or termination of the contract, where the contract was entered into prior to the 1st day of July, 2014.

Schedule 4

Sections 24(4), 50,53

Zero-rated Supplies

1. The following supplies are specified for the purposes of section 24(4)—

   (a) a supply of goods or services where the goods or services are exported from Uganda as part of the supply;[43]

   (b) the supply of international transport of goods or passengers and tickets for their transport;

   (c) the supply of drugs, medicines and medical sundries manufactured in Uganda;

   (d) the supply of educational materials including educational

[43] See Premier Recruitment Limited v URA, TAT Application No. 73 of 2023. Decided on 28 March 2025.

materials manufactured in a Partner State of the East African Community;

(e) the supply of seeds, fertilisers, pesticides and hoes;

(f) the supply of sanitary towels, menstrual cups, tampons and the inputs for their manufacture;

(g) the supply of leased aircraft, aircraft engines, spare parts for aircraft, aircraft maintenance equipment and repair services;

(h) the supply of cereals, where the cereals are grown and milled in Uganda; and

(i) the supply of handling services provided by the National Medical Stores in respect of medicines and other medical supplies funded by donors.

(j) the supply of aircraft.[44]

2. For the purposes of paragraph (1)(a), goods or services are treated as exported from Uganda if—

(a) in the case of goods, the goods are delivered to, or made available at, an address outside Uganda as evidenced by documentary proof acceptable to the Commissioner General; or

(b) in the case of services, the services were supplied by a person engaged exclusively in handling of goods for export at a port of exit or were supplied for use or consumption outside Uganda as evidenced by documentary proof acceptable to the Commissioner General.[45]

---

[44] Inserted by the 2025 amendment.

[45] See Premier Recruitment Limited v URA, TAT Application No. 73 of 2023. Decided on 28 March 2025. For the proposition that this paragraph codifies the destination principle.

3. For the purposes of paragraph (1)(b), international transport of goods or passengers occurs where goods or passengers are transported by road, rail, water or air—

   (a) from a place outside Uganda to another place outside Uganda where the transport or part of the transport is across the territory of Uganda;

   (b) from a place outside Uganda to a place in Uganda; or

   (c) from a place in Uganda to a place outside Uganda.

4. In this Schedule—

   (a) "educational materials" means locally produced materials which are suitable for use in public libraries or for educational services as defined in paragraph (2)(a) of Schedule 3 to this Act, and which shall be prescribed by the Minister by regulations;

   (b) "pesticides" means insecticides, rodenticides, fungicides and herbicides but does not include pesticides packaged for personal or domestic use.

Schedule 5

Sections 24(2), 25, 26(5), 27(2), (3), 28(9), (10), (11), 29(8), 30

Formulae, Tax Invoices, Credit Notes and Debit Notes

1. (a) For the purposes of section 24(2), the following formula shall apply:

A x B where—

A is the taxable value as determined under section 21 (2)

or (3); and

B is the tax fraction.

(b) For the purposes of section 25, the following formula shall apply:

X-Y

where—

X is a total of the tax payable in respect of taxable supplies made by the taxable person during the tax period; and

Y is the total credit allowed to the taxable person in the tax period under the Act.

(c) For the purposes of section 26(5), the following formula shall apply:

S-T

where—

S is the total output tax received by the taxable person during the tax period in respect of taxable supplies made by the person; and

T is the total input tax credit allowed to the taxable person in the tax period under the Act.

(d) For the purposes of section 27(2), the following formula shall apply:

M-N

where—

M is the total amount of input tax credited in relation to amounts due by the taxable person at the time of change in the accounting basis; and

N is the total amount of output tax accounted for in relation to

amounts due to the taxable person at the time of change in the accounting basis.

(e) For the purposes of section 27(3), the following formula shall apply:

O-P

where—

O is the total amount of output tax that would have been accounted for on amounts due to the taxable person at the time of change in accounting basis if the taxable person had been accounting for tax on an invoice basis; and

P is the total amount of input tax that would have been credited on amounts due by a taxable person at the time of change in accounting basis if the taxable person had been accounting for tax on an invoice basis.

(f) For the purposes of section 28(9)(b), the following formula shall apply:

A x B/C

where—

A is the total amount of input tax for the period;

B is the total amount of taxable supplies made by the taxable person during the period; and

C is the total amount of all supplies made by the taxable person during the period other than an exempt supply under clause l(k) of Schedule 3 to this Act.

2. A tax invoice as required by section 29 shall, unless the Commissioner General provides otherwise, contain the following particulars—

(a) the words “tax invoice” written in a prominent place;

(b) the commercial name, address, place of business and the taxpayer identification and value added tax registration numbers of the taxable person making the supply;

(c) the commercial name, address, place of business and the taxpayer identification number and value added tax registration number of the recipient of the taxable supply;

(d) the individualised serial number and the date on which the tax invoice is issued;

(e) a description of the goods or services supplied and the date on which the supply is made;

(f) the quantity or volume of the goods or services supplied;

(g) the rate of tax for each category of goods and services described in the invoice; and

(h) either—

(i) the total amount of the tax charged, the consideration for the supply exclusive of tax and the consideration inclusive of tax; or

(ii) where the amount of tax charged is calculated under section 24(2), the consideration for the supply, a statement that it includes a charge in respect of the tax and the rate at which the tax was charged.

3. A credit note as required by section 30(1) shall, unless the Commissioner General provides otherwise, contain the following particulars—

(a) the words “credit note” in a prominent place;

(b) the commercial name, address, place of business, the taxpayer identification number and value added tax registration number of the taxable person making the supply;

(c) the commercial name, address, place of business, the taxpayer identification number and value added tax registration number of the recipient of the taxable supply;

(d) the date on which the credit note was issued;

(e) the rate of tax; and

(f) either—

(i) the taxable value of the supply shown on the tax invoice, the correct amount of the taxable value of the supply, the difference between those two amounts and the tax charged that relates to that difference; or

(ii) where the tax charged is calculated under section 24(2), the amount of the difference between the taxable value shown on the tax invoice and the correct amount of the taxable value and a statement that the difference includes a charge in respect of the tax;

(g) a brief explanation of the circumstances giving rise to the issuing of the credit note; and

(h) information sufficient to identify the taxable supply to which the credit note relates.

4. A debit note as required by section 30(2) shall, unless the Commissioner General provides otherwise, contain the following particulars—

(a) the words “debit note” in a prominent place;

(b) the commercial name, address, place of business and the taxpayer identification and value added tax registration numbers of the taxable person making the supply;

(c) the commercial name, address, place of business and the taxpayer identification and registration numbers of the recipient of the taxable supply;

(d) the date on which the debit note was issued;

(e) the rate of tax;

(f) either—

(i) the taxable value of the supply shown on the tax invoice, the correct amount of the taxable value of the supply, the difference between those two amounts and the tax charged that relates to that difference; or

(ii) where the tax charged is calculated under section 24(2), the amount of the difference between the taxable value shown on the tax invoice and the correct amount of the taxable value and a statement that the difference includes a charge in respect of the tax;

(g) a brief explanation of the circumstances giving rise to the issuing of the debit note;

(h) information sufficient to identify the taxable supply to which the debit note relates.

———————————

Schedule 6

Sections 35(3), 39(2), (3)

Calculation of interest penalty

The rate of interest chargeable as penalty shall be 2% per month, compounded.

History: Statute 8/1996; Act 3/1996, s. 13; Act 12/1997, s. 42; Act 2/1998, ss. 8, 9; Act 1/1999, ss. 2-9; Act 7/1999, ss. 2-9; Cap. 349 (Revised Edition, 2000); Act 1/2001; Act 2/2002; Act 24/2002; Act

15/2003; Act 4/2005; Act 15/2005; Act 31/2006; Act 6/2008; Act 22/2008; Act 12/2009; Act 25/2010; Act 18/2011; Act 8/2012; Act 14/2013; Act 14/2014, s. 77; Act 15/2014; Act 5/2015; Act 11/2016; Act 8/2017;Act 8/2018;Act 14/2019; Act 19/2020;Act 23/2020; Act 13/2021; Act 14/2022; Act 11/2023; Act 17/2023; Act 20/2023

Cross References

East African Community Customs Management Act, 2004
Mining and Minerals Act, Cap. 159
Petroleum (Exploration, Development and Production) Act, Cap. 161
Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, Cap. 162
Tax Appeals Tribunals Act, Cap. 341
Tax Procedures Code Act, Cap. 343

THE VALUE ADDED TAX ACT.

The Value Added Tax Regulations, Statutory Instrument 349—1

Arrangement of Regulations.

Regulation

1. Citation.

2. Contracts entered into before and after 1st July, 1996.

3. Tax paid on capital goods and stock on hand.

4. Display of registration certificate.

5. New investors.

6. Tax on construction services.

7. Relief for diplomats, etc.

8. Records to be kept by a registered person.

9. Simplified tax invoices.

10. Treatment of cash-basis accounting taxpayer.

11. Export of goods.

12. Export of services.

13. Imported services.

14. Credit for input tax for persons making taxable and exempt supplies.

THE VALUE ADDED TAX ACT.

Statutory Instrument 349—1.

The Value Added Tax Regulations.

(Under section 78 of the Act.)[46]

1. Citation.

These Regulations may be cited as the Value Added Tax Regulations.

2. Contracts entered into before and after 1st July, 1996.

(1) Where a contract was concluded between two or more parties before the 1st day of July, 1996, and no provision relating to tax was made in the contract, the supplier shall recover tax due on any taxable supplies made under the contract after the 1st day of July, 1996.

(2) Where a contract concluded after the 1st day of July, 1996, does not include a provision relating to tax, the contract price shall be deemed

[46] Section 78 under the laws of Uganda 2000 is now section 51 in the Laws of Uganda 2023.

to include the tax and the supplier under the contract shall account for the tax due.

3. Tax paid on capital goods and stock on hand.

Where, after the 1st day of July, 1996, a person being registered has in stock plant and machinery and other goods on which tax was paid prior to being registered, that person shall be entitled to claim a credit of the tax paid on goods which were purchased within four months before the date of registration, and in the case of plant and machinery, within six months before the date of registration.

4. Display of registration certificate.

A registered taxpayer shall display the registration certificate issued under the Act at his or her principal place of business.

5. Revoked.[47]

6. Tax on construction services.

(1) Where a taxable supply is building and construction services, tax shall be collected at each stage of the work when an invoice is issued or when payment is received or becomes due, whichever is the earliest, in respect of each stage completed.

(2) Where an invoice or a claim for payment by a contractor requires certification by an architect, building consultant or other person, the invoice or claim shall not be effective for tax purposes until it is certified as required, and the time of supply shall be the time of certification; and for purposes of the tax any claim or invoice under this regulation shall be certified within thirty days of the date of the invoice or claim.

(3) Where a contractor varies the cost of a contract during the course of execution, the variations to the original contract shall be deemed to include tax, and the tax shall become due and payable at the time

[47] By the 2011 VAT Regulations

payment is made for each stage completed.

7. Relief for diplomats, etc.

(1) The relief provided for under section 45[48] of the Act relating to diplomatic missions and accredited personnel shall be administered as follows—

(a) in the case of imported goods and services, the diplomatic mission or accredited personnel shall be exempted from tax; and

(b) in the case of services provided by persons providing utility services, the diplomatic mission or accredited personnel shall be exempted from tax;[49]

(c) in the case of other procurements, the tax shall be payable and the diplomatic missions or accredited personnel entitled to relief may claim a refund of the tax paid on the following conditions—

(i) the diplomatic mission or accredited personnel shall produce evidence of procurement and of payment of the tax;

(ii) individual transactions of less than fifty thousand shillings, excluding tax, shall not be eligible for a refund;

(iii) the total value of transactions for any claim period shall not be less than two hundred thousand shillings, excluding tax; and

(iv) diplomatic missions or accredited personnel may be required to provide evidence of entitlement to relief by producing the official card issued by the Ministry

[48] Now section 37 under the Laws of Uganda 2023.
[49] Amended by the 2011 VAT Regulations.

responsible for foreign affairs.

(2) The relief provided under section 76[50] of the Act relating to public international organisations in the First Schedule to the Act shall be administered as follows—

(a) the organisation may be required to provide evidence of entitlement to relief in terms of a valid agreement with the Government of Uganda;

(b) the organisation shall be exempted from tax in the case of imported goods and services; and

(c) in the case of locally procured goods and services, tax shall be payable and the organisation entitled to relief may claim a refund of the tax on the following conditions—

(i) the organisation shall produce evidence of procurement and payment of tax;

(ii) individual transactions of less than fifty thousand shillings, excluding tax, shall not be eligible for a refund; and

(iii) the total value of transactions for any claim period shall not be less than two hundred thousand shillings, excluding tax.

(3) The Commissioner General may prescribe the forms to be used for refund claims and may specify the frequency of submitting and processing claims in any individual case, which frequency shall not be less than a month.

8. Records to be kept by a registered person.

(1) A registered person shall keep records and accounts of all supplies received or made by that person in the course of business, including

[50] Now section 49 in the Laws of Uganda 2023.

zero-rated and exempt supplies.

(2) For the purpose of accounting for input tax and output tax, the following records shall be kept by a registered person—

(a) tax accounts and records, which shall include total output tax and input tax in each period and net tax payable or the excess credit of tax refundable at the end of the tax period;

(b) purchase records, showing details of all local purchases on which tax has been paid, of all imports on which tax has been paid, and of all purchases made without payment of tax, including original tax invoices for all local purchases from registered suppliers, invoices for local purchases from unregistered suppliers and certified customs entries of all imports;

(c) sales records showing exempt and taxable sales and, where tax is chargeable, the rates of tax applicable for each sale, including copies of tax invoices and receipts issued in respect of sales;

(d) export records showing details of goods and services exported from Uganda, including, in the case of goods, certified copies of customs export documents and evidence of exportation;

(e) debit and credit notes issued and received;

(f) cash records including cashbooks, petty cash vouchers and other accounts records showing daily takings such as till rolls or copy receipts;

(g) computer records;

(h) in the case of a person making exempt and taxable supplies, details of input tax calculations;

(i) transitional relief claims and all related documents and records; and

(j) stock records showing movements of goods into or out of stock including, in the case of a manufacturer, manufacturing stock records.

(3) In addition to the records kept under subregulation (2) of this regulation, a registered person with a taxable turnover exceeding one hundred million shillings per year shall keep the following records—

(a) orders and delivery notes;

(b) relevant business correspondence;

(c) appointment and job books;

(d) annual accounts including trading, profit and loss accounts and balance sheet; and

(e) bank statements and pay-in-slips.

(4) All records shall be kept by the taxpayer for six years and shall be available to the Commissioner General for audit or inspection if required.

9. Simplified tax invoices.

(1) Notwithstanding the basic requirements in respect of tax invoices, as specified in the Fourth Schedule to the Act, registered persons with a taxable turnover below one hundred million shillings per year may issue a simplified tax invoice for taxable supplies made to another registered person, provided the value of any individual item on the invoice does not exceed fifty thousand shillings and the total invoice does not exceed one hundred thousand shillings.

(2) A simplified tax invoice shall contain the following particulars—

(a) the commercial name, address, taxpayer identification number and registration number of the person making the supply;

(b) the date the invoice is issued;

(c) the description of the goods;

(d) the quantity of the goods; and

(e) the value of the supply inclusive of tax and a statement that tax is included in the price.

(3) Zero-rated supplies and exempt supplies shall not be included on a simplified tax invoice.

10. Treatment of cash-basis accounting taxpayer.

(1) This regulation shall apply to registered persons whose annual taxable supplies do not exceed two hundred million shillings.[51]

(2) Where a registered person sells only goods liable at the positive rate of tax, sales may be calculated on the basis of the daily gross takings recorded from the cash register or cashbox and a sales daybook record, and any cash removed from the cash register or box must be recorded and included in the daily gross takings total; then the output tax is calculated by applying the tax fraction to the total of the daily gross takings for the tax period.

(3) Where a registered person makes zero-rated or exempt supplies, in addition to supplies at the positive rate, sales may be recorded on the basis of daily gross takings at each tax rate, and the different tax categories shall be separately identified at the point of sale either by means of a cash register or by keeping separate cashboxes for each category, together with a sales daybook record, or in some other manner acceptable to the Commissioner General; then the output tax is calculated by applying the tax fraction to the total gross takings at the positive rate for the tax period.

11. Export of goods.

---

[51] Amended by the Finance Act 1999

(1) Where goods are supplied by a registered taxpayer to a person in another country and the goods are delivered by a registered taxpayer to a port of exit for export, the goods may be invoiced at the zero rate, provided the registered taxpayer obtains the documentary proof set out in this regulation and the goods are removed from Uganda within thirty days of delivery to a port of exit.

(1a) For the purposes of sub regulation (1) the Commissioner General may require goods for export specified in a notice published in the Uganda Gazette to be distinctively labelled by the registered taxpayer.[52]

(1b) The Commissioner General shall issue guidelines to specify the colour, nature, size and type of labels referred to in sub regulation (1a).[53]

(2) For an export transaction to qualify for zero rating, a registered taxpayer shall obtain and be able to show as proof of export for every export transaction the following—

(a) a copy of the bill of entry or export certified by the customs authorities;

(b) a copy of the invoice issued to the foreign purchaser with tax shown at the zero rate; and

(c) evidence sufficient to satisfy the Commissioner General that the goods have been exported, in the form of an order from, or signed contract with, a foreign purchaser, or transport documentation which identifies the goods such as—

(i) a transit order or consignment note issued by the Uganda Railways Corporation for goods exported by rail;

(ii) a copy of a bill of lading for goods exported by water;

---

[52] Inserted by the 2011 VAT Regulations.
[53] Inserted by the 2011 VAT Regulations.

(iii) a copy of an airway bill for goods exported by air; or

(iv) a copy of a transport document for goods exported by road.

12. Export of services.[54]

Where services are supplied by a registered taxpayer to a person outside Uganda, the services shall qualify for zero rating only if the taxpayer can show evidence that the services are used or consumed outside Uganda, which evidence can be in the form of a contract with a foreign purchaser and shall clearly specify the place of use or consumption of the service to be outside Uganda or that the service is provided for a building or premises outside Uganda.

13. Imported services.[55]

(1) A person who receives imported services other than an exempt service shall account for the tax due on the supply, and the taxpayer shall account for that service when performance of the service is completed or when payment for the service is made or when the invoice is received from the foreign supplier whichever is the earliest.[56]

(2) The value for calculating the amount of tax payable under subregulation (1) of this regulation shall be the taxable value of the supply determined under section 21 of the VAT Act (Cap. 349); and the taxable person receiving the services shall apply the tax rate to the taxable value to calculate the tax due, and he or she shall enter both the value and the tax calculated in his or her tax return.[57]

---

[54] See Tanalec Uganda Limited v URA, TAT Application No. 182 of 2023. Decided on 23 August 2024; Allied Beverages Limited v URA, TAT Application No. 11 of 2023. Decided on 30 May 2025.
[55] Inserted by the 2011 VAT Regulations.
[56] See Vivo Energy Uganda Limited v URA, TAT Application No. 268 of 2022. Decided on 21 February 2025.
[57] Ibid.

(3) If a taxable person carries on a business both in and outside Uganda and there is an internal provision of services from the part outside Uganda to the part in Uganda, then, in relation to those services, the following applies for the purposes of the VAT Act Cap. 349 and these Regulations—

(a) that part of the business carried on outside Uganda is treated as if it were carried on by a person (referred to as the "overseas person") separate from the taxable person;

(b) the overseas person is not a taxable person; and

(c) the internal provision of services is treated as a supply of services made outside Uganda by the overseas person to the taxable person for reduced consideration.

14. Credit for input tax for persons making taxable and exempt supplies.

(1) Where a registered taxpayer who is making taxable and exempt supplies is disadvantaged by the provisions of section 28(7)(b) of the Act, the Commissioner General may approve an alternative method for calculating the input tax to be credited, as described in subregulations (2) and (3) of this regulation, which shall be known as the standard alternative method.

(2) The registered taxpayer may directly attribute input tax separately to the exempt and taxable supplies insofar as this is possible and may claim credit for all the input tax related to taxable supplies and for none of the input tax related to exempt supplies.

(3) The balance of input tax which cannot be attributed to taxable or exempt supplies shall be apportioned under the provisions of section 28(7) (b) of the Act; however, the provisions of section 28(13) and (14) of the Act shall be complied with in respect of the no attributable input tax.

(4) Where a registered taxpayer wishes to use the standard alternative method, or any other method which is not provided for in section

28(7) (b) of the Act, that taxpayer must seek the written approval of the Commissioner General.

History: S.I. 38/1996; S.I. 29/1999; S.I. 26/2002; S.I 80/2003; S.I 29/2011

THE VALUE ADDED TAX (RATE OF TAX) ORDER, 2005.

ARRANGEMENT OF RULES

Rules

1. Title.

2. Commencement.

3. Rate of tax.

4. Rate of tax not to apply to zero-rated goods.

S T A T U T O R Y I N S T R U M E N T S

2005 No. 51.

The Value Added Tax (Rate of Tax) Order, 2005.

Under section 78 (2) of the Value Added Tax Act, Cap.349)

In EXERCISE of the powers conferred upon the Minister by section 78 (2) of the Value Added Tax Act, this Order is made this 8th day of June, 2005.

1. Title

This Order may be cited as the Value Added Tax (Rate of Tax) Order, 2005.

2. Commencement

This Order shall come into force on 1st July, 2005.

3. Rate of tax

The rate of tax for—

(a) every taxable supply made in Uganda by a taxable person;

(b) every import of goods other than an exempt import; and

(c) the supply of any imported services by any person,

is 18% of the taxable value as defined in sections 21 and 23 of the Act.

4. Rate of tax not to apply to zero-rated goods

The rate of tax prescribed in paragraph 3 does not apply to taxable supplies specified in the Third Schedule of the Act, relating to zero-rated supplies.

DR. E. SURUMA,

Minister of Finance, Planning and Economic Development.

STATUTORY INSTRUMENTS

SUPPLEMENT No. 16 30th June, 2006

STATUTORY INSTRUMENTS SUPPLEMENT

to The Uganda Gazette No. 39 Volume XCVIX dated 30th June, 2006

Printed by UPPC, Entebbe, by Order of the Government.

2006 No. 29.

The Value Added Tax (Rate of Tax) Order 2006

(Under section 78 of the Value Added Tax Act, Cap.349)

IN EXERCISE of the powers conferred upon the Minister by section 78 of the Value Added Tax Act, this Order is made this 15th day of June, 2006.

1. Title

This Order may be cited as the Value Added Tax (Rate of Tax) Order 2006.

2. Commencement

This Order shall come into force on the 1st day of July 2005.

3. Rate of tax

The rate of tax for—

(a) every taxable supply made in Uganda by a taxable person;

(b) every import of goods other than an exempt import; and

(c) the supply of any imported services by any person,

is 18% of the taxable value as defined in sections 21 and 23 of the Act.

4. Rate of tax not to apply to zero-rated goods

The rate of tax prescribed in paragraph 3 does not apply to taxable supplies specified in the Third Schedule to the Act.

DR. EZRA SURUMA,

Minister of Finance, Planning and Economic Development.

STATUTORY INSTRUMENTS

SUPPLEMENT No. 15 28th June, 2013

STATUTORY INSTRUMENTS SUPPLEMENT

to The Uganda Gazette No. 33 Volume CVI dated 28th June, 2013

Printed by UPPC, Entebbe, by Order of the Government.

S T A T U T O R Y I N S T R U M E N T S

2013 No. 28.

THE VALUE ADDED TAX (DEFERMENT OF TAX ON PLANT AND MACHINERY) REGULATIONS, 2013.

ARRANGEMENT OF REGULATIONS

Regulation.

1. Title.

2. Commencement.

3. Interpretation.

4. Application for deferment.

5. Period of deferment.

6. Conditions for approval.

7. Sale of plant and machinery during or after the deferment period.

8. Inspection.

9. Termination of deferment.

10. Payment of tax due.

S T A T U T O R Y I N S T R U M E N T S

2013 No. 28.

The Value Added Tax (Deferment of Tax on Plant and Machinery) Regulations, 2013.

(Under section 34 (8) of the Value Added Tax Act Cap. 349)

IN EXERCISE of the powers conferred upon the Minister by section 34(8) of the Value Added Tax Act, these Regulations are made this 28th day of June, 2013.

1. Title.

These Regulations may be cited as the Value Added Tax (Deferment of Tax on Plant and Machinery) Regulations 2013.

2. Commencement.

These Regulations shall come into force on 1st July 2013.

3. Interpretation.

In these Regulations unless the context otherwise requires—

“Act” means the Value Added Tax Act; and

“deferment” means postponement of payment of the value added tax under the Act in respect of imported plant and machinery.

4. Application for deferment.

(1) An importer of plant and machinery may apply to the Commissioner General to defer the payment of tax due in respect of imported plant and machinery.

(2) An application for deferment shall be in the form prescribed by the Commissioner General and shall be accompanied with a declaration by the applicant that the goods are for use in the business of the applicant and shall not be disposed of during the deferment period

without prior approval by the Commissioner General.

(3) Subject to regulation 5, the Commissioner General may if satisfied that the imported plant and machinery is for use in the manufacture of goods or provision of value added services defer the payment of the tax to a specified period.

(4) Where an application is in respect of phased importation of plant and machinery, the application shall be accompanied with a schedule indicating the phases and the list of the plant and machinery included in each phase.

5. Period of deferment.

(1) The period of deferment shall, in the case of—

(a) a person making taxable supplies, be fifteen days after the tax period;

(b) a person not yet making taxable supplies, be one year from the commencement of the deferment; and

(c) of phased importations, be fifteen days after the tax period.

(2) A person under subsection 1(b) may apply for extension of time to the Commissioner General not exceeding one year.

6. Conditions for approval.

(1) The Commissioner General shall not approve an application for deferment unless—

(a) the applicant is registered under Part III of the Act;

(b) the plant and machinery in respect of which the application is made is imported for use in the business of the applicant;

(c) the tax due and in respect of which a deferment is sought is at least USD 4,000; and

(d) the applicant has complied with section 31 of the Act.

(2) The Commissioner General may require the applicant to furnish security for the tax proposed to be deferred before approving the deferment.

7. Sale of plant and machinery during or after the deferment period.

Where the plant and machinery that is the subject of deferment is sold, re- exported or disposed of before or after expiry of the deferment period or utilized for any other purpose other than the purpose declared in the application, the importer shall pay in addition to any tax for which he or she is liable on such sale, re-export or disposal, the outstanding deferred amount and interest in accordance with the VAT Act.

8. Inspection.

(1) The Commissioner General may at any time during the period of deferment, inspect the plant and machinery specified in the application for deferment to ascertain whether it is duly installed and utilised for the purpose specified in the application.

(2) Where the Commissioner General ascertains that the plant and machinery is installed or utilised for the purpose specified in the application for deferment, the Commissioner General shall allow the taxable person to cause adjustments to the respective returns to reflect that the deferred tax has been accounted for.

9. Termination of deferment.

Deferment shall terminate—

(a) when the period of deferment specified in accordance with regulation 5 ends; or

(b) where the Commissioner General ascertains under regulation 8 that the imported machinery is not installed or utilised for the purpose specified in the application.

10. Payment of tax due.

Where the period of deferment terminates in accordance with these Regulations, the tax due shall become payable in accordance with the Act.

MATIA KASAIJA, (MP),

Minister of State for Finance, Planning and Economic Development (Planning),

Also Holding the Portfolio of Minister of Finance, Planning and Economic Development.

STATUTORY INSTRUMENTS

SUPPLEMENT No. 20 29th June, 2018

STATUTORY INSTRUMENTS SUPPLEMENT

to The Uganda Gazette No. 33, Volume CXI, dated 29th June, 2018

Printed by UPPC, Entebbe, by Order of the Government.

S T A T U T O R Y I N S T R U M E N T S

2018 No. 35.

The Value Added Tax (Tax Withholding) Regulations, 2018

(Under section 78 of the Value Added Tax Act Cap. 349)

IN EXERCISE of the powers conferred upon the Minister responsible for finance by section 78 of the Value Added Tax Act, these Regulations are made this 29th day of June, 2018.

1. Title.

These Regulations may be cited as the Value Added Tax (Tax

Withholding) Regulations, 2018.

2. Commencement.

These Regulations shall come into force on the 1st day of July, 2018.

3. Interpretation.

In these Regulations, unless the context otherwise requires—

“Act” means the Value Added Tax, Cap. 349;

“tax withholding agent” means a person who is designated as such under a notice issued under section 5(2) of the Act.

4. Record of payment.

A person designated a tax withholding agent shall, upon making a payment for a taxable supply and deducting tax from the payment—

(a) keep the records of the payment and the tax deduction in a form and manner as the Commissioner may prescribe; and

(b) furnish the supplier with an acknowledgement of payment in a form as the Commissioner may prescribe.

5. Tax withholding agent to furnish return.

Where no tax is withheld during a period of three consecutive tax periods, the tax withholding agent shall notify the Commissioner in writing stating that no tax was withheld in that period.

6. Taxable person to file returns.

For the avoidance of doubt, the withholding of tax by a tax withholding agent shall not relieve a taxable person of any obligation to file returns in accordance with the Act.

7. Inspection of records.

For the purposes of obtaining full information in respect of accounting for tax withheld, the Commissioner may require any person—

(a) to produce for examination, at such time and place as the Commissioner may specify, records, books of accounts, documents and other records relating to calculation or withholding of tax in respect of any period specified by the Commissioner;

(b) to attend at such time and place as the Commissioner may specify, for the purposes of being questioned, in respect of any matter of transaction appearing to be relevant to the tax liability of any person.

HON. MATIA KASAIJA,

Minister of Finance Planning and Economic Development.

LEGAL NOTICES

SUPPLEMENT No. 7 29th June, 2018.

LEGAL NOTICES SUPPLEMENT

to The Uganda Gazette No. 33, Volume CXI, dated 29th June, 2018.

Printed by UPPC, Entebbe, by Order of the Government.

Legal Notice No.12 of 2018.

THE VALUE ADDED TAX ACT, CAP. 349.

The Value Added Tax (Designation of Tax Withholding Agents) Notice, 2018.

(Under section 5(2) of the Value Added Tax Act, Cap. 349)

IN EXERCISE of the powers conferred upon the Minister responsible for finance by section 5(2) of the Value Added Tax Act, this Notice is issued this 29th day of June, 2018.

1. Title.

This Notice may be cited as the Value Added Tax (Designation of Tax Withholding Agents) Notice, 2018.

2. Commencement.

This Notice shall come into force on the 1st day of July, 2018.

3. Designation of persons as tax withholding agents.

The persons specified in the Schedule to this Notice are designated as value added tax withholding agents for purposes of section 5(2) of the Value Added Tax Act.

SCHEDULE [... DELIBERATELY LEFT OUT...]

Practice Notes – 2007

ISSUE DATE :18th June 2007

ISSUED BY : Allen Kagina (Mrs) - Commissioner General

1. Definition of the Terms "Medical, Dental and Veterinary Equipment" for VAT Purposes.

Paragraph 1(q) of the Second Schedule to the VAT Act provides that the supply of dental, medical and veterinary equipment is an exempt supply.

Definition of Equipment

(a) The Act does not define the term equipment. This PN is therefore intended to provide the meaning of what should be treated as medical, dental and veterinary equipment.

(b) Medical, Dental and Veterinary equipment is any equipment or device which has features or characteristics that identify it as having been designed to be used alone or in combination for a medical, dental or veterinary purpose or function such as the diagnosis, prevention, monitoring, treatment, alleviation of or compensation for an injury and alleviation of disease in human beings and animals.

(c) The equipment/device will usually be durable although certain disposable items such as syringes may still be equipment.

(d) Based on the above definition, medical, dental and veterinary equipment covers a wide range of goods from simple items like bandages and syringes, to complex machinery such as X-ray machines as well as parts and accessories for use with the equipment.

(e) Parts and accessories will be treated as medical equipment/ device if they are intended specifically by manufacturers to be used together with the parent medical device.

(f) Parts are integral components without which the equipment is not complete; while accessories are optional extras which can be used to improve the operation of the equipment or enable it to be used to better effect. Accessories do not include items which have an independent function.

(g) For purposes of clarity, medical, dental and veterinary equipment shall include articles under heading 9018- 9022 of the Harmonized Systems Code (HS Code), contact lenses, spectacle lenses (excluding frames) and those that will be treated as such based on the classification given by the

National Drug Authority.

Exclusions

(a) Excluded from the definition are chemical reagents and medicines, mosquito nets, cleaning and sterilizing fluids, disinfectants, cotton wool (other than sterilized), hospital linen, blankets, drug trolleys, gloves (other than surgical), gymnasium equipment (other than specialized physiotherapy equipment), clothing (other than specialized ones such as surgical masks and gowns), lockers, bathroom scales.

(b) This definition shall also exclude general use items used to equip or facilitate a medical facility or items that can be put to diverse uses which are not necessarily medical uses e.g. television sets, telephone sets or a fan used in a medical ward will not be considered medical equipment.

2. **Definition of Medicines and Drugs for VAT purposes**

(a) Paragraph 1(c) of the Third Schedule VAT Act provides that the supply of drugs and medicines is a zero-rated supply. However, drugs and medicines are not defined.

(b) Medicines and drugs shall be interpreted to be any substance or article (not being an equipment/device, instrument, apparatus or appliance) which is for use wholly or mainly in either or both of the following ways –

(i) by being administered to human beings or animals internally or externally for medical purposes; or

(ii) as an administered. Ingredient in the preparation of a substance or article to be so administered.

(c) Therefore, medicines and drugs are any substance, preparation or mixture of substances used or intended for use in diagnosing. or treating of disease, disorder or abnormal physical state or the symptoms thereof in human beings or

animals.

(d) The World Customs Organisation (WCO) uses the term medicament" in reference to medicines and drugs.

(e) A medicament is an agent that promotes recovery from injury or ailment. Medicaments are impregnated or coated with pharmaceutical substances for therapeutic or prophylactic use in medical, surgical, dental or veterinary purposes.

(f) For purposes of VAT and clarity, medicines and drugs shall include surgical dressings, biological products such as vaccines and blood products, as well as items under headings 3004 and 3005 of the HS Code.

Exclusions

(a) The definition of medicines and drugs shall not include preparations commonly used for toilet purposes, or in connection with the care of the human body, whether for cleansing, deodorizing, beautifying, preserving or restoring whether or not possessing therapeutic or prophylactic properties prophylactic properties e.g. medicated soaps, shampoos, toothbrushes, dental pastes and creams, facial and body creams, hair removing creams, aromatherapy oils, mouth washes, lip balms, deodorants, antiperspirants, disinfectants. [The definition shall also not include lozenges and all items under headings 3301 to 3307 of the HS Code]

(b) Nutrition/Food supplements are not drugs or medicines for VẤT purposes because they are intended to supplement one's dietary requirements and do not contain active pharmaceutical substances and as such shall be treated as taxable supplies for VAT purposes.

Practice Notes - 2008

ISSUE DATE : 23rdApril 2008

ISSUED BY : Allen Kagina (Mrs) - Commissioner General

1. VAT treatment of Computer Printers

Paragraph 1(v) of the second schedule of the VAT Act provides that, “the supply of computers, printers, parts and accessories falling under heading 84.71 and 84.73 of the harmonized coding system of the customs law is exempt;"

Following the recent changes in the Customs coding system i.e., from the Harmonized Commodity Description and Coding System 2002 (HS 2002) version to HS 2007, computer printers became classifiable under two tariff headings- 84.71 (when presented 'with a computer) and 84.43(when presented separately), with specific HS codes as 8471.60.00 and 8443.32.00.

As a result of the new coding, the current provisions of paragraph 1 (v) of the second schedule, exclude computer printers classified under HS Code 8443.32.00.

This position is a mismatch arising from the change in the Customs coding system, but not a change in policy.

Therefore, the purpose of this practice note is to clarify that, the supply of printers as provided for in paragraph 1 (v) of the second schedule of the VAT Act, includes desktop printers or printers presented separately specifically under subheading 8443.32.00 of the East African Community Common External Tariff.

2. Boundaries of Kampala District for VAT purposes

The Value Added Tax (Amendment Act) 2008 deleted and Entebbe" from the Second Schedule paragraph (u) under Exempt Supplies to read:

“the supply of accommodation in tourist lodges and hotels outside Kampala District;"

This practice note is intended to clarify on what constitutes Kampala District for VAT purposes to bring about uniformity and ease the administration of VAT collection. Kampala District shall constitute the five political divisions namely;

1. Kampala Central, 2) Nakawa; 3) Rubaga; 4) Makindye; and 5) Kawempe.

Any area outside the above political divisions does not fall under Kampala District for VAT purposes.

Practice Notes - 2008

ISSUE DATE : 23rdApril 2008

ISSUED BY : Allen Kagina (Mrs) - Commissioner General

VAT treatment of supply of goods as part of the transfer of a business as a going concern

Paragraph 1(k) of the second schedule of the VAT Act provides that, the supply of goods as part of the transfer of a business as a going concern by one taxable person to another taxable person 1s exempt."

The "transfer of going concern" is defined in paragraph 2 (e) of the second schedule to include "the disposal of any part of a business which is capable of separate operation." However, this definition is not sufficient in explaining what a sale of a business as a going concern entails.

The purpose of this practice note therefore, is to clarify what constitutes the supply of goods as part of the transfer of a business as a going concern for purposes of section 19 and paragraph 1(k) of Schedule II of the VAT ACT, Cap 349.

The supply is VAT exempt if all of the following requirements are met,

1. The supplier disposes of any part of a business which is capable of separate operation (for example a branch of a business).

2. Both the seller and the buyer must be registered as taxable persons for VAT.

3. The Agreement of Sale which should be duly executed must make it absolutely clear that the property is a whole or part of the Seller's business which is being sold as a going concern.

4. Activities of the business must continue after the business is transferred to the purchaser for at least two (2) years.

5. The supplier supplies to the recipient all of the facilities that are necessary for the continued operation of the enterprise being sold. This may include premises, plant & equipment, stock in trade, intangible assets such as goodwill, contacts and licenses, and all the operating structure and process of the enterprise.

6. The supplier carries on or will carry on the business until the day of the supply (whether or not as a part of a larger business carried on by the supplier) and that the nature of the business will not change after the transaction.

7. The transferor and transferee shall within 21 days of the transfer, notify the Commissioner General in writing of the details of the transfer in accordance with section 19 (2) of the VAT Act, Cap.349.

Note: A mere disposal of an asset used by the business is not a supply of a going concern.

Practice Notes -2010

ISSUE DATE: 4th March 2010

EFFECTIVE DATE : 1st July 2009

ISSUED BY : Allen Kagina (Mrs) - Commissioner General

Exemption of VAT in accordance with section 19 and paragraph 1(aa) of the Second Schedule to the VAT Act.

Paragraph 1(aa) of the Second Schedule to the VAT Act was amended by the VAT (amendment) Act 2009 to provide as hereunder,

“The following supplies are specified as exempt supplies for the purpose of section 19 –

the supply of specialized vehicles, plant and machinery, feasibility studies, engineering designs, consultancy services and civil works related to hydro electric power, roads and bridges construction, public water works, agriculture, education and health sectors"

Definitions:

The meaning below shall be attached to the terms as used in the provision –

"specialized vehicles” means vehicles manufactured for a particular task other than for the ordinary use of transportation of goods and passengers.

"plant and machinery" includes whatever apparatus is used by a business man for carrying on his business – not his stock in trade which he buys or makes for sale, but all goods and chattels, fixed or moveable, live or dead, which he keeps for the permanent employment in his business.

“feasibility studies" means an investigation to determine whether a particular project system, process etc. is desirable, practicable. It is an analysis designed to establish the practicability and cost justification of a given project. It is a preliminary study undertaken to determine and document project viability. The term feasibility study is also used to refer to the resulting documents or artefact.

"engineering designs" it is the result of a process used by engineers to help develop products. The engineering design is defined as the result of the process of servicing a system, component or process to meet desired deeds. It is a result of a decision making process in which the basic sciences, mathematics, and engineering sciences are applied to convert resources optimally to meet a stated objective. It comes as a result of defining the problem, conducting research, narrowing the research and analysing set criteria.

“Consultancy services" means expert advice on a particular project or activity.

"civil works" relates to services in building/construction of hydro- electric power projects, roads and bridges construction, public water works, agriculture, education and health. It involves all the activities involved in the construction process starting from clearing of land to the completion of the project. However civil works does not include the goods used in the construction/projects.

"agriculture" the science or practice of cultivating the land and keeping or breeding animals.

"education" a process of training and instruction especially of children and young people in schools, colleges, universities and other education institution which is designed to give knowledge and develop skills.

“health” Provision of medical care. It deals with the prevention, treatment and management of illness and the preservation of mental and physical well-being through the services offered by the medical and allied health professions.

Implication of the amendment

The provision above exempts VAT on the supplies of goods or services of specialized vehicles, plant and machinery, feasibility studies, engineering designs, consultancy services and civil works related to hydro- electric power, roads and bridges construction, public water works. The exemption has also been extended to the agriculture, education and health sectors.

This means that suppliers of the goods and services highlighted above as goods or services related to hydro-electric power projects, roads, bridges construction, public water works, agriculture, education and health sectors should not charge VAT on these supplies.

In the same spirit, the suppliers shall not claim input tax incurred in the process of making the supplies of the listed services to the above-named sectors. The suppliers must maintain a record of evidence of the provision of the services to the listed projects/sectors. The contractors shall also be required to provide the Commissioner, Domestic Taxes office and their respective stations a list of suppliers and services offered reflecting quantity and values in Uganda Shillings. This shall be in both soft and hard copy.

NB: This exemption is on the supply of the services or goods listed in the provision related to the sectors therein mentioned and not to the contractors.

PRACTICE NOTES: URA/ VAT/PN2/14

Reference Number: PN2014090300922

Effective Date: 02/09/2014

The Commissioner General of Uganda Revenue Authority hereby issues these Practice Notes under Section 79 of the Value Added Tax Act, Cap 349, Laws of Uganda.

Section 5 of the VAT (Amendment) Act 2014 repealed Paragraph 1(f) of

the Third Schedule to the VAT Act which zero rated the supply of cereals, where the cereals are grown, milled or produced in Uganda. The implication of this amendment is that the supply of cereals grown and milled in Uganda attracts VAT at the rate of 18/%with effect from 1"July 2014.

Furthermore, Paragraph 1(a) of the Second Schedule to the VAT Act exempts from VAT the supply of livestock, unprocessed foodstuffs, and unprocessed agricultural products. Paragraph 3 of the same Schedule defines "unprocessed" to include low value-added activity such as **sorting, drying, salting, filleting, deboning, freezing, chilling or bulk packaging,** where, except in the case of packaging, the value added does not exceed 5% of the total value of the supply.

From the research conducted, we have established that in relation to the supply of rice, the.value addition activities such as **drying, hulling, milling, polishing, grading, sorting and packaging** among others exceeds 5%. This implies that the supply of rice which is ready for human consumption does not fall within the provisions of Paragraph 1(a) of the Second Schedule to the VAT Act nor does it fall under the Third Schedule of the same Act and therefore the supply attracts VAT at the rate of 18%.

This also means that imported rice is subject to VAT at 18%. Our Practice Notes issued on the 14th November 2007 on imported rice are hereby revoked.

Doris Akol-Commissioner General

PRACTICE NOTES: URA/ VAT/PNI/17

Definition of Educational Materials for Section 24, Paragraph 4 of the Third Schedule and Paragraph 2 of the Second Schedule to the Vat Act

Issue date: 24/04/2018

The Commissioner General of Uganda Revenue Authority hereby issues these Practice Notes under Section 44 of the Tax Procedures Code Act, 2014.

Paragraph 4(a) of the Third Schedule to the VAT Act Cap 349 as amended (hereinafter referred to as the VAT Act) defines educational materials" to mean materials, whether printed or audio, suitable for use only in public libraries and educational establishments specified in Paragraph 2 of the Second Schedule to the VAT Act. Paragraph 2 (a) of the Second Schedule to the VAT Act defines education services" to mean education provided by a Pre-Primary, Primary, or Secondary School; a Technical College or University; an Institution established for the promotion of adult education, vocational training, technical education, or the education or training of physically or mentally handicapped persons.

Therefore, Educational Materials for purposes of the VAT Act are those materials primarily used and suitable for use only in Educational establishments or institutions which are listed in paragraph 2 (a) of the Second Schedule to the VAT At as listed above, whether printed or audio. These are: Reference Text Books, Handbooks and Publications, Journals and or other instructional material, or audio aids for instruction in Educational Institutions or similar materials found in or suitable for public libraries and educational institutions or establishments including specialized instructional material for the handicapped persons, UNEB Literature Set Books, Dictionaries, Crayons; Colour Pencils; Elementary Reading books and Charts; Lead Pencils; Art Pencils; Drawing Art Books; Pencil Sharpeners; Chalk Board Dusters; Chalk; Rulers Measuring Thirty Centimetres; Atlas books, Maps, Science related educational materials, Geometry Sets; Mathematical Sets; Technical Drawing Sets; Erasers; Graph Books; Black Boards, Duplicating Stencils; Chalkboard Instruments; Soft Cover Exercise Books that meet the parameters of the paper being in s1ze A4 or AS per sheet, with indications of Name of Pupil/student, School, Class, Subject, Paged in multiples of 4 as 32 pages, 48pages, 96pages, 200pages with papers of GSM ranging between 42 and 52).

For avoidance of doubt Educational Materials DO NOT include counter books (Quired or NOT), Note Books, ruled papers or any other paper in a form not mentioned above and other items not listed above.

Doris Akol-Commissioner General

Page intentionally left blank

CHAPTER 338

THE INCOME TAX ACT

Arrangement of Sections

Section

PART I—PRELIMINARY

1. Application of Act
2. Interpretation
3. Associate

PART II—IMPOSITION OF TAX

4. Income tax imposed
5. Rental tax imposed

Rates of tax

6. Rates of tax for individuals
7. Rate of income tax for companies
8. Rate of income tax for trustees and retirement funds

PART III—RESIDENTS AND NON-RESIDENTS

9. Resident individual
10. Resident company
11. Resident trust
12. Resident partnership
13. Resident retirement fund
14. Non-resident person

PART IV—CHARGEABLE INCOME

15. Chargeable income
16. Chargeable income arising from insurance business

Gross income

17. Gross income
18. Business income
19. Employment income
20. Property income

Exempt income

21. Exempt income

Deductions

22. Expenses of deriving income
23. Meals, refreshment and entertainment expenditure
24. Bad debts
25. Interest
26. Repairs and minor capital equipment
27. Depreciable assets
28. Industrial buildings
29. Start-up costs
30. Costs of intangible assets
31. Scientific research expenditure
32. Training expenditure
33. Charitable donations
34. Farming
35. Apportionment of deductions
36. Carry forward losses

PART V—TAX ACCOUNTING PRINCIPLES

37. Substituted year of income
38. Method of accounting
39. Cash-basis taxpayer
40. Accrual-basis taxpayer
41. Pre-payments

42. Claim of right
43. Long-term contracts
44. Trading stock
45. Debt obligations with discount or premium
46. Foreign currency debt gains and losses

PART VI—GAINS AND LOSSES ON DISPOSAL OF ASSETS

47. Application of Part
48. Gains and losses on disposal of assets
49. Disposals
50. Cost base
51. Special rules for consideration received
52. Non-recognition of gain or loss

PART VII—MISCELLANEOUS RULES FOR DETERMINING CHARGEABLE INCOME

53. Income of joint owners
54. Valuation
55. Other methods of allocating costs and revenue
56. Currency conversion
57. Indirect payments and benefits
58. Finance leases
59. Exclusion of doctrine of mutuality
60. Compensation receipts
61. Recouped expenditure

PART VIII—PERSONS ASSESSABLE

Taxation of individuals

62. Taxation of individuals
63. Income splitting

Taxation of partnerships and partners

64. Principles of taxation for partnerships
65. Calculation of partnership income or loss
66. Taxation of partners
67. Formation, reconstitution or dissolution of partnership
68. Cost base of interest of partner

Taxation of trusts and beneficiaries

69. Interpretation of provisions relating to taxation of trusts and beneficiaries
70. Principles of taxation for trusts
71. Taxation of trustees and beneficiaries
72. Taxation of estates of deceased persons

Taxation of companies and shareholders

73. Principles of taxation for companies
74. Change in control of companies
75. Dividend stripping
76. Roll-over relief

PART IX—INTERNATIONAL TAXATION

77. Interpretation of Part
78. Source of income
79. Foreign source employment income
80. Foreign tax credit
81. Taxation of permanent establishment profits
82. Tax on international payments
83. Tax on payments to non-resident public entertainers or sports persons
84. Tax on payments to non-resident contractors or professionals
85. Taxation of non-residents providing shipping, air transport or telecommunications services in Uganda
86. Taxation of non-residents providing digital services

87. General provisions relating to taxes imposed under sections 83, 84, 85 and 86

88. International agreements

PART X—SPECIAL PROVISIONS FOR TAXATION OF PETROLEUM OPERATIONS

89. Interpretation of Part

Mining operations

90. Taxation of mining licensees

91. Limitations of deductions relating to mining operations
92. Mining exploration expenditure
93. Mining extraction expenditure

94. Rehabilitation expenditure

Petroleum operations

95. Taxation of petroleum licensees
96. Limitation on deductions relating to petroleum operations

97. Petroleum exploration expenditure
98. Petroleum development expenditure
99. Decommissioning expenditure
100. Windfall tax

Rules applicable to mining and petroleum operations

101. Farm-outs
102. Indirect transfers of interest
103. Taxation of contractors
104. Withholding tax
105. Tax accounting principles
106. Allocation of costs and expenses

107. Valuation and measurement of petroleum
108. Application of sections 121, 122 and 123 and the Tax Procedures Code Act
109. Returns.
110. Assessments, objections and appeals
111. Collection and recovery
112. Failure to furnish returns
113. Making false or misleading statements
114. Penal tax and tax offences
115. Right of Commissioner to execute mandate

PART XI-ANTI-AVOIDANCE

116. Transactions between associates
117. Re-characterisation of income and deductions

PART XII—PROCEDURE RELATING TO INCOME TAX

Returns

118. Furnishing of return of income
119. Cases where returns of income not required
120. Due date for payment of tax

Provisional tax

121. Payment of provisional tax
122. Estimated tax payable

Refund of tax

123. Refunds

PART XIII—PROCEDURE RELATING TO RENTAL TAX

124. Rental tax

PART XIV—WITHHOLDING OF TAX AT SOURCE

125. Interpretation of Part
126. Withholding of tax by employers
127. Payment of interest to resident persons
128. Payment of dividends to resident shareholders
129. Withholding tax from professional fees
130. Withholding tax by purchaser of asset
131. Withholding of tax on payments for winnings of betting
132. Withholding tax on payments of re-insurance or re-takaful premiums
133. Withholding tax on commission paid by telecommunications service providers on airtime distribution and mobile money
134. Withholding of tax on commission paid to insurance agent
135. Withholding of tax on commission paid to advertising agent
136. Payment for goods and services
137. International payments
138. Non-resident services contract
139. Withholding as final tax
140. Payment of tax withheld
141. Advance tax for transport services
142. Failure to withhold tax
143. Tax credit certificates
144. Record of payments and tax withheld
145. Priority of tax withheld
146. Adjustment on assessment and withholding agent’s indemnity

PART XV—INFORMATION COLLECTION

147. Business information returns

PART XVI—INTEREST
148. Interest on unpaid tax

Part XVII—Miscellaneous

149. Interpretation of Part
150. Re-characterisation of arrangements under Islamic financial business
151. Regulations
152. Power to amend monetary amounts and Schedules
153. Application of certain laws, *etc.*

SCHEDULES

Schedule 1 Currency points
Schedule 2 Listed institutions
Schedule 3 Small Business Taxpayers Tax Rates
Schedule 4 Rates of Tax
Schedule 5 Chargeable Income Arising From Short-Term Insurance or General Takaful Business
Schedule 6 Valuation of Benefits
Schedule 7 Depreciation Rates and Vehicle Depreciation Ceiling

CHAPTER 338

THE INCOME TAX ACT

Commencement: 1 July, 1997

An Act to provide for income tax and related matters.

PART I—PRELIMINARY

1. Application of Act

This Act applies to years of income commencing on or after 1st July,

1997.

2. Interpretation

In this Act, unless the context otherwise requires—

“amateur sporting association” means an association whose sole or main object is to foster or control any athletic sport or game and whose members consist only of amateur sports persons or affiliated associations, the members of which consist only of amateur sports persons;

“approved” means approved by the Minister under regulations made under section 151;

“assessed loss” has the meaning in section 36;

“assessment” means—

(a) the ascertainment of the chargeable income of, and the amount of tax payable on it by, a taxpayer for a year of income under this Act;

(b) the ascertainment of the rental income of, and the amount of tax payable on it by, an individual for a year of income under this Act;

(c) the ascertainment of the amount of penal tax payable by a person under this Act; or

(d) any decision of the Commissioner General which, under this Act, is subject to objection and appeal;

“associate” has the meaning in section 3;

“beneficial owner” means the natural person who ultimately owns or controls a customer or the natural person on whose behalf a transaction

is conducted and includes a person who exercises ultimate control over a legal person or arrangement and-

(a) in relation to a legal person includes—

(i) the natural person who either directly or indirectly holds at least ten percent of shares or voting rights of the legal person;

(ii) the natural person who exercises control of the legal person through other means including personal or financial superiority; and

(iii) the natural person who has power to make or influence decisions of a legal person;

(b) in relation to trusts includes—

(i) the settlor;

(ii) the trustee;

(iii) the protector;

(iv) the beneficiary or the individual benefitting from the trust who is yet to be determined; and

(v) any other natural person exercising ultimate control of the trust; and

(c) in relation to other legal arrangements similar to trusts, the natural person who holds positions equivalent to those referred to in subparagraph (b);

“building society” means a building society registered under the Building Societies Act;

“business” includes any trade, profession, vocation or adventure in the

nature of trade, but does not include employment;[58]

“business asset” means an asset which is used or held ready for use in a business, and includes any asset held for sale in a business and any asset of a partnership or company;

“business debt” means—

(a) in the case of a debtor—

(i) a debt obligation, the proceeds of which are used to acquire a business asset or to incur an expense of a business;

(ii) a debt obligation arising, as a result of being given time to pay, on the acquisition of a business asset or the incurring of an expense of a business; or

(iii) any debt obligation of a partnership or company; or

(b) in the case of a creditor, any debt obligation owed to the creditor that was entered into or arose in the course of the creditor’s business;

“business income” has the meaning in section 18;[59]

“chargeable income” has the meaning in section 15;

“chargeable trust income” has the meaning in section 69;

“citizen” means—

---

[58] See Amos Nzeyi v URA, TAT Application No. 005 of 2024. Decided on 30 June 2025.
[59] See Amos Nzeyi v URA, TAT Application No. 005 of 2024. Decided on 30 June 2025.

(a) a natural person who is a citizen of a Partner State of the East African Community; and

(b) a company or a body of persons incorporated under the laws of a Partner State of the East African Community in which at least fifty-one percent of the shares are held by a person who is a citizen of a Partner State of the East African Community;

“collective investment scheme” has the meaning assigned to it by section 2 of the Collective Investment Schemes Act;

“Commissioner General” means the Commissioner General appointed under the Uganda Revenue Authority Act;

“company” means a body of persons corporate or unincorporate, whether created or recognised under the law in force in Uganda or elsewhere, and a unit trust, but does not include any other trust or a partnership;

“consideration” includes, the total amount in money or of payment in kind, paid or payable for the supply of goods, services or sale of land by any person, directly or indirectly, including any duties, levies, fees, and charges other than tax paid or payable on, or by reason of, the supply, reduced by any discounts or rebates allowed and accounted for at the time of the supply or sale;

“cost base”, in relation to an asset, has the meaning in section 50;

“court” means a court of competent jurisdiction;

“currency point” has the value assigned to it in Schedule 1 to this Act;

“debenture” includes any debenture stock, mortgage, mortgage stock, loan, loan stock or any similar instrument acknowledging indebtedness, whether secured or unsecured;

“debt obligation” means an obligation to make a repayment of money to another person, including accounts payable and the obligations arising

under promissory notes, bills of exchange and bonds;

“dependent”, in relation to a member of a retirement fund, means a spouse of the member, any child, including an adopted child, of the member who is under the age of eighteen years or any other relative of the member who the Commissioner General is satisfied relies on the member for support;

“depreciable asset” means any plant or machinery, or any implement, utensil or similar article, which is wholly or partly used, or held ready for use, by a person in the production of income included in gross income and which is likely to lose value because of wear and tear, or obsolescence;

“disposal” has the meaning in section 49;

“dividend” includes—

(a) where a company issues debentures or redeemable preference shares to a shareholder—

(i) in respect of which the shareholder gave no consideration, an amount equal to the greater of the nominal or redeemable value of the debentures or shares; or

(ii) in respect of which the shareholder gave consideration which is less than the greater of the nominal or redeemable value, an amount equal to the excess;

(b) any distribution upon redemption or cancellation of a share, or made in the course of liquidation, in excess of the nominal value of the share redeemed, cancelled or subject to liquidation;

(c) in the case of a partial return of capital, any payment made in excess of the amount by which the nominal value of the shares was reduced;

(d) in the case of a reconstruction of a company, any payment made in respect of the shares in the company in excess of the nominal value of the shares before the reconstruction;

(e) the amount of any loan, the amount of any payment for an asset or services, the value of any asset or services provided, or the amount of any debt obligation released, by a company to, or in favour of, a shareholder of the company or an associate of a shareholder to the extent to which the transaction is, in substance, a distribution of profits,

but does not include a distribution made by a building society;

(f) the issue of bonus shares to shareholders; however, bonus shares shall only be taxable upon disposal; or

(g) the payment of the excess of the return on investment in the bond to the bond holder under Islamic financial business for each payment period over the interest as defined in paragraph (f) in the definition of the term “interest” in this section;

“employee” means an individual engaged in employment;

“employer” means a person who employs or remunerates an employee;

“employment” means—

(a) the position of an individual in the employment of another person;[60]

[60] See International Food Policy Research Institute v URA, TAT Application No. 59 of 2023. Decided on 06 September 2024; See Infectious Disease Institute v URA, HCCA No. 006 of 2022. Decided on 25 October 2024.

(b) a directorship of a company;[61]

(c) a position entitling the holder to a fixed or ascertainable remuneration; or

(d) the holding or acting in any public office;

“employment income” has the meaning in section 19;

“exempt organisation” means any company, institution or irrevocable trust—

(a) which is—

(i) an amateur sporting association;

(ii) a religious, charitable, educational institution or research institution whose object is not for profit; or

(iii) a labour union, an association of employees, an association of employers registered under any law of Uganda or an association established for the purpose of promoting farming, mining, tourism, manufacturing or commerce and industry in Uganda;

(iv) a body established by law for the purpose of regulating the conduct of professionals; and

(b) which has been issued with a written ruling by the Commissioner General currently in force stating that it is an exempt organisation; and

(c) none of the income or assets of which confers, or may confer, a private benefit on any person; or

---

[61] See Infectious Disease Institute v URA, HCCA No. 006 of 2022. Decided on 25 October 2024.

(d) the National Medical Stores;

“farming” means pastoral, agricultural, plantation, horticultural or other similar operations;

“financial institution” means any person carrying on the business of receiving funds from the public or from members through the acceptance of money deposits repayable upon demand, after a fixed period, or after notice, or any similar operation through the sale or placement of bonds, certificates, notes or other securities, and the use of such funds either in whole or part for loans, investments or any other operation authorised either by law or by customary banking practices, for the account and at the risk of the person doing such business;

“foreign-source income” means any income which is not derived from sources in Uganda;

“gross income” has the meaning in section 17;

“gross turnover”, in relation to a resident taxpayer, for a year of income, means—

(a) the amount shown in the recognised accounts of the taxpayer as the gross proceeds derived in carrying on a business or businesses during the year of income, including the gross proceeds arising from the disposal of trading stock, without deduction for expenditures or losses incurred in deriving that amount; and

(b) the amount, if any, shown in the recognised accounts of the taxpayer as the amount by which the sum of the gains derived by the taxpayer during the year of income from the disposal of business assets, other than trading stock, exceeds the losses incurred by the taxpayer during the year in respect of the disposal of such assets;

“incapacitated person” means a resident individual adjudged under a law in Uganda to be suffering from mental illness;

“incapacitated person’s trust” means a trust established for the benefit of an incapacitated person;

“industrial building” means any building which is wholly or partly used, or held ready for use, by a person in—

(a) manufacturing operations,

(b) research and development into improved or new methods of manufacture;

(c) mining operations;

(d) an approved hotel business;

(e) an approved hospital; or

(f) an approved commercial building;

“interest” includes—

(a) any payment, including a discount or premium, made under a debt obligation which is not a return of capital;

(b) any swap or other payments functionally equivalent to interest;

(c) any commitment, guarantee or service fee paid in respect of a debt obligation or swap agreement;

(d) a distribution by a building society;

(e) any payment, including a discount or premium, made under sale-based financing or lease-based financing under Islamic financial business;

(f) any payment as the excess of the total amount paid by a bond

issuer over and above the amount received from a bond holder under Islamic financial business for each payment period calculated at a rate not exceeding the rate determined by the Bank of Uganda and does not include dividends; or

(g) a partner's share of partnership income derived from a partnership arrangement under Islamic financial business;

"Islamic financial business" means financial business undertaken by a person that conforms to Shari'ah principles and includes—

(a) the business of receiving property into profit sharing investment accounts or of managing such accounts;

(b) any other business of a person which involves or is intended to involve the entry into one or more contracts under Shari'ah or otherwise carried out or purported to be carried out in accordance with Shari'ah principles including—

(i) equity or partnership financing;

(ii) lease-based financing;

(iii) sale-based financing;

(iv) currency exchange contracts; or

(v) fee-based activity;

(c) the purchase of bills of exchange, certificates of Islamic deposit or other negotiable instruments;

(d) the acceptance or guarantee of any liability, obligation or duty of any person; and

(e) the business of providing finance by all means, including through the acquisition, disposal or leasing of assets or through the provision of services which have similar economic effect

and are economically equivalent to any other financial business;

“life insurance business” has the meaning in section 16(3);

“listed institution” means an institution listed in Schedule 2 to this Act;

“local authority” means any public body established under a law of Uganda and having control over the expenditure of revenue derived from rates or taxes imposed by law upon the residents of the areas for which that body is established;

“local council” has the same meaning as in the Local Governments Act;

“manufacturing” means the substantial transformation of tangible movable property, including power generation and water supply;

“mineral” has the same meaning as in the Mining and Minerals Act;

“mining operations” includes every method or process by which any mineral is won from the soil or from any substance or constituent of the soil;

“Minister” means the Minister responsible for finance;

“natural resource payment” means—

(a) a payment, including a premium or like payment, made as consideration for the right to take minerals or a living or non-living resource from the land; or

(b) a payment calculated in whole or in part by reference to the quantity or value of minerals or a living or non-living resource taken from the land;

“nominal value”, in relation to a share or debenture, means the paid-up

amount of the share or face value of the debenture, including any premium paid in respect of the share or debenture;

“non-resident person” has the meaning in section 14;

“partnership” means an association of persons carrying on business for joint profit, and includes an equity or partnership financing under Islamic financial business;

“payment” includes any amount paid or payable in cash or kind, and any other means of conferring value or benefit on a person;

“person” includes an individual, a partnership, a trust, a company, a retirement fund, a government, a political subdivision of a government and a listed institution;

“property income” has the meaning in section 20;

“provisional taxpayer” means a person liable for provisional tax under section 121;

“relative”, in relation to an individual, means—

(a) an ancestor, a descendant of any of the grandparents, or an adopted child, of the individual, or of a spouse of the individual; or

(b) a spouse of the individual or of any person specified in paragraph (a) of this definition;

“rent” means any payment, including a premium or like amount, made as consideration for the use or occupation of, or the right to use or occupy, land or buildings;

“rental income”, in relation to a person for a year of income, means the total amount of rent derived by the person for the year of income from the

lease of immovable property in Uganda with the deduction of any expenditures and losses incurred in respect of the property;

“resident company” has the meaning in section 10;

“resident individual” has the meaning in section 9;

“resident partnership” has the meaning in section 12;

“resident person” means a resident individual, resident company, resident partnership, resident trust, resident retirement fund, the Government of Uganda or a political subdivision of the Government of Uganda;

“resident retirement fund” has the meaning in section 13;

“resident taxpayer” means a taxpayer who is a resident person;

“resident trust” has the meaning in section 11;

“retirement fund” means a pension or provident fund established as a permanent fund maintained solely for either or both of the following purposes—

(a) the provision of benefits for members of the fund in the event of retirement; or

(b) the provision of benefits for dependents of members in the event of the death of the member;

(c) the provision of benefits for members of the fund in the event of termination of service or upon the occurrence of an event specified in the written law, agreement or arrangement;[62]

[62] 2024 amendment.

"royalty" means—

(a) any payment, including a premium or like amount, made as consideration for—

(i) the use of, or right to use, any patent, design, trademark or copyright, or any model, pattern, plan, formula or process, or any property or right of a similar nature;

(ii) the use of, or the right to use—

(A) any motion picture film;

(B) any video or audio material, whether stored on film, tape, disk or other medium, for use in connection with television or radio broadcasting; or

(C) any sound recording or advertising matter connected with material referred to in subparagraph (a)(ii)(A) or (B) of this definition;

(iii) the use of, or the right to use, or the receipt of, or right to receive, any video or audio material transmitted by satellite, cable, optic fibre or similar technology for use in connection with television, internet or radio broadcasting;

(iv) the imparting of, or undertaking to impart, any scientific, technical, industrial or commercial knowledge or information;

(v) the use of, or right to use, any tangible movable property;

(vi) the rendering of, or the undertaking to render, assistance ancillary to a matter referred to in paragraph (a)(i) to (v) of this definition; or

(vii) a total or partial forbearance with respect to a matter

referred to in paragraph (a)(i) to (vi); or

(b) any gain on the disposal of any right or property referred to in paragraph (a) of this definition;

“substituted year of income” has the meaning in section 37;

“swap agreement” means an arrangement between a person who has incurred a debt obligation with a floating interest rate and a person who has incurred a debt obligation with a fixed interest rate under which the persons agree to exchange their interest obligations;

“swap payment” means a payment made under a swap agreement;

“takaful” means insurance business conducted in accordance with Shari’ah principles;

“tax” means any tax imposed under this Act;

“tax-exempt employer” means an employer whose income is exempt from tax;

“taxpayer” means any person who derives an amount subject to tax under this Act and includes—

(a) any person who incurs an assessed loss for a year of income; or

(b) for the purposes of any provision relating to a return, any person required by this Act to furnish such a return;

“trading stock” includes anything produced, manufactured, purchased or otherwise acquired for manufacture, sale or exchange, as well as consumable stores;

“transitional year of income” has the meaning in section 37;

“trust” means any arrangement affecting property in relation to which there is a trustee;

“trustee” includes—

(a) any person appointed or constituted as such by act of the parties, by will, by order or declaration of any court or by operation of the law;

(b) an executor, administrator, tutor or curator;

(c) a liquidator or judicial manager;

(d) any person having the administration or control of property subject to a trust;

(e) any person acting in a fiduciary capacity;

(f) any person having, either in a private or official capacity, the possession, direction, control or management of any property of a person under a legal disability; and

(g) any person who manages assets under a private foundation or other similar arrangement;

“underlying ownership”, in relation to a person other than an individual, means an interest held in, or over, the person directly or indirectly through interposed companies, partnerships or trusts by an individual or by a person not ultimately owned by individuals;

“unit trust” means a unit trust registered or required to be registered as Parliament may by law prescribe;

“year of income” means the period of twelve months ending on 30th June, and includes a substituted year of income and a transitional year of

income.

3. Associate

(1) For the purposes of this Act, where any person, not being an employee, acts in accordance with the directions, requests, suggestions or wishes of another person whether or not they are in a business relationship and whether those directions, requests, suggestions or wishes are communicated to the first-mentioned person, both persons are treated as associates of each other.

(2) Without limiting the generality of subsection (1), the following are treated as an associate of a person —

(a) a relative of the person, unless the Commissioner General is satisfied that neither person acts in accordance with the directions, requests, suggestions or wishes of the other person;

(b) a partner of the person, unless the Commissioner General is satisfied that neither person acts in accordance with the directions, requests, suggestions or wishes of the other person;

(c) a partnership in which the person is a partner where the person, either alone or together with an associate or associates under another application of this section, controls fifty percent or more of the rights to income or capital of the partnership;

(d) the trustee of a trust under which the person, or an associate under another application of this section, benefits or may benefit;

(e) a company in which the person, either alone or together with an associate or associates under another application of this section, controls fifty percent or more of the voting power in the company either directly or through one or more interposed companies, partnerships or trusts;

(f) where the person is a partnership, a partner in the partnership who, either alone or together with an associate or associates under another application of this section, controls fifty percent or more of the rights to income or capital of the partnership;

(g) where the person is the trustee of a trust, any other person who benefits or may benefit under the trust; or

(h) where the person is a company—

(i) a person who, either alone or together with an associate or associates under another application of this section, controls fifty percent or more of the voting power in the company, either directly or through one or more interposed companies, partnerships or trusts; or

(ii) another company in which the person referred to in subparagraph (i), either alone or together with an associate or associates under another application of this section, controls fifty percent or more of the voting power in that other company, either directly or through one or more interposed companies, partnerships or trusts.

PART II—IMPOSITION OF TAX

4. Income tax imposed

(1) Subject to and in accordance with this Act, a tax to be known as income tax shall be charged for each year of income and is imposed on every person who has chargeable income for the year of income.

(2) Subject to subsections (4) and (5), the income tax payable by a taxpayer for a year of income is calculated by applying the relevant rates of tax determined under this Act to the chargeable income of the taxpayer for the year of income and from the resulting amount are subtracted any tax credits allowed to the taxpayer for the year of income.

(3) Where a taxpayer is allowed more than one tax credit for a year of income, the credits shall be applied in the following order—

(a) the foreign tax credit allowed under section 80; then

(b) the tax credit allowed under section 146; then

(c) the tax credit allowed under section 121(8).

(4) Subject to subsection (7), where the gross income of a taxpayer for a year of income consists exclusively of employment income derived from a single employer from which tax has been withheld as required under section 126, the income tax payable by the taxpayer for the year of income is the amount equal to the sum of the amounts required to be withheld from such income under section 126.

(5) Subject to subsection (8), where the gross turnover of a resident taxpayer for a year of income derived from carrying on a business or businesses is less than one hundred fifty million shillings, the income tax payable by the taxpayer for the year of income shall be determined in accordance with Schedule 3 to this Act, unless the taxpayer elects by notice in writing to the Commissioner General for subsection (2) to apply; and—

(a) the tax shall be a final tax on the business income of the taxpayer;

(b) no deductions shall be allowed under this Act for expenditures or losses incurred in the production of the business income; and

(c) no tax credits allowed under this Act shall be used to reduce the tax payable on the business income of the taxpayer, except as provided in Schedule 3 to this Act.

(6) An election under subsection (5) must be lodged with the

Commissioner General by the due date for the taxpayer's return for the year of income to which it relates.

(7) Subsection (4) shall not apply to a tax payer for a tax year if the employment income of that taxpayer for that year includes an amount under section 19(l)(g).

(8) Subsection (5) does not apply to a resident taxpayer who is in the business of providing medical, dental, architectural, engineering, accounting, legal or other professional services, public entertainment services, public utility services or construction services.

5. Rental tax imposed

(1) Subject to and in accordance with this Act, a tax shall be charged for each year of income and is imposed on every person who has rental income for the year of income.

(2) The tax payable by any person under this section for a year of income is—

(a) where the person is an individual, calculated by applying the relevant rates of tax determined under section 6(2) to the rental income derived by the individual for the year;

(b) where the person is a company, calculated by applying the relevant rates of tax determined under section 7(2) to the rental income derived by the company for the year;

(c) where the person is a trustee of a trust or a retirement fund, calculated by applying the relevant rates of tax determined under section 8(5) to the rental income derived by the trustee or retirement fund for the year;

(d) where the person is a partnership, calculated by applying the relevant rates of tax on the individual partners under section

6(2) to the rental income derived by the partnership for the year.

(3) The tax imposed under this section on any person is separate from the tax imposed under section 4 and—

(a) the rent derived by a person shall not be included in the gross income of the person which is subject to tax under this Act for any year of income;

(b) the expenditures and losses incurred by a person, other than an individual or partnership, in the production of rent shall be allowed as a deduction for any year of income only as provided for in section 22(1)(c);

(c) the expenditures incurred or gross rent derived by a partnership shall be allocated to the partners in accordance with section 66(5) and (7) of this Act.

(4) For the purposes of assessing rental tax under this section, the Minister shall, by statutory instrument, prescribe estimates of rent based on the rating of the rental property in a specific location.

(5) A statutory instrument made under subsection (4), shall only apply to a person who fails to file a return in accordance with subsection (1) or whose return is misleading on the face of it and has been contested by the Commissioner General.

(6) A statutory instrument made under this section shall come into force after approval by Parliament.

Rates of tax

6. Rates of tax for individuals

(1) The chargeable income of an individual for a year of income is charged to income tax at the rates prescribed in Part I of Schedule 4 to this Act.

(2) The rental income of a resident individual for a year of income is charged to rental tax at the rate prescribed in Part II of Schedule 4 to this Act.

7. Rate of income tax for companies

(1) The chargeable income of a company for a year of income is charged to income tax at the rate prescribed in Part III of Schedule 4 to this Act.

(2) The rental income of a company for a year of income is charged to income tax at the rate prescribed in Part III of Schedule 4 to this Act.

8. Rate of income tax for trustees and retirement funds

(1) Subject to subsections (2) and (3), a trustee of a trust is charged to tax at the rate prescribed in Part IV of Schedule 4 to this Act on the chargeable trust income of the trust for a year of income.

(2) A trustee of a trust being the estate of a deceased taxpayer who, at the date of death, was a resident individual is charged to tax on the chargeable trust income of the trust at the rates prescribed in Part I of Schedule 4 to this Act for—

(a) the year of income in which death occurred; and

(b) the following year of income.

(3) A trustee of an incapacitated person's trust is charged to tax at the rates prescribed in Part I of Schedule 4 to this Act on the chargeable trust income of the trust for a year of income.

(4) The chargeable income of a retirement fund for a year of income is charged to tax at the rate prescribed in Part IV of Schedule 4 to this Act.

(5) Subject to subsections (6) and (7) the rental income of a trustee for

a year of income is charged to tax at the rate prescribed in Part IV of Schedule 4 to this Act.

(6) A trustee of a trust being the estate of a deceased taxpayer who, at the date of death, was a resident individual, is charged to tax on the rental income of the trust at the rates prescribed in Part I of Schedule 4 to this Act for—

(a) the year of income in which death occurred; and

(b) the following year of income.

(7) A trustee of an incapacitated person's trust is charged to tax on the rental income of the trust for a year of income at the rates prescribed in Part I of Schedule 4 to this Act.

(8) The rental income of a retirement fund for a year of income is charged to tax at the rate prescribed in Part IV of Schedule 4 to this Act.

PART III—RESIDENTS AND NON-RESIDENTS

9. Resident individual

(1) Subject to subsections (2) and (3), an individual is a resident individual for a year of income if that individual—

(a) has a permanent home in Uganda;

(b) is present in Uganda—

(i) for a period of, or periods amounting in aggregate to one hundred eighty-three days or more in any twelve-month period that commences or ends during the year of income; or

(ii) during the year of income and in each of the two preceding

years of income for periods averaging more than one hundred twenty-two days in each such year of income; or

(c) is an employee or official of the Government of Uganda posted abroad during the year of income.

(2) An individual who is a resident individual under subsection (1) for a year of income, in this section referred to as the "current year of income", but who was not a resident individual for the preceding year of income is treated as a resident individual in the current year of income only for the period commencing on the day on which the individual was first present in Uganda.

(3) An individual who is a resident individual for the current year of income but who is not a resident individual for the following year of income is treated as a resident individual in the current year of income only for the period ending on the last day on which the individual was present in Uganda.

10. Resident company

A company is a resident company for a year of income if it—

(a) is incorporated or formed under the laws of Uganda;

(b) has its management and control exercised in Uganda at any time during the year of income; or

(c) undertakes the majority of its operations in Uganda during the year of income.

11. Resident trust

A trust is a resident trust for a year of income if—

(a) the trust was established in Uganda;

(b) at any time during the year of income, a trustee of the trust was a resident person; or

(c) the trust has its management and control exercised in Uganda at any time during the year of income.

12. Resident partnership

A partnership is a resident partnership for a year of income if, at any time during that year, a partner in the partnership was a resident person.

13. Resident retirement fund

A retirement fund is a resident retirement fund for a year of income if it—

(a) is organised under the laws of Uganda;

(b) is operated for the principal purpose of providing retirement benefits to resident individuals; or

(c) has its management and control exercised in Uganda at any time during the year of income.

14. Non-resident person

(1) Subject to subsection (2), a person is a non-resident person for a year of income if the person is not a resident person for that year.

(2) Where section 9(2) or (3) applies, an individual is a non-resident person for that part of the year of income in which the individual is not a resident individual.

PART IV—CHARGEABLE INCOME

15. Chargeable income

Subject to section 16, the chargeable income of a person for a year of income is the gross income of the person for the year less total deductions allowed under this Act for the year.[63]

16. Chargeable income arising from insurance business

(1) The chargeable income of a person for a year of income arising from the carrying on of a short-term insurance or general takaful business is determined in accordance with Schedule 5 to this Act.

(2) Where a person to whom subsection (1) applies derives income charged to tax other than income arising from the carrying on of a short-term insurance or general takaful business for a year of income, the chargeable income determined under subsection (1) is added to that other income for the purposes of determining the person's total chargeable income for the year of income.

(3) In this section—

"insurance business" means the business of, or in relation to the issue of, or the undertaking of liability under, life policies, or to make good or indemnify the insured against any loss or damage, including liability to pay damages or compensation contingent upon the happening of a specified event;

"life insurance business" means business of any of the following classes—

(a) effecting, carrying out and issuing policies on human life or contracts to pay annuities on human life;

---

[63] See Amos Nzeyi v URA, TAT Application No. 005 of 2024. Decided on 30 June 2025.

(b) effecting, carrying out and issuing contracts of insurance against the risk of the person insured sustaining injury or dying as the result of an accident or of an accident of a specific class, or becoming incapacitated in consequence of disease or of diseases of specified classes, being contracts that are expressed to be in effect for a period of not less than five years or without limit of time and either are not expressed to be terminable by the insurer before the expiry of five years from taking effect or are expressed to be so terminable before the expiry of such period only in special circumstances specified in the contract; or

(c) effecting, carrying out and issuing of insurance whether effected by the issue of policies, bonds, endowment certificates or otherwise, where, in return for one or more premiums paid to the insurer, an amount or series of amounts is to become payable to the insurer in the future, not being such contracts as fall within paragraph (a) or (b); and

"short-term insurance business" means any insurance business, including general takaful, which is not a life insurance business or family takaful;

"family takaful" has the same meaning as life insurance business.

Gross income

17. Gross income

(1) Subject to this Act, the gross income of a person for a year of income is the total amount of—

(a) business income;[64]

[64] See Amos Nzeyi v URA, TAT Application No. 005 of 2024. Decided on 30

(b) employment income;[65] and

(c) property income,

derived during the year by the person, other than income exempt from tax.

(2) For the purposes of subsection (1)—

(a) the gross income of a resident person includes income derived from all geographical sources; and

(b) the gross income of a non-resident person includes only income derived from sources in Uganda.

(3) Unless this Act provides otherwise, Part V of this Act, which deals with tax accounting principles, applies in determining when an amount is derived for the purposes of this Act.

18. Business income

(1) Business income means any income derived by a person in carrying on a business and includes the following amounts, whether of a revenue or capital nature—[66]

(a) the amount of any gain, as determined under Part VI of this Act which deals with gains and losses on disposal of assets, derived by a person on the disposal of a business asset, or on the satisfaction or cancellation of a business debt, whether or not the asset or debt was on revenue or capital account;

June 2025.

[65] See Infectious Disease Institute v URA, HCCA No. 006 of 2022. Decided on 25 October 2024.

[66] See Amos Nzeyi v URA, TAT Application No. 005 of 2024. Decided on 30 June 2025.

(b) any amount derived by a person as consideration for accepting a restriction on the person's capacity to carry on business;

(c) the gross proceeds derived by a person from the disposal of trading stock;

(d) any amount included in the business income of the person under any other section of this Act;

(e) the value of any gifts derived by a person in the course of, or by virtue of, a past, present or prospective business relationship; and

(f) the interest derived by a person in respect of trade receivables or by a person engaged in the business of banking or money lending.

(2) An amount included in business income under subsection (1)(f) retains its character as interest or rent for the purposes of any section of this Act referring to such income.

(3) Where, as a result of any concession granted by, or a compromise made with, a taxpayer's creditors in the course of an insolvency, the taxpayer derives a gain on the cancellation of a business debt, section 36(3) applies *in lieu* of including the gain in the business income of the taxpayer under subsection (1).

(4) In this section, "business asset" does not include trading stock or a depreciable asset.

19. Employment income[67]

[67] See International Food Policy Research Institute v URA, TAT Application No. 59 of 2023. Decided on 06 September 2024; Infectious Disease Institute v URA, HCCA No. 006 of 2022. Decided on 25 October 2024; Guaranty Trust Bank (Uganda) Limited v URA, TAT Application No. 20 of 2024. Decided on 23

(1) Subject to this section, employment income means any income derived by an employee from any employment and includes the following amounts, whether of a revenue or capital nature—

(a) any wages, salary, leave pay, payment *in lieu* of leave, overtime pay, fees, commission, gratuity, bonus or the amount of any travelling, entertainment, utilities, cost of living, housing, medical or other allowance;

(b) the value of any benefit granted;

(c) the amount of any discharge or reimbursement by an employer of expenditure incurred by an employee, other than expenditure incurred by an employee on behalf of the employer which serves the proper business purposes of the employer;

(d) any amount derived as compensation for the termination of any contract of employment, whether or not provision is made in the contract for the payment of such compensation, or any amount derived which is in commutation of amounts due under any contract of employment;

(e) any amount paid by a tax-exempt employer as a premium for insurance, on the life of the employee and which insurance is for the benefit of the employee or any of his or her dependants;

(f) any amount derived as consideration for the employee's agreement to any conditions of employment or to any changes in his or her conditions of employment;

(g) the amount by which the value of shares issued to an employee under an employee share acquisition scheme at the date of issue exceeds the consideration, if any, given by the employee

for the shares, including any amount given as consideration for the grant of a right or option to acquire the shares;

(h) the amount of any gain derived by an employee on disposal of a right or option to acquire shares under an employee share acquisition scheme.

(2) Notwithstanding subsection (1), the employment income of an employee does not include—

(a) the cost incurred by the employer of any passage to or from Uganda in respect of the employee's appointment or termination of employment where the employee—

(i) was recruited or engaged outside Uganda;

(ii) is in Uganda solely for the purpose of serving the employer; and

(iii) is not a citizen of Uganda;

(b) any reimbursement or discharge of the employee's medical expenses;

(c) except where subsection (1)(e) applies, any amount paid as a premium for insurance on the life of the employee and which insurance is for the benefit of the employee or any of his or her dependants;

(d) any allowance given for, and which does not exceed the cost actually or likely to be incurred, or a reimbursement or discharge of expenditure incurred by the employee on—

(i) accommodation and travel expenses; or

(ii) meals and refreshment,

while undertaking travel in the course of performing duties of employment;

(e) the value of any meal or refreshment provided by the employer to the employee in premises operated by or on behalf of the employer solely for the benefit of employees and which is available to all full time employees on equal terms;

(f) any benefit granted by the employer to the employee during a month, where the total value of the benefits provided by the employer to the employee for the month is less than ten thousand shillings;

(g) any contribution or similar payment by the employer made to a retirement fund for the benefit of the employee or any of his or her dependants; or

(h) the value of a right or portion to acquire shares granted to an employee under an employee share acquisition scheme.

(3) For the purposes of this section, the value of any benefit is determined in accordance with Schedule 6 to this Act.

(4) Where the amount to which subsection (1)(d) applies is paid by an employer to an employee who has been in the employment of the employer for ten years or more, the amount included in employment income is calculated according to the following formula—

$$A \times 75\%$$

where—

A is the total amount derived by the employee to which subsection (1)(d) applies.

(5) For the purposes of subsection (2), a director of a company is only a full time employee of the company if the director—

(a) is required to devote substantially the whole of his or her time to the service of the company in a managerial or technical capacity; and

(b) does not have an interest of more than five percent in the underlying ownership of the company.

(6) For the purposes of this section, an amount or benefit is derived in respect of employment if the amount or benefit—

(a) is provided by an employer or by a third party under an arrangement with the employer or an associate of the employer;

(b) is provided to an employee or to an associate of an employee; and

(c) is provided in respect of past, present or prospective employment.

(7) An amount excluded from the employment income of an employee under subsection (2) or (4) is exempt income of the employee.

(8) In this section—

"employee share acquisition scheme" means an agreement or arrangement under which—

(a) a company is required to issue shares in the company to the employees of the company or of an associated company; or

(b) a company is required to issue shares to a trustee of a trust and under the trust deed the trustee is required to transfer the shares to the employees of the company or of an associated company; and

"medical expenses" includes a premium or other amount paid for medical insurance.

20. Property income

(1) Property income means—

(a) any dividends, interest, annuity, natural resource payments, rents, royalties and any other payment derived by a person from the provision, use or exploitation of property;

(b) the value of any gifts derived by a person in connection with the provision, use or exploitation of property;

(c) the total amount of any contributions made to a retirement fund during a year of income by a tax-exempt employer; and

(d) any other income derived by a person,

but does not include any amount which is business, employment or exempt income.

(2) An amount included in property income under subsection (l)(a) retains its character as dividends, interest, annuity, natural resource payment, rent or royalties for the purposes of any section of this Act referring to such income.

Exempt income

21. Exempt income

(1) The following amounts are exempt from tax—

(a) the income of a listed institution;

(b) the income of any organisation or person entitled to privileges under the Diplomatic Privileges Act, to the extent provided in

the regulations and orders made under that Act;

(c) the official employment income derived by a person in the public service of the government of a foreign country if—

(i) the person is either a non-resident person or is a resident individual solely by reason of performing such services;

(ii) the income is payable from the public funds of that country; and

(iii) the income is subject to tax in that country;

(d) any allowance payable outside Uganda to a person working in a Ugandan foreign mission;

(e) the income of any local authority;

(f) the income of an exempt organisation, other than—

(i) property income, except rent received by an exempt organisation in respect of immovable property and the rent is used by the lessor exclusively for the activities of the organisation specified in paragraph (a) of the definition of “exempt organisation” in section 2; or

(ii) business income that is not related to the function constituting the basis for the organisation’s existence;

(g) any education grant which the Commissioner General is satisfied has been made *bona fide* to enable or assist the recipient to study at a recognised educational or research institution;

(h) any amount derived by way of alimony or allowance under any judicial order or written agreement of separation;

(i) the value of any property acquired by gift, bequest, devise or inheritance that is not included in business, employment or property income;

(j) any capital gain that is not included in business income, other than capital gains on the sale of shares in a private limited liability company or on the sale of a commercial building;[68]

(k) employment income derived by an individual to the extent provided for in a technical assistance agreement where—

(i) the individual is a non-resident or a resident solely for the purpose of performing duties under the agreement; and

(ii) the Minister has concurred in writing with the tax provisions in the agreement;

(l) foreign-source income derived by—

(i) a short-term resident of Uganda;

(ii) a person to whom paragraph (c) or (k) of this subsection applies; or

(iii) a member of the immediate family of a person referred to in subparagraph (i) or (ii);

(m) pension;

(n) a lump sum payment made by a resident retirement fund to a member of the fund or a dependent of a member of the fund;

---

[68] See Chandaria Foundation Registered Trustees v URA, TAT Application No.331 of 2024. Decided on 23 May 2025; Amos Nzeyi v URA, TAT Application No. 005 of 2024. Decided on 30 June 2025.

(o) the proceeds of a life insurance policy paid by a person carrying on a life insurance business;

(p) the official employment income of a person employed in the Uganda Peoples' Defence Forces, External Security Organisation, Internal Security Organisation, the Uganda Police Force, or the Uganda Prisons Service, other than a person employed in a civil capacity;

(q) the employment income of a person employed as a member of Parliament, except salary;

(r) the employment income of a prosecutor in the Office of the Director of Public Prosecution;

(s) the income of the Government of the Republic of Uganda and the Government of any other country;

(t) the income of the Bank of Uganda;

(u) the income of a collective investment scheme to the extent of which the income is distributed to the participants in the collective investment scheme;

(ta) income derived from or by private equity or venture capital fund regulated under the Capital Markets Authority Act, Cap 84;[69]

(tb) income derived from the disposal of government securities on the secondary market;[70]

(v) the emoluments paid to the employees of the East African Development Bank with effect from 1st July 1997;

---

[69] Now Cap 64.

[70] Paragraphs ta and tb were introduced by the 2024 ITA Amendment Act. They were intended to follow immediately after paragraph (t) in the old version of the ITA. Under the revised Laws of Uganda 2023, paragraph (t) was renumbered as paragraph (u).

(w) the income of an Investor Compensation Fund established under section 90 of the Capital Markets Authority Act;

(x) the income of the Deposit Protection Fund established under section 108 of the Financial Institutions Act;

(y) the income of a person derived from the operation of aircraft in domestic and international traffic or the leasing of aircraft;

(z) the income of a person derived from the exportation of finished consumer and capital goods for a period of ten years where the person—

(i) in the case of a new investment, applies in writing to the Commissioner General to be issued with a certificate of exemption at the beginning of the investment of that person; or

(ii) in the case of an existing investment, applies for a certificate from the Commissioner General which is effective from 1st July,2007, and the person—

(A) exports at least eighty percent of the production of goods;

(B) has fulfilled such conditions as may be prescribed by regulations made by the Minister; and

(C) has been issued with a certificate of exemption prescribed by the Commissioner General;

(za) the income derived from a business established by a citizen after 1st July, 2025, for a period of three years where the[71] —

(i) business is registered with an investment capital not exceeding five hundred million shillings;

(ii) citizen or an associate of the citizen has not previously

[71] Inserted by the 2025 amendment.

benefited from the exemption; and

(iii) citizen files a tax return including business information return referred to in section 147 in the format prescribed by the Commissioner General.

(aa) an award received by a sports person as a reward for winning or participating in a sports competition;

(ab) the income of Bujagali hydro power project, up to 30th June, 2026;[72]

(ac) the income of a savings and credit cooperative society up to 30th June, 2027.

(ad) the income derived by a person from letting or leasing facilities whose investment capital is at least fifty million United States Dollars, in the case of a foreigner, or ten million United States Dollars, in the case of a citizen in an industrial park or free zone for a period of ten years from the date of commencement of construction or in the case of an existing developer, from the date on which the existing developer makes an additional investment equivalent to fifty million United States Dollars in the case of a foreigner or ten million United States Dollars in the case of a citizen;

(ae) the income of an operator in an industrial park or free zone or the income of any other person carrying on business outside the industrial park or free zone and the investment capital of that operator or that other person, over a period of at least ten years from the date of commencement of business, is at least ten million United States Dollars, in the case of a foreigner or three hundred thousand United States Dollars, in the case of a citizen or one hundred fifty thousand United States Dollars, for a citizen whose investment is placed up country, or in the case of an existing operator or other person carrying on business outside the industrial park or free zone, from the date on which

[72] Amended by the 2025 amendment.

the operator makes an additional investment equivalent to ten million United States Dollars in the case of a foreigner or three hundred thousand United States Dollars in the case of a citizen, or one hundred fifty thousand United States Dollars, for a citizen whose investment is placed up country who, subject to availability, uses at least seventy percent of locally sourced raw materials and employs at least seventy percent of its employees being citizens earning an aggregate wage of at least seventy percent of the total wage bill and—

(i) processes agricultural goods;

(ii) manufactures or assembles medical appliances, medical sundries or pharmaceuticals, building materials, automobile or household appliances;

(iii) manufactures furniture, pulp, paper, printing and publishing of instructional materials;

(iv) establishes or operates vocational or technical institutes;

(v) carries out business in logistics and ware housing, information technology or commercial farming;

(vi) manufactures tyres, footwear, mattresses or toothpaste; or

(vii) manufactures chemicals for agricultural use or industrial use, textiles, glassware, leather products, industrial machinery, electrical equipment, sanitary pads and for diapers;[73]

(viii) manufacturers an electric vehicle, electric battery or electric vehicle charging equipment or fabricates the frame and body of an electric vehicle;

[73] Amended by the 2025 amendment.

(ix) operates a specialized hospital facility.[74]

(af) interest paid on infrastructure bonds;

(ag) dividends earned from a company which came into existence through a stock exchange.

(2) An operator in an industrial park or free zone or any other person carrying on business outside the industrial park or free zone who undertakes investment and who seeks to benefit from the income tax exemption provided for under section 21(1) (ad) and (ae) shall declare in their tax return for a year of income the qualifying income and its related expenses.

(3) The qualifying income referred to in subsection (2) shall be the income attributable to the qualifying investment made in Uganda to be determined as follow-

I*A/B

where—

I is the sum of gross income and exempt income of the person for the year of income, before accounting for the qualifying income;

A is the total amount of investment made by an investor from the beginning of the year of income in which the investment becomes a qualifying investment;

B is the sum of amount of the qualifying investments and the total investment made before the commencement of the current year of income.

(4) The expenses which are related to the qualifying income shall be determined as follows-

E*F/G

[74] Subparagraphs (viii) and (ix) were introduced by the 2024 ITA Amendment.

where—

E is the total allowable deductions for the year of income as provided for under the Act;

F is qualifying income calculated under subsection (3);

G is the sum of gross income and exempt income of the person for the year of income

(5) For purposes of subsection (1) (ad) and (ae), the date of commencement of business of the investor shall be the later of the first day of the year of income or the first day during the year of income on which the qualifying generates income.

(6) For purposes of subsection (3), where a qualifying investment is still under construction or assembling, the amount in the qualifying investment shall be cumulated to the year of income in which the qualifying investment starts to generate income.

(7) In this section—

“short-term resident" means a resident individual, other than a citizen of Uganda, present in Uganda for a period or periods not exceeding two years;

“technical assistance agreement” means a grant agreement between the Government of Uganda and a foreign government or a listed institution for the provision of technical assistance to Uganda;

“agro-processing” in relation to agricultural products of pastoral, agricultural, or other farming operations, means an industrial or manufacturing process that substantially transforms or converts raw agricultural produce in order to convert the produce into a different chemical or physical state and includes the activities that take place between slaughter or harvest of the raw product in order to change it or preserve it;

“infrastructure bond” means all listed bonds, notes or other similar securities used to raise funds for public infrastructure and other social

services, if those bonds have a maturity period of at least ten years.

Deductions

22. Expenses of deriving income[75]

(1) Subject to this Act, for the purposes of ascertaining the chargeable income of a person for a year of income, there shall be allowed as a deduction—

(a) all expenditures and losses incurred by the person during the year of income to the extent to which the expenditures or losses were incurred in the production of income included in gross income;

(b) the amount of any loss as determined under Part VI of this Act, which deals with gains and losses on the disposal of assets, incurred by the person on the disposal of a business asset during the year of income, whether or not the asset was on revenue or capital account;

(c) in case of rental income, the expenditure and losses incurred by a person other than an individual or partnership in the production of such income subject to subsection (2);

(d) local service tax paid by an individual; and

(e) two percent of income tax payable under this Act by private employers who prove to Uganda Revenue Authority that five percent of their employees on full time basis are persons with disabilities.

(2) Where the expenditure and losses incurred by a person other than percent of the rental income, the allowable deduction shall be fifty percent of the rental income for that year of income.

(3) Except as otherwise provided in this Act, no deduction is allowed

[75] See SMEC International Limited v URA, TAT Application No. 75 of 2019. Decided 15 November 2024.

for—

(a) any expenditure or loss incurred by a person to the extent to which it is of a domestic or private nature;

(b) subject to subsection (1), any expenditure or loss of a capital nature, or any amount included in the cost base of an asset;

(c) any expenditure or loss which is recoverable under any insurance, contract or indemnity;

(d) income tax payable in Uganda or a foreign country;

(e) any income carried to a reserve fund or capitalised in any way;

(f) the cost of a gift made directly or indirectly to an individual where the gift is not included in the individual's gross income;

(g) any fine or similar penalty paid to any government or a political subdivision of a government for breach of any law or subsidiary legislation;

(h) a contribution or similar payment made to a retirement fund by the employee either for the benefit of the employee or for the benefit of any other person;

(i) a premium or similar payment made to a person carrying on a life or on the life of some other person;

(j) the amount of a pension paid to any person;

(k) any alimony or allowance paid under any judicial order or written agreement of separation;

(l) any expenditure above five million shillings in one transaction on goods and services from a supplier who does not have a taxpayer identification number, or

(m) expenses of a person who purchases goods or services from a supplier who is designated to use the e-invoicing system unless the expenses are supported by e-invoices or e-receipts.

(4) In this section, expenditure of a domestic or private nature incurred by a person includes—

(a) the cost incurred in the maintenance of the person and the person's family or residence;

(b) the cost of commuting between the person's residence and work;

(c) the cost of clothing worn to work, except clothing which is not suitable for wearing outside of work; and

(d) the cost of education of the person not directly relevant to the person's employment or business, and the cost of education leading to a degree, whether or not it is directly relevant to the person's employment or business.

(5) Unless this Act provides otherwise, Part V of this Act, which deals with tax accounting principles, applies for the purposes of determining when an expenditure or loss is incurred for the purposes of this Act.

(6) In this section, “business asset” does not include trading stock or a depreciable asset.

23. Meals, refreshment and entertainment expenditure

A deduction is allowed for expenditure incurred by a person in providing meals, refreshment or entertainment in the production of income included in gross income, but only where-

(a) the value of the meals, refreshment or entertainment is included in the employment income of an employee under section 19(1) (b) or is excluded from employment income by section 19(2)(d) or (e); or

(b) the person's business includes the provision of meals, refreshment or entertainment and the persons to whom the meals, refreshment or entertainment have been provided have paid an arm's-length consideration for them.

24. Bad debts

(1) Subject to subsection (2), a person is allowed a deduction for the amount of a bad debt written off in the person's accounts during the year of income.

(2) A deduction for a bad debt is only allowed—

(a) if the amount of the debt claim was included in the person's gross income in any year of income;

(b) if the amount of the debt claim was in respect of money lent in the ordinary course of a business carried on by a financial institution in the production of income included in gross income; or

(c) if the amount of the debt claim was in respect of a loan granted to any person by a financial institution for the purpose of farming, forestry, fish farming, bee keeping, animal and poultry husbandry or similar operations.

(3) In this section—

"bad debt" means—

(a) a debt claim in respect of which the person has taken all reasonable steps to pursue payment and which the person reasonably believes will not be satisfied; and

(b) in relation to a financial institution, a debt in respect of which a loss reserve held against presently identified losses or potential losses, and which is therefore not available to meet losses which subsequently materialise, has been made; and

"debt claim" means a right to receive a repayment of money from another person, including deposits with financial institutions, accounts receivable, promissory notes, bills of exchange and bonds.

25. Interest

(1) Subject to this Act, a person is allowed a deduction for interest incurred during the year of income in respect of a debt obligation to the extent that the debt obligation has been incurred by the person in the production of income included in gross income.

(2) In this section, “debt obligation" includes an obligation to make a swap payment arising under a swap agreement and shares in a building society.

(3) The amount of deductible interest in respect of all debts owed by a taxpayer who is a member of a group, other than a financial institution, microfinance deposit taking institution, tier 4 microfinance institution or person carrying on insurance business, shall not exceed thirty percent of the tax earnings before interest, depreciation and amortisation.[76]

(4) A taxpayer whose interest exceeds thirty percent of the tax earnings before interest, tax, depreciation and amortisation may carry forward the excess interest for not more than three years, and the excess interest shall be treated as incurred during the next year of income.

(5) In this section—

"group” means persons other than individuals, with common underlying ownership;[77]

“tax earnings before interest, tax, depreciation and amortisation” means the sum of—

(a) gross income less allowable deductions, except a deduction under subsection (1);

---

[76] See Ambitious Construction Company Limited v URA, TAT Application No. 219 of 2023. Decided on 12 June 2025.
[77] See Moil Uganda Limited v URA, TAT Application No. 149 of 2023. Decided on 04 October 2024.

(b) depreciation; and

(c) amortisation.

26. Repairs and minor capital equipment

(1) A person is allowed a deduction for expenditure incurred during the year of income for the repair of property occupied or used by the person in the production of income included in gross income.

(2) A person is allowed a deduction for expenditure incurred during the year of income in acquiring a depreciable asset except returnable containers with a cost base of less than fifty currency points.

(3) The Commissioner General shall allow a deduction of an amount representing the diminution in value of returnable containers, not being machinery or plant, as a deduction for each year of income.

(4) Subsection (2) only applies to a depreciable asset if the asset normally functions in its own right and is not an individual item, which forms part of a set.

27. Depreciable assets

(1) A person is allowed a deduction for the depreciation of the person's depreciable assets, other than an asset to which section 26(2) applies, during the year of income as calculated in accordance with this section.

(2) Depreciable assets are classified into three classes as set out in Part I of Schedule 7 to this Act with depreciation rates applicable for each class as specified in that Part.

(3) A person's depreciable assets shall be placed into separate pools for each class of asset, and the depreciation deduction for each pool is calculated according to the following formula—

A x B

where—

A is the written-down value of the pool at the end of the year of income; and

B is the depreciation rate applicable to the pool.

(4) The written-down value of a pool at the end of a year of income is the total of—

(a) the written-down value of the pool at the end of the preceding year of income after allowing for the deduction under subsection (3) for that year; and

(b) the cost base of assets added to the pool during the year of income,

reduced, but not below zero, by the consideration received from the disposal of assets in the pool during the year of income.

(5) Where the amount of consideration received by a person from the disposal during a year of income of any asset or assets in a pool exceeds the written-down value of the pool at the end of the year of income disregarding that amount, the excess is included in the business income of the person for that year.

(6) If the written-down value of a pool at the end of the year of income, after allowing for the deduction under subsection (3), is less than fifty currency points, a deduction shall be allowed for the amount of that written-down value.

(7) Where all the assets in a pool are disposed of before the end of a year of income, a deduction is allowed for the amount of the written-down value of the pool as at the end of that year.

(8) Where a person has incurred non-deductible expenditures in more than one year of income in respect of a depreciable asset, this

section applies as if the expenditures incurred in different years of income were incurred for the acquisition of separate assets of the same class.

(9) The cost base of a depreciable asset is added to a pool in the year of income in which the asset is placed in service.

(10) Where a depreciable asset is only partly used during a year of income in the production of income included in gross income, the depreciation deduction allowed under this section in relation to the asset shall be proportionately reduced.

(11) For the purposes of subsection (4)(b), the cost base of a road vehicle, other than a commercial vehicle, is not to exceed the amount set out in Part II of Schedule 7 to this Act.

(12) Where the cost base of a road vehicle for the purposes of subsection (4)(b) is limited under subsection (11), the person is treated as having acquired two assets—

(a) a depreciable asset being a road vehicle with a cost base equal to the amount set out in Part II to Schedule 7 to this Act; and

(b) a business asset that is not a depreciable asset with a cost base equal to the difference between the cost base of the asset not taking into account subsection (11), in this section referred to as the “actual cost base”, and the amount set out in Part II of Schedule 7 to this Act.

(13) Where a road vehicle to which subsection (12) applies is disposed of, the person is treated as having disposed of each of the assets specified under that subsection, and the consideration received on disposal is apportioned between the two assets based on the ratio of the cost base of each asset as determined under that subsection to the actual cost base of the asset.

(14) In calculating the amount of any gain or loss arising on disposal of an asset specified in subsection (12)(b), the cost base of the asset as determined under that paragraph is reduced by the depreciation

deductions which would have been allowed to the person if the asset—

(a) was a depreciable asset being a road vehicle; and

(b) the asset was the only asset in the pool.

(15) In this section, "commercial vehicle" means—

(a) a road vehicle designed to carry loads of more than half a tonne or more than thirteen passengers; or

(b) a vehicle used in a transportation or vehicle rental business.

28. Industrial buildings

(1) Subject to this section, where a person has incurred capital expenditure in any year of income on the construction of an industrial building and the building is used by the person during the year of income in the production of income included in gross income, the person is allowed a deduction for the depreciation of the building during the year of income as calculated according to the following formula—

$$A \times B \times C/D$$

where—

A is the depreciation rate applicable to the building as determined under Part III of Schedule 7 to this Act;

B is the capital expenditure incurred in the construction of the building;

C is the number of days in the year of income during which the asset was used or was available for use in the production of income included in gross income; and

D is the number of days in the year of income.

(2) Subject to subsection (3), where an industrial building is only partly used by a person during a year of income for prescribed uses, the

amount of the depreciation deduction allowed under subsection (1) shall be proportionately reduced.

(3) Where an industrial building is only partly used by a person during a year of income for prescribed uses and the capital expenditure incurred in the construction of that part of the building used for other uses is not more than ten percent of the total capital expenditure incurred on the construction of the building, the building is treated as wholly used for prescribed uses.

(4) Where a person has incurred expenditure in making a capital improvement to an industrial building in a year of income, this section applies as if the expenditure was capital expenditure incurred in that year in the construction of a separate industrial building.

(5) Where an industrial building is purchased by a person, the person is deemed to have incurred the capital expenditure incurred by the person who constructed the building.

(6) The amount of the deduction allowed under this section is not to exceed the amount which, apart from making the deduction, would be the residue of expenditure at the end of the year of income.

(7) Where an industrial building has been disposed of by a person during a year of income, the cost base of the building for the purposes of this Act is reduced by any deductions allowed to the person under this section in respect of the building.

(8) Where an industrial building is bought and sold together with land, the value of the land shall be the difference between the total consideration and the value of the industrial building as defined in subsection (7).

(9) Where subsection (4) applies, the consideration received on disposal of an industrial building shall be reasonably apportioned among the separate industrial buildings identified under that subsection.

(10) In this section—

"capital expenditure" does not include—

(a) expenditure incurred in the acquisition of a depreciable asset installed in an industrial building; or

(b) expenditure incurred in the acquisition of, or of any rights in or over, any land;

"prescribed uses" means the uses specified in the definition of "industrial building" in section 2; and

"residue of expenditure" means the capital expenditure incurred on the construction of an industrial building less any deductions allowed under this section to any person and any amounts which would have been allowed as deductions if the building was solely used for prescribed uses at all times since construction was completed.

29. Start-up costs

(1) A person who has incurred expenditure in starting up a business to produce income included in gross income or in the initial public offering at the stock market shall be allowed a deduction of an amount equal to twenty-five percent of the amount of the expenditure in the year of income in which the expenditure was incurred and in the following three years of income in which the business is carried on by the person.

(2) In this section, "expenditure in starting up a business" means—

(a) in the case of initial public offering, costs incurred in listing the business with the Uganda Stock Exchange;

(b) in any other case, non-recurring preliminary or pre-opening costs, which are associated, with setting up a business such as fees of an accountant, registration charges, legal fees, costs for promotional and advertising activities, as well as costs for employee training.

30. Costs of intangible assets

(1) A person who has incurred expenditure in acquiring an intangible asset having an ascertainable useful life is allowed a deduction in each year of income during the useful life of the asset in which the person wholly uses the asset in the production of income included in gross income of an amount calculated according to the following formula—

A/B

where—

A is the amount of expenditure incurred; and

B is the useful life of the asset in whole years.

(2) Where an intangible asset has been disposed of by a person during the year of income, the cost base of the asset is reduced by any deductions allowed under this section to the person in respect of the asset.

31. Scientific research expenditure

(1) A person is allowed a deduction for scientific research expenditure incurred during the year of income in the course of carrying on a business, the income from which is included in gross income.

(2) In this section—

"scientific research" means any activities in the fields of natural or applied science for the development of human knowledge;

“scientific research expenditure", in relation to a person carrying on business, means the cost of scientific research undertaken for the purposes of developing the person's business, including any contribution to a scientific research institution which is used by the institution in undertaking research for the purposes of developing the person's business, but does not include—

(a) expenditure incurred for the acquisition of a depreciable or intangible asset;

(b) expenditure incurred for the acquisition of land or buildings; or

(c) expenditure incurred for the purpose of ascertaining the existence, location, extent or quality of a natural deposit; and

"scientific research institution" means an association, institute, college or university which undertakes scientific research.

32. Training expenditure

(1) An employer is allowed a deduction for expenditure incurred during the year of income for the training or tertiary education, not exceeding in the aggregate five years, of a citizen or permanent resident of Uganda, other than an associate of the employer, who is employed by the employer in a business, the income from which is included in gross income.

(2) In this section, "permanent resident" means a resident individual who has been present in Uganda for a period or periods in total of five years or more.

33. Charitable donations

(1) A person is allowed a deduction for a gift made during a year of income to an organisation within section 2(a)(i) or (ii) of the definition of "exempt organisation".

(2) For the purposes of subsection (1), the value of a gift of property is the lesser of-

(a) the value of the property at the time of the making of the gift; or

(b) the consideration paid by the person for the property.

(3) The amount of a deduction allowed under subsection (1) for a year of income shall not exceed five percent of the person's chargeable income, calculated before taking into account the deduction under this section.

34. Farming

(1) Expenditure incurred by a person in acquiring farm works is included in the person's pool for class 4 assets under section 27 in the year of income in which the expenditure is incurred and is depreciated accordingly

(2) Subject to subsection (3), a person carrying on a business of horticulture in Uganda to produce income included in gross income, who has incurred expenditure of a capital nature on—

(a) the acquisition or establishment of a horticultural plant; or

(b) the construction of a greenhouse,

shall be allowed a deduction of an amount equal to twenty percent of the amount of the expenditure in the year of income in which the expenditure was incurred and in the following four years of income in which the plant or greenhouse is used in the business of horticulture carried on by the person.

(3) Expenditure of a capital nature incurred on the establishment of a horticultural plant shall include expenditure incurred in draining or clearing land.

(4) In this section—

"farm works" means any labour quarters and other immovable buildings necessary for the proper operation of a farm, fences, dips, drains, water and electricity supply works, windbreaks and other works necessary for farming operations carried on to produce income included in gross income, but does not include—

(a) farm houses; or

(b) depreciable assets;

"horticulture" includes—

(a) propagation or cultivation of seeds, bulbs, spores or

similar things;

(b) propagation or cultivation of fungi; or

(c) propagation or cultivation in environments other than soil, whether natural or artificial.

35. Apportionment of deductions

(1) A deduction relating to the production of more than one class of income shall be reasonably apportioned among the classes of income to which it relates.

(2) Where a person derives more than one class of income, the deduction allowed under section 33 shall be allocated rateably to each class of income.

36. Carry forward losses

(1) Subject to this section and section 74, where, for any year of income, the total amount of income included in the gross income of a taxpayer is exceeded by the total amount of deductions allowed to the taxpayer, the amount of the excess, in this Act referred to as an assessed loss, shall be carried forward and allowed as a deduction in determining the taxpayer's chargeable income in the following year of income.

(2) Where for any year of income the total farming income derived by a taxpayer who is an individual is exceeded by the total deductions allowed to the taxpayer relating to the production of that income, the amount of the excess, in this Act referred to as an “assessed farming loss”, may not be deducted against any other income of the taxpayer for the year of income, but shall be carried forward and allowed as a deduction in determining the chargeable farming income of the taxpayer in the following year of income.

(3) The amount of an assessed loss carried forward under this section for a taxpayer shall be reduced by the amount or value of any benefit

to the taxpayer from a concession granted by, or a compromise made with, the taxpayer's creditors in the course of an insolvency whereby the taxpayer's liabilities to those creditors have been extinguished or reduced, provided such liabilities were incurred in the production of income included in gross income.

(4) Where a taxpayer has more than one class of loss, the reduction in subsection (3) shall be applied rateably to each class of loss.

(5) Subsection (1) shall apply separately to income derived from sources in Uganda and to foreign-source income.

(6) Notwithstanding the provisions of this section, a taxpayer who, after a period of seven years of income, carries forward assessed losses, shall only be allowed a deduction of fifty percent of the loss carried forward in the following year of income and the subsequent years of income in determining the taxpayers chargeable income.

(7) In this section—

"chargeable farming income" means the total farming income of a taxpayer for a year of income reduced by any deductions allowed under this Act for that year which relate to the production of such income; and

"farming income" means the business income derived from the carrying on of farming operations.

PART V-TAX ACCOUNTING PRINCIPLES

37. Substituted year of income

(1) A taxpayer may apply, in writing, to use as the taxpayer's year of income a substituted year of income being a twelve-month period other than the normal year of income; and the Commissioner General may, subject to subsection (3), by notice in writing, approve the application.

(2) A taxpayer granted permission under subsection (1) to use a substituted year of income may apply, in writing, to change the taxpayer's year of income to the normal year of income or to another substituted year of income; and the Commissioner General, subject to subsection (3), may, by notice in writing, approve the application.

(3) The Commissioner General may only approve an application under subsection (1) or (2) if the taxpayer has shown a compelling need to use a substituted year of income or to change the taxpayer's year of income, and any approval is subject to such conditions as the Commissioner General may prescribe.

(4) The Commissioner General may, by notice in writing to a taxpayer, withdraw the permission to use a substituted year of income granted under subsection (1) or (2).

(5) A notice served by the Commissioner General under subsection (1) takes effect on the date specified in the notice, and a notice under subsection (2) or (4) takes effect at the end of the substituted year of income of the taxpayer in which the notice was served.

(6) Where the year of income of a taxpayer changes as a result of subsection (1), (2) or (4), the period between the last full year of income prior to the change and the date on which the changed year of income commences is treated as a separate year of income, to be known as the “transitional year of income".

(7) In this Act, a reference to a particular normal year of income includes a substituted year of income or a transitional year of income commencing during the normal year of income.

(8) A taxpayer dissatisfied with a decision of the Commissioner General under subsection (1), (2) or (4) may only challenge the decision under the objection and appeal procedure in Part VIII of the Tax Procedures Code Act.

(9) In this section, “normal year of income” means the period of twelve months ending on 30th June.

38. Method of accounting

(1) A taxpayer's method of accounting shall conform to generally accepted accounting principles.[78]

(2) Subject to subsection (1) and unless the Commissioner General prescribes otherwise in a particular case, a taxpayer may account for tax purposes on a cash or accrual-basis.

(3) A taxpayer who intends to change the taxpayer's method of accounting shall apply, in writing, to the Commissioner General and the Commissioner General may, by notice in writing, approve the application where the Commissioner General is satisfied that the change is necessary to clearly reflect the taxpayer's income.

(4) A taxpayer dissatisfied with a decision under this section may only challenge the decision under the objection and appeal procedure in Part VIII of the Tax Procedures Code Act.

(5) If the taxpayer's method of accounting is changed, adjustments to items of income, deduction or credit or to other items shall be made in the year of income following the change, so that no item is omitted and no item is taken into account more than once.

39. Cash-basis taxpayer

A taxpayer who is accounting for tax purposes on a cash-basis derives income when it is received or made available and incurs expenditure when it is paid.

40. Accrual-basis taxpayer

(1) A taxpayer who is accounting for tax purposes on an accrual-basis-

(a) derives income when it is receivable by the taxpayer; and

(b) incurs expenditure when it is payable by the taxpayer.

---

[78] See Ambitious Construction Company Limited v URA, TAT Application No. 219 of 2023. Decided on 12 June 2025.

(2) Subject to this Act, an amount is receivable by a taxpayer when the taxpayer becomes entitled to receive it, even if the time for discharge of the entitlement is postponed or the entitlement is payable by instalments.

(3) Notwithstanding subsection (2), in the case of a diminishing partnership under Islamic financial business, an amount of the portion of the interest of the person offering Islamic financial business disposed of, is receivable by a taxpayer when the taxpayer becomes entitled to the installment due in accordance with the partnership agreement.

(4) Subject to this Act, an amount is treated as payable by the taxpayer when all the events that determine liability have occurred and the amount of the liability can be determined with reasonable accuracy, but not before economic performance with respect to the amount occurs.

(5) Notwithstanding subsection (3), in the case of a diminishing partnership under Islamic financial business, an amount of the portion of the interest of the person offering Islamic financial business disposed of, is payable by a taxpayer when the taxpayer becomes liable to pay the installment due in accordance with the partnership agreement.

(6) For the purposes of subsection (4), economic performance occurs—

(a) with respect to the acquisition of services or property, at the time the services or property are provided;

(b) with respect to the use of property, at the time the property is used; or

(c) in any other case, at the time the taxpayer makes payment in full satisfaction of the liability.

41. Pre-payments

Where a deduction is allowed for expenditure incurred on a service or other benefit which extends beyond thirteen months, the deduction is allowed proportionately over the years of income to which the service or other benefit relates.

42. Claim of right

(1) A taxpayer who is accounting for tax purposes on a cash-basis shall include an amount in gross income when received or claim a deduction for an amount when paid, notwithstanding that the taxpayer is not legally entitled to receive the amount or liable to make the payment, if the taxpayer claims to be legally entitled to receive or legally obliged to pay the amount.

(2) Where subsection (1) applies, the calculation of the chargeable income of the taxpayer shall be adjusted for the year of income in which the taxpayer refunds the amount received or recovers the amount paid.

(3) A taxpayer who is accounting for tax purposes on an accrual-basis shall include an amount in gross income when receivable or claim a deduction for an amount when payable notwithstanding that the taxpayer is not legally entitled to receive the amount or liable to make the payment, if the taxpayer claims to be legally entitled to receive or legally obliged to pay the amount.

(4) Where subsection (3) applies, the calculation of the chargeable income of the taxpayer shall be adjusted for the year of income in which the taxpayer ceases to claim the right to receive the amount or ceases to claim an obligation to pay the amount.

43. Long-term contracts[79]

(1) In the case of an accrual-basis taxpayer, income and deductions relating to a long-term contract are taken into account on the basis of the percentage of the contract completed during the year of income.

(2) The percentage of completion is determined by comparing the total costs allocated to the contract and incurred before the end of the year of income with the estimated total contract costs as determined at the time of commencement of the contract.

(3) Where, in the year of income in which a long-term contract is completed, it is determined that the contract has made a final year loss, the Commissioner General may allow the loss to be carried back to the preceding years of income and applied against an amount in gross income over the period of the contract under subsection (1) for those years, starting with the year immediately preceding the year in which the contract was completed.

(4) In this section—

"final year loss", in relation to a long-term contract, occurs where both the following conditions are satisfied—

(a) the profit estimated to be made under the contract for the purposes of subsection (1) exceeds the actual profit, including a loss, made under the contract; and

(b) the difference between the estimated profit and the actual profit exceeds the amount included in income under subsection (1) for the year of income in which the contract is completed,

and the amount of the excess referred to in paragraph (b) of this subsection is the amount of the final year loss; and

---

[79] See Local Works Limited v URA, TAT Application No. 201 of 2022. Decided on 11 April 2025.

"long-term contract" means a contract for manufacture, installation or construction or, in relation to each, the performance of related which work under the contract commenced, other than a contract estimated to be completed within six months of the date on which work under the contract commenced.

44. Trading stock

(1) A taxpayer is allowed a deduction for the cost of trading stock disposed of during a year of income.

(2) The cost of trading stock disposed of during a year of income is determined by adding to the opening value of trading stock for the year, the cost of trading stock acquired during the year, and subtracting the closing value of trading stock for the year.

(3) The opening value of trading stock for a year of income is—
(a) the closing value of trading stock at the end of the previous year of income; or

(b) where the taxpayer commenced business during the year of income, the market value at the time of commencement of the business of trading stock acquired prior to the commencement of the business.

(4) The closing value of trading stock is the lower of cost or the market value of trading stock on hand at the end of the year of income.

(5) A taxpayer who is accounting for tax purposes on a cash-basis may calculate the cost of trading stock on the prime-cost method or absorption cost method; and a taxpayer who is accounting for tax purposes on an accrual basis shall calculate the cost of trading stock on the absorption-cost method.

(6) Where particular items of trading stock are not readily identifiable, a taxpayer may account for that trading stock on the first-in-first-out method or the average-cost method but, once chosen, a stock valuation method may be changed only with the written permission of the Commissioner General.

(7) In this section—

“absorption-cost method" means the generally accepted accounting principle under which the cost of trading stock is the sum of direct material costs, direct labour costs and factory overhead costs;

"average-cost method" means the generally accepted accounting principle under which trading stock valuation is based on a weighted average cost of units on hand;

“direct labour costs” means labour costs directly related to the production of trading stock;

"direct material costs” means the cost of materials that become an integral part of the trading stock produced;

“factory overhead costs” means the total costs of manufacturing except direct labour and direct material costs;

"first-in-first-out method" means the generally accepted accounting principle under which trading stock valuation is based on the assumption that trading stock is sold in the order of its receipt;

"prime-cost method” means the generally accepted accounting principle under which the cost of trading stock is the sum of direct material costs, direct labour costs and variable factory overhead costs; and

“variable factory overhead costs" means those factory overhead costs which vary directly with changes in volume.

45. Debt obligations with discount or premium

(1) Subject to subsection (2), interest in the form of any discount, premium or deferred interest shall be taken into account as it accrues.

(2) Where the interest referred to in subsection (1) is subject to withholding tax, the interest shall be taken to be derived or incurred when paid.

46. Foreign currency debt gains and losses

(1) Foreign currency debt gains are included in gross income and foreign currency debt losses are deductible only under this section.

(2) A foreign currency debt gain derived by a taxpayer during the year of income is included in the business income of the taxpayer for that year.

(3) Subject to subsections (4) and (6), foreign currency debt loss incurred by a taxpayer during a year of income is allowed as a deduction to the taxpayer in that year.

(4) A deduction is not allowed to a taxpayer for a foreign currency debt loss incurred by the taxpayer unless the taxpayer has notified the rise to the loss by the due date for furnishing of the taxpayer's return of income for the year of income in which the debt arose or by such later date as the Commissioner General may allow.

(5) Subsection (4) does not apply to a financial institution.

(6) Where—

(a) a taxpayer has incurred a foreign currency debt loss under a transaction;

(b) the taxpayer or another person has derived a foreign currency debt gain under another transaction; and

(c) either—

(i) the transaction giving rise to the loss would not have been entered into, or might reasonably be expected not to have been entered into, if the transaction giving rise to the gain had not been entered into; or

(ii) the transaction giving rise to the gain would not have been entered into, or might reasonably be expected not to have been entered into, if the transaction giving rise to the loss had not been entered into,

no deduction is allowed to the taxpayer to the extent that the amount of the loss exceeds that part of the gain included in gross income.

(7) Subject to subsection (9), a taxpayer derives a foreign currency debt gain if—

(a) where the taxpayer is a debtor, the amount in shillings of the foreign currency debt incurred by the taxpayer is greater than the amount in shillings required to settle the debt; or

(b) where the taxpayer is a creditor, the amount in shillings of the foreign currency debt owed to the taxpayer is less than the amount in shillings paid to the taxpayer in settlement of the debt.

(8) Subject to subsection (9), a taxpayer incurs a foreign currency debt loss if—

(a) where the taxpayer is a debtor, the amount in shillings of the foreign currency debt incurred by the taxpayer is less than the amount in shillings required to settle the debt; or

(b) where the taxpayer is a creditor, the amount in shillings of the foreign currency debt owed to the taxpayer is greater than the amount in shillings paid to the taxpayer in settlement of the debt.

(9) In determining whether a taxpayer has derived a foreign currency debt gain or incurred a foreign currency debt loss, account shall be taken of the taxpayer's position under any hedging contract entered into by the taxpayer in respect of the debt.

(10) A foreign currency debt gain is derived or a foreign currency debt loss is incurred by a taxpayer in the year of income in which the debt is satisfied.

(11) In this section-

“foreign currency debt” means a business debt denominated in

foreign currency; and

"hedging contract" means a contract entered into by the taxpayer for the purpose of eliminating or reducing the risk of adverse financial consequences which might result for the taxpayer under another contract from currency exchange rate fluctuation.

PART VI-GAINS AN D LOSSES ON DISPOSAL OF ASSETS

47. Application of Part

This Part applies for the purposes of determining the amount of any gain or loss arising on the disposal of an asset where the gain is included in the gross income or the loss is allowed as a deduction under this Act.

48. Gains and losses on disposal of assets

(1) The amount of any gain arising from the disposal of an asset is the excess of the consideration received for the disposal over the cost base of the asset at the time of the disposal.

(2) The amount of any loss arising from the disposal of an asset is the excess of the cost base of the asset at the time of the disposal over the consideration received for the disposal.

(3) Where as a result of the application of this Act, a gain or loss on disposal of an asset is subject to tax being a gain or loss, the cost base of the asset is calculated on the basis that each item of cost or expense included in the cost base shall be determined according to the following formula—

$$\mathbf{CB \times \frac{CPID}{CPIA}}$$

where—

CB is the amount of an item of cost or expense incurred determined in accordance with section 50(2);

CPID is the Consumer Price Index number published for the

calendar month of sale; and

CPI A is the Consumer Price Index number published for the month immediately prior to the date on which the relevant item of cost or expense was incurred.

(4) Subsection (3) shall not apply to an asset that is sold within twelve months from the date of purchase.

49. Disposals

(1) A taxpayer is treated as having disposed of an asset when the asset has been-

(a) sold, exchanged, redeemed or distributed by the taxpayer;

(b) transferred by the taxpayer by way of gift; or

(c) destroyed or lost.

(2) A disposal of an asset includes a disposal of a part of the asset.

(3) Where the Commissioner General is satisfied that a taxpayer—

(a) has converted an asset from a taxable use to non-taxable use; or

(b) has converted an asset from a non-taxable use to a taxable use,

the taxpayer is deemed to have disposed of the asset at the time of the conversion for an amount equal to the market value of the asset at that time and to have immediately reacquired the asset for a cost base equal to that same value.

(4) A non-resident person who becomes a resident person is deemed to have acquired all assets, other than taxable assets, owned by the person at the time of becoming a resident for their market value at that time.

(5) A resident person who becomes a non-resident person is deemed to have disposed of all assets, other than taxable assets, owned by the person at the time of becoming a non-resident for their market value at that time.

(6) Where a person to whom subsection (5) would otherwise apply-

(a) intends, in the future, to re-acquire status as a resident person; and

(b) provides the Commissioner General with sufficient security to satisfy any tax liability which would otherwise arise under subsection (5),

the Commissioner General may, by notice in writing, exempt the person from the application of subsection (5).

(7) In this section, “taxable asset” means an asset the disposal of which would give rise to a gain included in the gross income of, or a loss allowed as a deduction to, a resident or non-resident taxpayer.

50. Cost base

(1) Subject to this Act, this section establishes the cost base of an asset for the purposes of this Act.

(2) The cost base of an asset purchased, produced or constructed by the taxpayer is the amount paid or incurred by the taxpayer in respect of the asset, including incidental expenditures of a capital nature incurred in acquiring the asset, and includes the market value at the date of acquisition of any consideration in kind given for the asset.

(3) Subject to subsection (4), the cost base of an asset acquired in a non arm's length transaction is the market value of the asset at the date of acquisition.

(4) The cost base of an asset acquired in a transaction described in section 51(2) is the amount of the consideration deemed by that subsection to have been received by the person disposing of the

asset.

(5) Where a part of an asset is disposed of, the cost base of the asset shall be apportioned between the part of the asset retained and the part disposed of in accordance with their respective market values at the time of acquisition of the asset.

(6) Unless otherwise provided in this Act, expenditures incurred to alter or improve an asset which have not been allowed as a deduction are added to the cost base of the asset.

(7) Where the acquisition of an asset by a taxpayer represents the derivation of an amount included in gross income, the cost base of the asset is the amount included in gross income plus any amount paid by the taxpayer for the asset.

(8) Where the receipt of an asset represents the derivation of an amount which is exempt from tax, the cost base of the asset is the amount exempt from tax plus any amount paid by the taxpayer for the asset.

51. Special rules for consideration received

(1) The consideration received on disposal of an asset includes the market value at the date of the disposal of any consideration received in kind.

(2) Where an asset is disposed of to an associate or in a non-arm's-length transaction, other than by way of transmission of the asset to a trustee or beneficiary on the death of a taxpayer, the person disposing of the asset, in this section referred to as the “disposer”, is treated as having received consideration equal to the greater of—

(a) the cost base of the asset to the disposer at the time of disposal; or

(b) the fair market value of the asset at the date of disposal.

(3) Where two or more assets are disposed of in a single transaction and the consideration paid for each asset is not specified, the total consideration received is apportioned among the assets disposed of in proportion to their respective market values at the time of the transaction.

52. Non-recognition of gain or loss

(1) No gain or loss is taken into account in determining chargeable income in relation to—

(a) a transfer of an asset between spouses;

(b) a transfer of an asset between former spouses as part of a divorce settlement or a *bona fide* separation agreement;

(c) an involuntary disposal of an asset to the extent to which the proceeds are re-invested in an asset of a like kind within one year of the disposal;

(d) the transmission of an asset to a trustee or beneficiary on the death of a taxpayer; or

(e) repealed.[80]

(2) **repealed.**[81]

(3) Where no gain or loss is taken into account as a result of subsection (1)(a), (b) or (d), the transferred or transmitted asset is deemed to have been acquired by the transferee, or trustee or beneficiary as an asset of the same character for a consideration equal to the cost base of the asset to the transferor or deceased taxpayer at the time of the disposal.

(4) The cost base of a replacement asset described in subsection (1)(c)

---

[80] By 2024 ITA Amendment section 4. Section 52 was previously section 56 under the old version of the ITA CAP 340.
[81] By 2024 ITA Amendment section 4. Subsection 2 of section 52 herein was previously numbered as section 54(1a)

is the cost base of the replaced asset plus the amount by which any consideration given by the taxpayer for the replaced asset exceeds the amount of proceeds received on the involuntary disposal.

PART VII-MISCELLANEOUS RULES FOR DETERMINING CHARGEABLE IN COME

53. Income of joint owners

(1) Income or deductions relating to jointly owned property are apportioned among the joint owners in proportion to their respective interests in the property.

(2) Where the interest of joint owners in jointly owned property cannot be ascertained, the interest of the joint owners in the property shall be deemed to be equal.

(3) For avoidance of doubt, subsections (1) and (2) shall apply to takaful participants.

54. Valuation

(1) For the purposes of this Act and subject to section 19(1)(b), the value of benefit in kind is the fair market value of the benefit on the date the benefit is taken into account for tax purposes.

(2) The fair market value of a benefit is determined without regard to any restriction on transfer or to the fact that it is not otherwise convertible to cash.

55. Other methods of allocating costs and revenue

In determining the chargeable income of a person, use of input-output ratios and other methods of allocating costs and revenue may be applied.

56. Currency conversion

(1) Chargeable income under this Act shall be calculated in Uganda shillings.

(2) Where an amount taken into account under this Act is in a currency other than the Uganda shilling, the amount shall be converted to the Uganda shilling at the Bank of Uganda mid-exchange rate applying between the currency and the Uganda shilling on the date that the amount is derived, incurred or otherwise taken into account for tax purposes.

(3) With the prior written permission of the Commissioner General, a taxpayer may use the average rate of exchange during the year of income, or may keep books of accounts in a currency other than the Uganda shilling.

57. Indirect payments and benefits

The income of a person includes—

(a) a payment that directly benefits the person; and

(b) a payment dealt with as the person directs,

which would have been income of the person if the payment had been made directly to the person.

58. Finance leases

(1) Where a lessor leases property to a lessee under a finance lease, for the purposes of this Act—

(a) the lessee is treated as the owner of the property; and

(b) the lessor is treated as having made a loan to the lessee, in respect of which payments of interest and principal are made to the lessor equal in amount to the rental payable by the lessee.

(2) The interest component of each payment under the loan is treated as interest expense incurred by the lessee and interest income derived by the lessor.

(3) A lease of property is a finance lease if—

(a) the lease term exceeds seventy-five percent of the effective life of the leased property;

(b) the lessee has an option to purchase the property for a fixed or determinable price at the expiration of the lease; or

(c) the estimated residual value of the property to the lessor at the expiration of the lease term is less than twenty percent of its fair market value at the commencement of the lease.

(4) For the purposes of subsection (3), the lease term includes any additional period of the lease under an option to renew.

59. Exclusion of doctrine of mutuality

(1) A company which carries on a members club, a trade association or a mutual insurance company is treated for the purposes of this Act as carrying on a business subject to tax.

(2) The business income of a company to which subsection (1) applies includes entrance fees and subscriptions paid by members.

(3) Where a company referred to in subsection (1) is operated primarily to furnish goods or services to members, deductions attributable to the furnishing of goods or services to members are allowed only to the extent of the total income derived from the members, with any excess carried forward and allowed as a deduction in the following year of income.

(4) In this section, “members club” means a club or similar institution all the assets of which are owned by or are held in trust for the members of the club or institution.

60. Compensation receipts

A compensation payment derived by a person takes the character of the item that is compensated.

61. Recouped expenditure

(1) Where a previously deducted expenditure, loss or bad debt is recovered by the taxpayer, the amount recovered is deemed to be income derived by the taxpayer in the year of income in which it is recovered and takes the character of the income to which the deduction related.

(2) For the purposes of subsection (1), a deduction is considered recovered upon the occurrence of an event which is inconsistent with the basis for the deduction.

PART VIII-PERSONS ASSESSABLE

Taxation of individuals

62. Taxation of individuals

The chargeable income of each taxpayer who is an individual is determined separately.

63. Income splitting

(1) Where a taxpayer attempts to split income with another person, the Commissioner General may adjust the chargeable income of the taxpayer and the other person to prevent any reduction in tax payable as a result of the splitting of income.

(2) A taxpayer is treated as having attempted to split income where—

(a) the taxpayer transfers income, directly or indirectly, to an associate; or

(b) the taxpayer transfers property, including money, directly or indirectly, to an associate with the result that the associate receives or enjoys the income from that property,

and the reason or one of the reasons for the transfer is to lower the total tax payable upon the income of the transferor and the

transferee.

(3) In determining whether the taxpayer is seeking to split income, the Commissioner General shall consider the value, if any, given by the associate for the transfer.

Taxation of partnerships and partners

64. Principles of taxation for partnerships

(1) The income and losses arising from activities conducted by a partnership is taxed in accordance with this Act.

(2) The presence or absence of a written partnership agreement is not decisive in determining whether a partnership relationship exists between persons.

(3) A partnership shall be liable to furnish a partnership return of income in accordance with section 118, but shall not be liable to pay tax on that income.

(4) Any election, notice or statement required to be filed in relation to a partnership's activities shall be filed by the partnership.

(5) Unless the context otherwise requires, partnership assets are treated as owned by the partnership and not by the partners.

65. Calculation of partnership income or loss

(1) The partnership income for a year of income is—

(a) the gross income of the partnership for that year calculated as if the partnership were a resident taxpayer; less

(b) the total amount of deductions allowed under this Act for expenditures or losses incurred by the partnership in deriving that income, other than the deduction allowed under section 36.

(2) A partnership loss occurs for a year of income where the amount in subsection (1)(b) exceeds the amount in subsection (1)(a) for that

year, and the amount of the excess is the amount of the loss.

(3) Where the partnership is a non-resident partnership for a year of income, section 87 applies in calculating partnership income or partnership loss of the partnership for that year.

66. Taxation of partners

(1) The gross income of a resident partner for a year of income includes the partner's share of partnership income for that year.

(2) The gross income of a non-resident partner for a year of income includes the partner's share of partnership income attributable to sources in Uganda.

(3) A resident partner is allowed a deduction for a year of income for the partner's share of a partnership loss for that year.

(4) Anon-resident partner is allowed a deduction for a year of income for the partner's share of a partnership loss, but only to the extent that the activity giving rise to the loss would have given rise to partnership income attributable to sources in Uganda if a loss had not been incurred.

(5) Income derived, or expenditure or losses incurred, by a partnership retain their character as to geographic source and type of income, expenditure or loss in the hands of the partners, and are deemed to have been passed through the partnership on a *pro rata* basis unless the Commissioner General permits otherwise.

(6) Subject to subsection (7), a partner's share of partnership income or loss is equal to the partner's percentage interest in the income of the partnership as set out in the partnership agreement.

(7) Where the allocation of income in the partnership agreement does not reflect the contribution of the partners to the operations of the partnership, a partner's share of partnership income or loss shall be equal to the partner's percentage interest in the capital of the partnership.

(8) A resident partner in a partnership arrangement under an Islamic financial business shall withhold tax or interest sourced in Uganda accruing to a non -resident partner in accordance with section 82(2).

67. Formation, reconstitution or dissolution of partnership

(1) A contribution to a partnership by a partner of an asset owned by the partner is treated as a disposal of the asset by the partner to the partnership for a consideration equal to—

(a) the cost base of the asset to the partner at the date on which the contribution was made where all the following conditions are satisfied—

(i) the asset was a business asset of the partner immediately before its contribution to the partnership;

(ii) the partner and partnership are residents at the time of the contribution;

(iii) the partner's interest in the capital of the partnership after the contribution is twenty-five percent or more;

(iv) the interest in the partnership received by the partner in return for the contribution equals the market value of the asset contributed at the time of the contribution; and

(v) an election for this paragraph to apply has been made by the partners jointly; or

(b) in any other case, the market value of the asset at the date the contribution was made.

(2) Where subsection (1)(a) applies, the asset retains the same character in the hands of the partnership as it did in the hands of the partner.

(3) Where there is a change in the constitution of a partnership or a partnership is dissolved, the former partnership is treated as having disposed of all the assets of the partnership to the reconstituted partnership or to the partners in the case of dissolution for a

consideration equal to—

(a) the cost base of the asset to the former partnership at the date of the change in constitution where all the following conditions are satisfied—

(i) the former partnership and the reconstituted partnership are resident partnerships at the time of the change;

(ii) twenty-five percent or more of the interests in the capital of the reconstituted partnership are held for twelve months after the change by persons who were partners in the former partnership immediately before the change; and

(iii) an election for this paragraph to apply has been made by the partners of the reconstituted partnership jointly; or

(b) in any other case, the market value of the asset at the date of the change in constitution or dissolution, as the case may be.

(4) Where subsection (3)(a) applies, the asset retains the same character in the hands of the reconstituted partnership as it did in the hands of the former partnership.

(5) An election under this section shall be made in the partnership return of income for the year of income in which the contribution was made or the constitution of the partnership changed.

68. Cost base of interest of partner

(1) The interest of the partner in a partnership is treated as a business asset of the partner for the purposes of this Act.

(2) Subject to subsections (3) and (4), the cost base of the interest of the partner in a partnership is—

(a) in the case of an interest acquired by contribution of property (including money) to the partnership, the amount of any such money contributed plus—

(i) the cost base of an asset contributed to the partnership by the partner where section 67(1)(a) applies; and

(ii) the market value of any asset contributed to the partnership by the partner where section 67(1)(b) applies; or

(b) in any other case, the price paid for the interest.

(3) The cost base of the interest of the partner in a partnership determined under subsection (2) is increased by the sum of the share of the partner for the year of income and prior years of income of—

(a) the partnership income; and

(b) the income of the partnership exempt from tax under this Act.

(4) The cost base of the interest of the partner in a partnership determined under subsection (2) is reduced, but not below zero, by distributions by the partnership and by the sum of the share of the partner for the year of income and prior years of income of partnership losses and expenditures of the partnership not deductible in computing its chargeable income and not properly chargeable to capital account.

Taxation of trusts and beneficiaries

69. Interpretation of provisions relating to taxation of trusts and beneficiaries

In this section and sections 70, 71 and 72—

"chargeable trust income", in relation to a year of income, means—

(a) the gross income of the trust (other than an amount to which section 71(1) or 72(1) applies) for that year calculated as if the trust is a resident taxpayer; less

(b) the total amount of deductions allowed under this Act for expenditures or losses incurred by the trust in deriving that income;

“non-resident trust”, in relation to a year of income, means a trust that is not a resident trust for that year;

“qualified beneficiary" means a person referred to in the definition of "qualified beneficiary trust”;

“qualified beneficiary trust" means—

(a) a trust in relation to which a person, other than a settlor, has a power solely exercisable by that person to vest the corpus or income of the trust in that person; or

(b) a trust whose sole beneficiary is an individual or an individual's estate or appointees,

but does not include a trust whose beneficiary is an incapacitated person;

“settlor” means a person who has transferred property to, or conferred benefit on, a trust for no consideration or for a consideration which is less than the market value of the property transferred or benefit conferred at the date of the transfer or conferral; and

“settlor trust” means a trust in relation toa whole or part of which the settlor has—

(a) the power to revoke or alter the trust so as to acquire a beneficial entitlement in the corpus or income of the trust; or

(b) a reversionary interest in the corpus or income of the trust.

70. Principles of taxation for trusts

(1) Subject to subsection (5), the income of a trust is taxed either to the trustee or to the beneficiaries of the trust, as provided in this Act.

(2) Separate calculations of chargeable trust income shall be made for separate trusts regardless of whether they have the same trustee.

(3) Income derived or expenditure or losses incurred by a trust retain their character as to geographic source and type of income, expenditure or loss in the hands of the beneficiary.

(4) A trust is required to furnish a trust return of income in accordance with section 118.

(5) A settlor trust or a qualified beneficiary trust—

(a) is not treated as an entity separate from the settlor or qualified beneficiary, respectively; and

(b) the income of such a trust is taxed to the settlor or qualified beneficiary, and the property owned by the trust is deemed to be owned by the settlor or qualified beneficiary, as the case may be.

(6) The trustee of an incapacitated person's trust is liable for tax on the chargeable trust income of the trust.

(7) Trustees are jointly and severally liable for a tax liability arising in respect of chargeable trust income that is not satisfied out of the assets of the trust.

(8) Where a trustee has paid tax on the chargeable trust income of the trust under section 71 or 72, that income shall not be taxed again in the hands of the beneficiary.

71. Taxation of trustees and beneficiaries

(1) Any amount derived by a trustee for the immediate or future benefit of any ascertained beneficiary, other than an incapacitated person, with a vested right to such amount is treated as having been derived

by the beneficiary for the purposes of this Act.

(2) Where a beneficiary has acquired a vested right to any amount referred to in subsection (1) as a result of the exercise by the trustee of a discretion vested in the trustee under a deed of trust, an arrangement, or a will of a deceased person, such amount is deemed to have been derived by the trustee for the immediate benefit of the beneficiary.

(3) For subsection (2) to apply to a beneficiary for a year of income, a trustee must have exercised the discretion by the end of the second month after the end of the year of income.

(4) Where subsections (1) or (2) applies, the beneficiary is treated as having derived the amount at the time the amount was derived by the trustee.

(5) Where any amount to which subsection (1) applies is included in the gross income of the beneficiary for a year of income, the beneficiary shall be allowed a deduction in accordance with this Act for any expenditure or losses incurred in that year by the trustee in deriving that income.

(6) A trustee of a trust that is a resident trust for a year of income is liable for tax on the chargeable trust income of the trust for that year.

(7) A trustee of a trust that is a non-resident trust for a year of income is liable for tax on so much of the chargeable trust income of the trust for that year as is attributable to sources in Uganda.

(8) This Section is subject to Section 72.

72. Taxation of estates of deceased persons

(1) Any amount derived by a trustee as executor of the estate of a deceased person shall, to the extent that the Commissioner General

is satisfied ascertained heir or legatee of the deceased, be treated as having been derived by such heir or legatee for the purposes of this Act.

(2) Where any amount to which subsection (1) applies is included in the gross income of the heir or legatee for a year of income, the heir or legatee shall be allowed a deduction in accordance with this Act for any expenditure or losses incurred in that year by the trustee in deriving that income.

(3) The trustee of an estate of a deceased person that is a resident trust for a year of income is liable for tax on the chargeable trust income of the estate for that year.

(4) The trustee of an estate of a deceased person that is a non- resident trust for a year of income is liable for tax on so much of the chargeable trust income of that year attributable to sources in Uganda.

(5) The trustee of an estate of a deceased person is responsible for the tax liability of the deceased taxpayer arising for any year of income prior to the year of income in which the taxpayer died.

Taxation of companies and shareholders

73. Principles of taxation for companies

(1) A company is liable to tax separately from its shareholders.

(2) Subject to subsection (3), a dividend paid to a resident company, other than an exempt organisation, by another resident company is exempt from tax where the company receiving the dividend controls, directly or indirectly, twenty-five percent or more of the voting power in the company paying the dividend.

(3) Subsection (2) does not apply to—

(a) a dividend paid to a financial institution by virtue of its

ownership of redeemable shares in the company paying the dividend; or

(b) a dividend to which section 75 applies.

74. Change in control of companies

(1) Where, during a year of income, there has been a change of fifty percent or more in the underlying ownership of a company, as compared with its ownership one year previously, the company is not permitted to deduct an assessed loss in the year of income or in subsequent years, unless the company, for a period of two years after the change or until the assessed loss has been exhausted if that occurs within two years after the change—

(a) continues to carry on the same business after the change as it carried on before the change; and

(b) does not engage in any new business or investment after the change where the primary purpose of the company or the beneficial owners of the company is to utilise the assessed loss so as to reduce the tax payable on the income arising from the new business or investment.

(2) For the purposes of section 78(h), a person other than an individual, a local government, a political subdivision of a local government and a listed institution, that changes its ownership by fifty percent or more, within a period of three years shall be treated as—[82]

(a) realising all its assets and liabilities immediately before the change;

(b) having parted with ownership of each asset and deriving an amount in respect of the realisation equal to the market value of the asset at the time of the realisation;

(c) re-acquiring the asset and incurring expenditure of the amount

[82] See Enviroserv (U) Ltd v URA, TAT Application No. 378 of 2024. Decided 11 June 2025.

referred to in paragraph (b) for the acquisition;

(d) realising each liability; and is deemed to have spent the amount equal to the market value of that liability at the time of the realisation; and

(e) re-stating the liability for the amount referred to in paragraph(d).

75. Dividend stripping

(1) Where a company takes part in a transaction in the nature of dividend stripping and receives a dividend from a resident company in the transaction, the company receiving the dividend shall include the dividend in its gross income to the extent to which the Commissioner General considers necessary to offset any decrease in the value of shares in respect of which the dividend is paid or in the value of any other property caused by the payment of the dividend.

(2) In any such transaction, the Commissioner General may also reduce the amount of any deduction arising to the extent to which it represents the decrease in value of the shares or other property.

(3) In this section, “dividend stripping” includes an arrangement under which—

(a) a company, referred to as the "target company", has accumulated profits or current-year profits, or both, represented by cash or other readily realisable assets;

(b) another company, referred to as the “acquiring company”, acquires the shares in the target company for an amount that reflects the profits of the target company;

(c) the disposal of the shares in the target company gives rise to a tax-free capital gain to the shareholders in the target company;

(d) after the acquiring company has acquired the shares in the target company, the target company pays a dividend to the acquiring company, which in the absence of section 73(3)(b)

would be exempt from tax in the hands of the target company; and

(e) after the dividend is declared, the acquiring company sells the shares for a loss.

76. Roll-over relief

(1) Where a resident person, in this subsection referred to as the "transferor", transfers a business asset, with or without any liability not in excess of the cost base of the asset, to a resident company other than an exempt organisation, in this subsection referred to as the "transferee", in exchange for a share in the transferee and the transferor has a fifty percent or greater interest in the voting power of the transferee immediately after the transfer—[83]

(a) the transfer is not treated as a disposal of the asset by the transferor but is treated as the acquisition by the transferee of a business asset;

(b) the transferee's cost base for the asset is equal to the transferor's cost base for the asset at the time of transfer; and

(c) the cost base of a share received by the transferor in exchange for the asset is equal to the cost base of the asset transferred, less any liability assumed by the transferor in respect of the asset.

(2) Where, as part of the liquidation of a resident company, in this subsection referred to as the "liquidated company", a business asset is transferred to a shareholder being a resident company, other than an exempt organisation, in this subsection referred to as the "transferee company", and, immediately prior to the transfer, the transferee company held a fifty percent or greater interest in the voting power of the liquidated company—

[83] See Tunga Nutrition Limited v URA, TAT Application No.89 of 2023. Decided on 26 June 2025.

(a) company, but is treated as the acquisition of a business asset by the transferee company;

(b) company's cost base for the asset at the time of transfer;

(c) the transfer of the asset is not a dividend; and

(d) no gain or loss is taken into account on the cancellation of the transferee's shares in the liquidated company.

(3) Where a resident company or a group of resident companies is re-organised without any significant change in the underlying ownership or control of the company or group, the Commissioner General may—

(a) permit any resident company involved in the re-organisation to treat the re-organisation as not giving rise to the disposal of any business asset or the realisation of any business debt, as the case may be; and

(b) determine the cost base of any business asset held, or business debt undertaken, by the resident company after the re-organisation in order to reflect the fact that no disposal or realisation is treated as having occurred.

(4) For purposes of this section, “re-organisation” means—

(a) a transaction in which a person transfers their assets to another person, other than an individual controlled by the transferor or the shareholders following which the stock of the transferee is distributed;[84] or

(b) a transaction in which a person whether for payment or not is allotted shares in or debentures of a company in respect of and in proportion to, or as nearly as may be in proportion to, their holdings of shares in the company and in any case which there is more than one class of shares and the rights attached to

[84] Amended by the 2025 amendment.

shares of any class are altered;

(c) a merger or amalgamation where all or substantially all the assets and liabilities of one or more transferor companies are transferred to a single transferee company, whereby the transferor company cease to exist by operation of law;

(d) a transaction in which two or more companies transfer their assets and liabilities to a single newly established company;

(e) corporate division; through which all or substantially all the assets of one company are transferred in exchange for shares to at least two or more newly established or pre-existing companies, except where the assets are already in the hands of a subsidiary;

(5) For the avoidance of doubt, a sale of a share from one person to another does not constitute a re-organisation for the purposes of this Act.

PART IX-INTERNATIONAL TAXATION

77. Interpretation of Part

In this Part—

“branch”... ***definition of branch repealed***.[85]

“immovable property” includes a mining right, petroleum right, mining information, or petroleum information, any intangible asset which is a business asset or any part of the business;

"management charge” means any payment made to any person, other than a payment of employment income, as consideration for any managerial services, however calculated; and

“mining information”, “mining right” and “petroleum right” have the

[85] 2024 amendment

meanings assigned in section 89.

78A. Permanent establishment[86]

(1) For purposes of this Part, "permanent establishment" means a fixed place of business through which the business of the enterprise is wholly or partly carried on and includes—

(a) a place of management;

(b) a branch;

(c) an office;

(d) a factory;

(e) a workshop;

(f) a warehouse, in relation to a person providing storage facilities to others;

(g) a mine, an oil or gas well, a quarry or any other place of exploration for or extraction or exploitation of natural resources;

(h) a farm, plantation or other place where agricultural, forestry plantation or related activities are carried on;

(i) a sales outlet;

(j) a building site or a construction, installation or assembly project, or supervisory activities in connection with the site, project or activity that lasts for at least ninety days in any twelve months period;

(k) the furnishing of services, including consultancy services, by

[86] Introduced by the 2024 amendment. Please note that section 6 of the 2024 amendment act provides that, "the principal act is amended by inserting immediately after section 78 section 78A". By the time the bill was passed into law, section 78 in cap 340 was renumbered as section 77. Consequently, the new sections 78A and 78B will appear before section 78 in the revised laws of Uganda 2023.

a person through employees or other personnel engaged by the person for such purposes provided that such activities continue in Uganda for a period of, or periods amounting in aggregate to, one hundred and eighty three days or more in any twelve month period that commences or ends during the year of income; or

(l) substantial equipment or machinery that is operated, or is available for operation, in Uganda for a period of, or periods amounting in aggregate to, ninety days or more in any twelve month period that commences or ends during the year of income.

(2) The duration of activities referred to under subsection (1) (j), (k) and (l) shall be determined by aggregating the period during which the activities are carried on in Uganda by associates, provided that the activities of such associates in Uganda are connected.

(3) Where there are two or more associates carrying on concurrent activities, the period referred to under subsection (1) (j), (k) and (l), shall be counted only once for the purpose of determining the duration of activities.

(4) Notwithstanding the provisions of subsection (1), (2) and (3), permanent establishment shall not include—

(a) the use of facilities solely for the purpose of storage or display of goods or merchandise belonging to a person;

(b) the maintenance of a stock of goods or merchandise belonging to the person solely for the purpose of storage or display;

(c) the maintenance of a stock of goods or merchandise belonging to the person solely for the purpose of processing by another person;

(d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or for collecting

information for the person;

(e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the person, any other activity; or

(f) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs (a) to (e),

provided that such activity, or in the case of subparagraph (f), the overall activity of the fixed place of business, is of a preparatory or auxiliary character.

(5) Subsection (4) shall not apply to a fixed place of business that is used or maintained by a person if the same person or associate carries on business activities at the same place or at another place in Uganda and—

(a) that place or other place constitutes a permanent establishment for the person or the associate under this section; or

(b) the overall activity resulting from the combination of the activities carried on by the two persons at the same place, or by the same person or associate at the two places, is not of a preparatory or auxiliary character,

provided that the business activities carried on by the two persons at the same place, or by the same person or associates at the two places, constitute complementary functions that are part of a cohesive business operation.

(6) Notwithstanding the provisions of subsection (1), but subject to the provisions of subsection (7), where a person is acting in Uganda on behalf of another person, that principal shall be deemed to have a permanent establishment in Uganda in respect of any activities which the agent undertakes on behalf of the principal, if such agent—

(a) habitually concludes contracts, or habitually plays the principal

role leading to the conclusion of contracts that are routinely concluded without material modification by the principal, and these contracts are—

(i) in the name of the principal;

(ii) for the transfer of the ownership of, or for the granting of the right to use, property owned by the principal or that the principal has the right to use; or

(iii) for the provision of services by the principal,

unless the activities of the agent are limited to those mentioned in subsection (4), which, if exercised through a fixed place of business other than a fixed place of business to which subsection (5) would apply, would not make this fixed place of business a permanent establishment under subsection (5); or

(b) does not habitually conclude contracts nor plays the principal role leading to the conclusion of such contracts, but habitually maintains in Uganda a stock of goods or merchandise from which the agent regularly delivers goods or merchandise on behalf of the principal;

(c) does not habitually conclude contracts nor plays the principal role leading to the conclusion of such contracts, but habitually manufactures or processes in Uganda for the principal, goods or merchandise belonging to the principal; or

(d) does not habitually conclude contracts nor plays the principal role leading to the conclusion of such contracts, but habitually secures orders in Uganda wholly or almost wholly for the principal or associates.

(7) Subsection (6) shall not apply where the agent acting in Uganda on behalf of the principal carries on business in Uganda as an independent agent and acts for the principal in the ordinary course of that business.

(8) For purposes of subsection (7) “an independent agent” is an agent who acts exclusively or almost exclusively on behalf of one or more principals to which the agent is associated.

78B. Calculation of chargeable income of permanent establishment[87]

(1) The income of a non-resident person attributable to activities of a permanent establishment shall be taxed in Uganda including—

(a) the income derived from the sales of goods or merchandise in Uganda of same or similar kind as those sold through the permanent establishment; or

(b) the income of other business activities carried on in Uganda that are of the same or similar kind as those carried out through the permanent establishment.

(2) A permanent establishment shall not be allowed a deduction in respect of amounts, paid by the permanent establishment to the head office of the non- resident person or any of its other offices by way of—

(a) royalties, fees or other similar payments in return for the use of patents or other rights;

(b) commission, for specific services performed or for management; or

(c) interest on moneys lent to the permanent establishment, except, in case of a financial institution.

(3) Subject to subsection (2), in determining the chargeable income of a permanent establishment, there shall be allowed as deductions, expenses which are incurred for the purposes of the business of

[87] Introduced by the 2024 amendment.

the permanent establishment.

(4) Subject to subsection (3), a permanent establishment shall be a distinct and separate entity from the non-resident person of which it is a permanent establishment and the transactions between the permanent establishment and non-resident person are subject to section 90 and 89I of this Act.

(5) The gross income of a permanent establishment, shall not include charges by the permanent establishment to the head office of the non- resident person or any of its other offices, by way of—

(a) royalties, fees or other similar payments in return for the use of patents or other rights;

(b) commission for specific services performed or for management; or

(c) interest on moneys lent to the head office of the permanent establishment or any of its other offices except, in case of a financial institution.

78. Source of income

Income is derived from sources in Uganda to the extent to which it is—

(a) derived by a resident person in carrying on a business except to the extent that it is attributable to a business carried on by the person through a permanent establishment outside Uganda;

(b) derived by a non-resident person in carrying on a business through a permanent establishment in Uganda;

(c) derived by a resident person in carrying on a business as owner or charterer of a vehicle, ship or aircraft, wherever such vehicle, ship or aircraft may be operated;

(d) employment income or a fee for the provision of services—[88]

(i) derived from employment or services exercised or rendered in Uganda;

(ii) paid by a resident person, other than as an expenditure of a business carried on by a person outside Uganda through a permanent establishment; or

(iii) paid by non-resident person as an expenditure of a business carried on by a person through a permanent establishment in Uganda;

(e) derived by a resident individual from any employment exercised or services rendered as a driver of a vehicle, or an officer or member of a crew of any vehicle, ship or aircraft, wherever the vehicle, ship or aircraft may be operated;

(f) derived from the rental of immovable property located in Uganda;

(g) derived from the disposal of an interest in immovable property located in Uganda or from the disposal of a share in a company the property of which consists directly or indirectly principally of an interest or interests in such immovable property, where the interest or share is a business asset;

(h) derived from the direct or indirect change of ownership by fifty percent or more, of a person other than an individual, a local government, a political subdivision of a local government and a listed institution located in Uganda;[89]

(i) derived from the disposal of movable property, other than goods, under an agreement made in Uganda for the sale of the

---

[88] See ESRI Eastern African Limited v URA, TAT Application No. 41 of 2023. Decided on 10 October 2024.

[89] See Enviroserv (U) Ltd v URA, TAT Application No. 378 of 2024. Decided 11 June 2025.

property, wherever the property is to be delivered;

(j) an amount—

(i) included in the business income of a taxpayer under section 27(5) in respect of the disposal of a depreciable asset used in Uganda; or

(ii) treated as income under section 61, where the deduction was allowed for an expenditure, loss or bad debt incurred in the production of income sourced in Uganda;

(k) a royalty—

(i) paid by a resident person, other than as an expenditure of a business carried on by the person outside Uganda through a permanent establishment;

(ii) paid by non-resident person as an expenditure of a business carried on by the person through a permanent establishment in Uganda; or

(iii) arising from the disposal of industrial or intellectual property used in Uganda;

(l) interest where—

(i) the debt obligation giving rise to the interest is secured by immovable property located, or movable property used, in Uganda;

(ii) the payer is a resident person; or

(iii) the borrowing relates to a business carried on in Uganda;

(m) a dividend or director's fee paid by a resident company;

(n) a pension or annuity where—

(i) the pension or annuity is paid by the Government of Uganda or by a resident person; or

(ii) the pension or annuity is paid in respect of an employment exercised or services rendered in Uganda;

(iii) the annuity is paid by a non-resident person as expenditure of a business carried on by the non- resident person through a permanent establishment in Uganda;[90]

(o) a natural resource payment in respect of a natural resource taken from Uganda;

(p) a foreign currency debt gain derived in relation to a business debt which has arisen in the course of carrying on a business in Uganda;

(q) a contribution to a retirement fund made by a tax-exempt employer in respect of an employee whose employment is exercised in Uganda;

(r) a management charge paid by a resident person; or

(qa) derived from the payment of insurance premium, if the premium relates to the insurance or reinsurance of a risk in Uganda;[91]

(s) taxable in Uganda under an international agreement; or

(t) attributable to any other activity which occurs in Uganda, including an activity conducted through a *permanent establishment* in Uganda.

---

[90] Introduced by the 2024 amendment

[91] Introduced by the 2024 amendment. Section 7(b) of the 2024 amendment provided that the new paragraph (qa) be inserted immediately after paragraph q. In the 2023 revised edition, the former paragraph (q) was renumbered (r). That is why the new section has been inserted after (r) and not after (q).

79. Foreign source employment income

(1) Foreign source employment income derived by a resident individual is exempt from tax if the individual has paid foreign income tax in respect of the income.

(2) A resident individual is treated as having paid foreign income tax on foreign source employment income if tax has been withheld and paid to the revenue authority of the foreign country by the employer of the individual.

80. Foreign tax credit

(1) A resident taxpayer is entitled to a credit, in this section referred to as a “foreign tax credit”, for any foreign income tax paid by the taxpayer in respect of foreign source income included in the gross income of the taxpayer.

(2) The amount of the foreign tax credit of a taxpayer for a year of income shall not exceed the Ugandan income tax payable on the taxpayer's foreign source income for that year, calculated by applying the average rate of Ugandan income tax of the taxpayer for that year to the taxpayer's net foreign source income for that year.

(3) The calculation of the foreign tax credit of a taxpayer for a year of income is made separately for foreign source business income and other income derived from foreign sources by the taxpayer during the year.

(4) The foreign income tax paid by—

(a) a partnership is treated as paid by the partners;

(b) a trustee is treated as paid by the beneficiary where the income on which foreign income tax has been paid is included in the gross income of the beneficiary under this Act; or

(c) a beneficiary is treated as paid by the trustee where the income on which foreign income tax has been paid is taxed to the

trustee under this Act.

(5) For the purposes of this section—

"average rate of Ugandan income tax", in relation to a taxpayer for a year of income, means the percentage that the Ugandan income tax, before the foreign tax credit, is of the chargeable income of the taxpayer for the year and, in the case of a taxpayer with both foreign source business income and other income derived from foreign sources, the average rate of tax is to be calculated separately for both classes of income;

"foreign income tax" includes a foreign withholding tax, but does not include a foreign tax designed to raise the level of the tax on the income so that the taxation by the county of residence is reduced; and

"net foreign source income" means the total foreign source income included in the gross income of the taxpayer, less any deductions allowed to the taxpayer under this Act that—

(a) relate exclusively to the derivation of the foreign source income; and

(b) in the opinion of the Commissioner General, may appropriately be related to the foreign source income.

81. Taxation of Permanent Establishment[92]

(1) A tax shall be charged for each year of income and is imposed on every non-resident company carrying on business in Uganda through a permanent establishment which has repatriated income for the year of income.

(2) The tax payable by a non-resident company under this section is calculated by applying the rate prescribed in Part V of Schedule 4 to

---

[92] Section 9 of the 2024 amendment provides that Part IX of the principal Act is amended by substituting for the word "branch" wherever the word appears the words, "permanent establishment".

this Act to the repatriated income of the *permanent establishment* of the non-resident company for the year of income.

(3) The repatriated income of a *permanent establishment* for a year of income is calculated according to the following formula—

$$A + (B-C) - D$$

where—

A is the total cost base of assets, net of liabilities, of the *permanent establishment* at the commencement of the year of income;

B is the net profit of the *permanent establishment* for the year of income calculated in accordance with generally accepted accounting principles;

C is the Ugandan tax payable on the chargeable income of the *permanent establishment* for the year of income; and

D is the total cost base of assets, net of liabilities, of the *permanent establishment* at the end of the year of income.

(4) In calculating the repatriated income of a *permanent establishment*, the total cost base of assets at the end of a year of income is the total cost base of assets at the commencement of the next year of income.

(5) The tax imposed under this section is in addition to any tax imposed by this Act on the chargeable income of the *permanent establishment* under section 4, but is otherwise treated for all purposes of this Act as a tax on chargeable income.

82. Tax on international payments

(1) Subject to this Act, a tax is imposed on every non-resident person who derives any dividend, interest, royalty, rent, natural resource payment, agency fee in case of Islamic financial business or management charge from sources in Uganda.

(2) The tax payable by a non-resident person under this section is calculated by applying the rate prescribed in Part V of Schedule 4 to this Act to the gross amount of the dividend, interest, royalty, rent, natural resource payment, agency fee in case of Islamic financial business or management charge derived by a non-resident person.

(3) Notwithstanding section 78(m) a dividend derived by a non-resident person is only treated as income derived from sources in Uganda for the purposes of this section to the extent to which the dividend is paid out of profits sourced in Uganda.

(4) For the purposes of subsection (3), where a resident company has profits sourced both within and outside Uganda, the company is treated as having paid a dividend out of the profits sourced in Uganda first.

(5) Interest paid by a resident company in respect of debentures is exempt from tax under this Act where the following conditions are satisfied—

(a) the debentures were issued by the company outside Uganda for the purpose of raising a loan outside Uganda;

(b) the debentures were widely issued for the purpose of raising funds for use by the company in a business carried on in Uganda or the interest is paid to a bank or a financial institution of a public character; and

(c) the interest is paid outside Uganda.

(6) Subsection (1) does not apply to an amount attributable to the activities of a *permanent establishment* of the non-resident in Uganda and such amount is subject to the operation of section 17.

83. Tax on payments to non-resident public entertainers or sports persons

(1) Subject to this Act, a tax is imposed on every non-resident entertainer, sports person or theatrical, musical or other group of non-resident entertainers or sports persons who derive income from

any performance in Uganda.

(2) The tax payable by a non-resident person under this section is calculated by applying the rate prescribed in Part V of Schedule 4 to this Act to the gross amount of—

(a) remuneration derived by a non-resident public entertainer or sports person; or

(b) receipts derived by any theatrical, musical or other group of non-resident public entertainers or sports persons.

(3) Tax is imposed under this section on any group regardless of whether or not the performance is conducted for the joint account of all or some members of the group.

(4) Every member of a group shall be jointly and severally liable for payment of the tax imposed under this section and, subject to section 87(1)(c), shall remit to the Commissioner General the tax due before leaving Uganda.

84. Tax on payments to non-resident contractors or professionals

(1) Subject to this Act, a tax is imposed on every non-resident person deriving income under a Ugandan source services contract.[93]

(2) The tax payable by a non-resident person under this section is calculated by applying the rate prescribed in Part V of Schedule 4 to this Act to the gross amount of any payment to a non-resident under a Ugandan source services contract.

(3) Subsection (1) does not apply to a royalty or management charge charged to tax under section 82.

(4) In this section, “Ugandan source services contract" means a contract, other than an employment contract, under which—

(a) the principal purpose of the contract is the performance of

[93] See ESRI Eastern African Limited v URA, TAT Application No. 41 of 2023. Decided on 10 October 2024.

services which gives rise to income sourced in Uganda; and

(b) any goods supplied are only incidental to that purpose.

(5) For avoidance of doubt, income derived from the carriage of passengers who do not embark or cargo or mail which is not embarked in Uganda is not income derived from a Ugandan-source service contract.

(6) Subsection (1) does not apply to an amount attributable to the activities of a permanent establishment of the non-resident in Uganda and such amount is subject to the operation of section 17.[94]

85. Taxation of non-residents providing shipping, air transport or telecommunications services in Uganda

(1) Subject to this Act, a tax is imposed on every non-resident person carrying on the business of ship operator, charterer or air transport operator who derives income from the carriage of passengers who embark, or cargo or mail which is embarked in Uganda and on a road transport operator who derives income from the carriage of cargo or mail which is embarked in Uganda.

(2) The tax payable by a non-resident person under subsection (1) is calculated by applying the rate of tax prescribed in Part VI of Schedule 4 to this Act to the gross amount derived by the person from the carriage and is treated for all purposes of this Act as a tax on chargeable income.

(3) Subsection (1) does not apply to any income derived from the carriage of passengers who embark, or cargo or mail which is embarked, solely as a result of trans-shipment.

(4) Where a non-resident person carries on the business of transmitting messages by cable, radio, optical fibre, or satellite communication, or the business of providing internet connectivity services, the tax payable by the person shall be five percent of the gross amount

[94] Introduced by the 2024 amendment

derived by the person in respect of—

(a) the transmission of messages by apparatus established in Uganda;

(b) the provision of direct-to-home pay services to subscribers in Uganda; or

(c) the provision of internet connectivity services to subscribers in Uganda.

86. Taxation of non-residents providing digital services

(1) A tax is imposed on every non-resident person deriving income from providing digital services in Uganda to a customer in Uganda at the rate prescribed in paragraph 3 of Part V of Schedule 4 to this Act.

(2) For the purposes of subsection (1), income is derived from providing a digital service in Uganda to a customer in Uganda, if the digital service is delivered over the internet, electronic network or an online platform.

(3) For the purposes of this section “digital service” includes—

(a) online advertising services;

(b) data services;

(c) services delivered through an online market place or intermediation platform, including an accommodation online market place, a vehicle hire online market place and any other transport online market place;

(d) digital content services, including accessing and downloading of digital content;

(e) online gaming services;

(f) cloud computing services;

(g) data ware housing;

(h) services, other than those services in this subsection, delivered through a social media platform or any internet search engine; and

(i) any other digital services as the Minister may prescribe by statutory instrument made under this Act.

(4) A non-resident person under this section shall lodge a tax return with the Commissioner General within fifteen days after the end of the tax period.

(5) This section shall not apply where a non-resident person is deriving income from providing digital services in Uganda to an associate in Uganda.

(6) Notwithstanding subsection (5), section 82 or 84 shall apply to the income of a non-resident person derived from providing digital services in Uganda to an associate in Uganda.[95]

87. General provisions relating to taxes imposed under sections 82,83,84 and 85

(1) The tax imposed on a non-resident person under sections 82, 83,84,85(1) and 85(4) is a final tax on the income on which the tax has been imposed and—

(a) that income is not included in the gross income of the non-resident person who derives the income;

(b) no deduction is allowed for any expenditure or loss incurred by the non-resident person in deriving that income; and

(c) the liability of the non-resident person is satisfied if the tax payable has been withheld by a withholding agent under section 137 and paid to the Commissioner General under section 140.

[95] Subsections 5 and 6 were inserted by the 2025 amendment.

(2) In this section, “withholding agent" has the meaning in section125.

88. International agreements[96]

(1) An international agreement entered into between the Government of Uganda and the government of a foreign country or governments of foreign countries shall have effect as if the agreement was contained in this Act.

(2) To the extent that the terms of an international agreement to which Uganda is a party are inconsistent with the provisions of this Act apart from subsection (7) and Part XI which deals with tax avoidance or any other law of Uganda dealing with matters covered by this agreement the terms of the international agreement prevail over the provisions of this Act and any other law of Uganda dealing with matters covered by this agreement.

(3) Where an international agreement provides for reciprocal assistance in the collection of taxes and the Commissioner General has received a request from the competent authority of another country pursuant to that agreement for the collection from any person in Uganda of an amount due by that person under the income tax laws of that other country, the Commissioner General may, by notice in writing, require the person to pay the amount to the Commissioner General by the date specified in the notice for transmission to the competent authority of that other country.

(4) Where an international agreement provides for automatic facilitate the automatic exchange of information, as may be prescribed.

(5) For the purposes of subsection (4), the Minister may make regulations to provide for the automatic exchange of information for tax purposes.

(6) If a person fails to comply with a notice under subsection (3), the amount in question may be recovered for transmission to the

---

[96] Translink Uganda Limited v URA, TAT Application No. 107 of 2023. Decided on 08 November 2024.

competent authority of that other country as if it were tax payable by the person under this Act.

(7) Except for a public listed company, where an international agreement concluded by the Government of Uganda with another contracting State provides that income derived by a person resident in such other contracting State from sources in Uganda is exempt from Ugandan tax or is subject to a reduction in the rate of Ugandan tax, the benefit of that exemption or reduction shall not be available to any person who—

(a) receives the income in a capacity which is other than that of a beneficial owner, who does not have full and unrestricted ability to enjoy that income and to determine its future uses; and

(b) does not possess economic substance in the country of residence.

(8) In this section, "international agreement" means—

(a) an agreement with a foreign government providing for the relief of international double taxation and the prevention of fiscal evasion;

(b) a bilateral or multilateral agreement with a foreign government or foreign governments or foreign organisation providing for administrative assistance in tax matters; or

(c) the Inter-Governmental Agreement on the East African Crude Oil Pipeline.

PART X-SPECIAL PROVISIONS FOR TAXATION OF PETROLEUM OPERATIONS

89. Interpretation of Part

(1) In this Part, unless the context otherwise requires—

"commercial production" means—

(a) for mining operations, the first period of thirty consecutive days during which the average level of production of the twenty-five

highest production days in the thirty-day period reaches a production level deemed to be commercial as determined by the Minister responsible for mining operations; and

(b) for petroleum operations, the production of crude oil or natural gas, or both, and delivery of the crude oil or natural gas at the delivery point under a programme of regular production and sale;

“contract area” means the area described and shown in a petroleum agreement on the effective date of the agreement; and where any part of the area is relinquished under the petroleum agreement, the whole or any part of such area which at any particular time remains subject to the petroleum agreement;

"contractor” means a person who supplies services or goods, other than as an employee, to the following—

(a) a licensee in respect of mining operations undertaken by the licensee;

(b) a licensee in respect of petroleum operations undertaken by the licensee;

“cost oil” means a licensee's entitlement to production as cost recovery under a petroleum agreement;

“delivery point” means the point at which petroleum passes through the intake valve of the pipeline, vessel, vehicle or craft at a terminal or refinery in Uganda;

"farm-out agreement” is an agreement to which section 101 applies;

“gross income of a licensee” includes cost oil, licensee's share of profit oil and any credits earned by the licensee from petroleum operations;

“licence area” means the area that is the subject of a mining right;

“licensee” means a person who has been granted a mining right or a person with whom the Government has entered into a petroleum

agreement as defined in the Petroleum (Exploration, Development and Production) Act or a person licensed under the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act;

"mining exploration expenditure" means expenditure incurred by a licensee in undertaking mining exploration operations, and includes the following—

(a) expenditure incurred in acquiring—

(i) Government or under a farm-out agreement; or

(ii) mining exploration information from the Government or under a farm-out agreement;

(b) social infrastructure expenditure incurred in accordance with a mining exploration right;

(c) expenditure incurred to acquire a depreciable asset that is first used in mining exploration operations;

"mining extraction expenditure" means capital expenditure incurred by a licensee in undertaking operations authorised under a mining lease, other than expenditure incurred to acquire a depreciable asset, and includes the following—

(a) expenditure whenever incurred in acquiring—

(i) an interest in a mining right, other than an interest referred to in paragraph (a)(i) of the definition of “mining exploration expenditure”; or

(ii) mining information, other than information referred to in paragraph (a)(ii) of the definition of “mining exploration expenditure”;

(b) social infrastructure expenditure incurred in accordance with a mining lease;

“mining exploration information" means information relating to the search for minerals under a mining exploration right;

“mining exploration operations” means authorised operations under a mining exploration right;

“mining exploration right” means a prospecting, exploration or retention licence granted under the Mining and Minerals Act;

“mining extraction operations” means authorised operations under a mining lease;

“mining information” means information relating to mining operations;

“mining operations” means authorised operations under a mining right;

“mining revenues” means signature and other bonuses, surface rentals, royalties, and any other duties or fees payable to the Government under the Mining and Minerals Act or a mining right granted under that Act;

“mining right” means a mining exploration right, or a mining lease;

“non-resident associate”, in relation to a licensee, means an associate of the licensee that is a non-resident person;

“non-resident contractor” means a contractor that is not a resident person;

"participation dividend”, in relation to a resident licensee, means a dividend paid by the licensee to a non-resident company that has a ten percent or greater voting interest in the voting power of the licensee;

“petroleum agreement” means an agreement entered into by the Government of Uganda with another person in accordance with the Petroleum (Exploration, Development and Production) Act or the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act;

“petroleum development expenditure" means expenditure incurred by a licensee in undertaking operations authorised under a

petroleum production licence;

“petroleum development operations” means authorised operations under a petroleum production licence;

“petroleum exploration expenditure” means expenditure incurred by a licensee in undertaking exploration operations authorised under a petroleum exploration right;

“petroleum exploration operations” means an authorised operation under a petroleum exploration right;

"petroleum operation" means a petroleum activity as defined in the Petroleum (Exploration, Development and Production) Act;

“petroleum revenues" has the meaning assigned to it in section 2 of the Public Finance Management Act;

“petroleum right” means a reconnaissance permit, petroleum exploration right, or a petroleum production licence;

“prescribed licensee” means-

(a) a person who has been granted a mining right and, in respect of whom, the Commissioner General has notified in writing to be a prescribed licensee; or

(b) a person with whom the Government has entered into a petroleum agreement;

“resident licensee" means a licensee that is a resident company;

“service fee” includes an amount treated as a royalty in the definition of “royalty” in section 2;

"social infrastructure expenditure" means capital expenditure that a licensee is required to incur under a mining right or petroleum agreement on the construction of a public school, public hospital, public road, or similar social infrastructure.

(2) Unless the context otherwise requires, any term that is not defined in this Act but is defined in the Mining and Minerals Act or in the

Petroleum (Exploration, Development and Production) Act as the case may be, has the meaning as in the Mining and Minerals Act or in the Petroleum (Exploration, Development and Production) Act.

(3) If more than one person has signed a petroleum agreement, each person is treated as a licensee for the purposes of this Part.

(4) An amount is not treated as "mining exploration expenditure", “mining extraction expenditure”, “petroleum exploration expenditure”, or “petroleum development expenditure” to the extent that the amount is not allowed as a deduction under section 22(3) or 23.

Mining operations

90. Taxation of mining licensees

(1) This Act applies to a licensee in relation to mining operations subject to the modifications in this Part.

(2) Where there is any inconsistency in the taxation of a licensee referred to in subsection (1), between this Part and other Parts of this Act and any agreement, the provisions of this Part shall prevail.

(3) The rate of income tax applicable to a licensee in respect of mining operations is the rate specified under paragraph 1 of Part VII of Schedule 4 to this Act.

91. Limitations of deductions relating to mining operations

(1) Subject to subsection (5), an amount that a licensee may deduct under this Act in relation to mining operations undertaken by the licensee in a licence area in a year of income shall be allowed as a deduction only against the gross income derived by the licensee from the operations in the licence area for that year.

(2) If an amount allowed as a deduction relates partly to mining operations in a licence area and partly to mining operations in

another licence area or to some other activity, the deduction shall be apportioned accordingly.

(3) If, in any year of income, the total deductions of a licensee in relation to mining operations undertaken in a licence area exceeds the total gross income arising from those operations in the licence area, the excess is carried forward to the following year of income and shall be deduced in that year against gross income arising from the mining operations in the licence area, until the excess is fully deducted or the mining operations in the licence area cease.

(4) If a licensee has a loss carried forward for a licence area under subsection (3) for more than one year of income, the loss of the earliest year shall be allowed as a first deduction.

(5) In this section, the licence area for a mining lease includes the area of a mining exploration right provided the licence area for the mining lease is wholly within the area covered by the mining exploration right.

92. Mining exploration expenditure

(1) If the cost of acquiring a depreciable asset is treated as mining exploration expenditure, section 27 applies to the asset on the following basis-

(a) the asset is treated as belonging to a separate pool of depreciable assets; and

(b) the depreciation rate applicable to the pool is one hundred percent.

(2) If the cost of acquiring an intangible asset is treated as mining exploration expenditure, section 30 applies to the asset on the basis that the useful life of the asset is one year.

(3) A licensee shall be allowed a deduction for mining exploration expenditure to which subsection (1) or (2) do not apply in the year of income in which the expenditure is incurred.

93. Mining extraction expenditure

(1) Subject to subsection (4), if the cost of acquiring an intangible asset is mining extraction expenditure, the useful life of the asset is the lesser of-

(a) the expected life of the mining extraction operations to which the asset relates; or

(b) six years.

(2) Subject to subsection (4), a licensee shall be allowed a deduction on a straight-line basis for mining extraction expenditure to which subsection (1) does not apply over the lesser of-

(a) the expected life of the mining extraction operations to which the expenditure relates; or

(b) six years.

(3) Subject to subsection (5), if a depreciable asset for use in mining extraction operations is acquired or constructed by a licensee before the commencement of commercial production, section 27 applies to the asset as if it was acquired or constructed at the time of commencement of commercial production.

(4) Subject to subsection (5), if mining extraction expenditure is incurred before the commencement of commercial production, subsection (2) or section 30, as the case may be, applies to the expenditure as if it was incurred at the time of commencement of the commercial production.

(5) The amount of a deduction for a depreciable asset referred to in subsection (3) or a mining extraction expenditure referred to in subsection (4) for the year of income in which the commencement of commercial production occurs is computed using the following formula—

A x B/C

where—

A is the amount of the cost of the asset or the amount of the expenditure;

B is the number of days in the period beginning on the date of commencement of commercial production and ending on the last day of the year of income in which commercial production commenced; and

C is the number of days in the year of income in which commercial production commenced.

(6) If a licensee disposes of an interest in a mining right (other than under a farm-out agreement), any gain arising on the disposal shall be reduced by any mining extraction expenditure incurred by the licensee to which subsection (2) applies that has not been deducted by the licensee at the time of the disposal.

94. Rehabilitation expenditure

(1) A contribution made by a licensee to a rehabilitation fund in accordance with an approved rehabilitation plan in relation to mining operations shall be allowed as a deduction in the year of income in which the contribution was made.

(2) An expenditure incurred by a licensee in carrying out work required by an approved rehabilitation plan in respect of the licensee's mining operations shall be allowed as a deduction in the year of income in which the expenditure is incurred provided that the work is not paid for, directly or indirectly, from money made available out of the licensee's rehabilitation fund for the mining operations.

(3) An amount accumulated in a rehabilitation fund, or an amount withdrawn from a rehabilitation fund to meet expenditure incurred under an approved rehabilitation plan, shall be exempt income.

(4) The following amounts shall be included in the gross income of a licensee—

(a) an amount withdrawn from a rehabilitation fund and returned to the licensee;

(b) any surplus in a rehabilitation fund of a licensee at the time of completion of rehabilitation that is returned to the licensee.

(5) For purposes of this section—

"approved rehabilitation plan" means a plan for the rehabilitation of a mine site approved by the Minister responsible for mining operations; and

"rehabilitation fund" means a fund or account required to be established under a mining right to provide for the future payment of remedial work to the licence area covered by the mining right and that is managed jointly by the licensee and the Minister responsible for mining operations.

Petroleum operations

95. Taxation of petroleum licensees

(1) This Act applies to a licensee in relation to a petroleum operation subject to the modifications in this Part.

(2) Where there is any inconsistency in the taxation of a licensee referred to in subsection (1) between this Part, other Parts and any petroleum agreement, the provisions of this Part shall prevail.

(3) The rate of income tax applicable to a licensee in relation to a petroleum operation is the rate specified under paragraph 2 of Part VII of Schedule 4 to this Act.

(4) If a licensee has a loss carried forward for a contract area under subsection (3) for more than one year of income, the loss of the earliest year shall be allowed as a first deduction.

(5) In this section, a contract area that is a development area includes an exploration area provided the development area is wholly within the exploration area.

96. Limitation on deductions relating to petroleum operations

(1) An amount that a licensee may deduct under this Act in relation to petroleum operations undertaken by a licensee in a contract area in a year of income shall not exceed the cost oil derived by the licensee from those operations in the contract area for that year.

(2) Notwithstanding subsection (1), the amount that a licensee for Contract Area 1, Contract Area 3A and Licence Area 2 may deduct, in relation to petroleum operations undertaken in the respective Areas in a year of income, shall not exceed the cost recovery limit in the respective petroleum agreements.

(3) Where, in any year of income, the total deductions of a licensee in relation to petroleum operations undertaken in a contract area exceed the cost oil for that year of income arising from those operations in the contract area, the excess shall be carried forward to the next following year of income and is deductible for that year of income against the cost oil for that year of income arising from the petroleum operations in the contract area until the excess is fully deducted or the petroleum operations in the contract area cease.

(4) For the purposes of subsection (2), where, in any year of income, the total deductions of a licensee in relation to petroleum operations undertaken respectively in each of Contract Area 1, Contract Area 3A and Licence Area 2 exceed the amount which represents the cost recovery limit applicable in that Contract Area or Licence Area respectively as determined in subsection (2) for that year of income arising from the petroleum operations in the respective Contract Area or Licence Area, the excess shall be carried forward to the next following year of income and is deductible for that year of income against the cost recovery limit set for that year of income in respect of the petroleum operations in the respective Contract Area or Licence Area, until the excess is fully deducted or the petroleum

operations in the Contract Area or Licence Area cease.

(5) For the avoidance of doubt, subsections (2) and (4) apply only to Contract Area 1, Contract Area 3A and Licence Area 2.

(6) If a licensee has a loss carried forward from a contract area under subsection (3) for more than one year of income, the loss of the earliest year shall be allowed as a first deduction.

(7) In case of a licensee granted a petroleum exploration licence after 31st December 2015, the allowable deductions shall be subject to the limitations on deductions specified in the production sharing agreement.

97. Petroleum exploration expenditure

(1) If the cost of acquiring a depreciable asset is treated as petroleum exploration expenditure, section 27 applies to the asset on the following basis—

(a) the asset is treated as belonging to a separate pool of depreciable assets; and

(b) the depreciation rate applicable to the pool is one hundred percent.

(2) If the cost of acquiring an intangible asset is treated as petroleum exploration expenditure, section 30 applies to the asset on the basis that the intangible asset is amortised at the same rate as the assets of the petroleum exploration.

(3) A licensee shall be allowed a deduction for petroleum exploration expenditure to which subsection (1) and (2) do not apply in the year of income in which the expenditure is incurred.

98. Petroleum development expenditure

(1) Subject to subsection (4), if the cost of acquiring an intangible asset is petroleum development expenditure, the useful life of the asset is

the lesser of—

(a) the expected life of the petroleum development operations to which the asset relates; or

(b) six years.

(2) Subject to subsection (4), a licensee shall be allowed a deduction on a straight-line basis for petroleum development expenditure to which subsection (1) does not apply over the lesser of—

(a) the expected life of the petroleum development operations to which the expenditure relates; or

(b) six years.

(3) Subject to subsection (5), if a depreciable asset for use in petroleum development operations is acquired or constructed by a licensee before the commencement of commercial production, section 27 shall apply to the asset as if it was acquired or constructed at the time of commencement of the commercial production.

(4) Subject to subsection (5), if petroleum development expenditure is incurred before the commencement of commercial production, subsection (2) or section 27, as the case may be, shall apply to the expenditure as if it was incurred at the time of commencement of the commercial production.

(5) The amount of a deduction for a depreciable asset referred to in subsection (3) or petroleum development expenditure referred to in subsection (4) for the year of income in which the commencement of commercial production occurs shall be computed using the following formula—

$$A \times B/C$$

where-

A is the amount of the cost of the asset or the amount of the expenditure;

B is the number of days in the period beginning on the date of commencement of commercial production and ending on the last day of the year of income in which commercial production commenced; and

C is the number of days in the year of income in which the commercial production commenced.

(6) In this section, "commencement of commercial production" means the first day of the period of thirty consecutive days during which production is not less than the level of regular production delivered for sale as determined by the Government as part of the approval of, or amendment to a development plan, averaged over not less than twenty-five days in the period.

99. Decommissioning expenditure

(1) A contribution made by a licensee to a decommissioning fund in accordance with an approved decommissioning plan in relation to petroleum operations shall be allowed as a deduction in the year of income in which the contribution was made.

(2) An expenditure incurred by a licensee in carrying out work required by an approved decommissioning plan in respect of the licensee's petroleum operations shall be allowed as a deduction in the year of income in which the expenditure is incurred provided that the work is not paid for, directly or indirectly, from money made available out of the licensee's decommissioning fund for the petroleum operations.

(3) An amount accumulated in a decommissioning fund, or an amount withdrawn from a decommissioning fund to meet expenditure incurred under an approved decommissioning plan, shall be exempt income.

(4) An amount withdrawn from a decommissioning fund and returned to the licensee is included in the gross income of a licensee.

(5) For purposes of this section—

“approved decommissioning plan" means a decommissioning plan approved under the Petroleum (Exploration, Development and Production) Act; and

"decommissioning fund" means a decommissioning fund established under an approved decommissioning plan.

100. Windfall tax

(1) Where the international oil price equals USD 75 (seventy five United States Dollars) per barrel or more on any day of a year of income, all licensees for Contract Area 1, Contract Area 3A and Licence Area 2 shall each pay a windfall tax on their net income generated from petroleum operations in relation to Contract Area 1, Contract Area 3A and Licence Area 2, after deduction of corporate income tax at a rate of 15%, computed as follows—

Windfall tax=15% *(A/B) * (C-D) where—

A= the number of calendar days in the year of income on which the international oil price equals USD 75 per barrel or more;

B = the total number of calendar days in the year of income;

C= the net income generated from petroleum operations by the licensee in the year of income; and

D= corporate income tax payable by the licensee for the year of income.

(2) Where, for any calendar day there is no international oil price quotation, the oil price of the last quotation prior to the respective calendar day shall apply to that day.

(3) The windfall tax shall be paid by the licensee on an annual basis, on the same date as the date of payment of corporate income tax due for the last quarter of the relevant year of income.

(4) For the purposes of this section—

(a) “international oil price” means the higher of either the simple arithmetical average of the per barrel selling prices of three globally recognised international crude oil benchmarks which are similar to the Lake Albert Crude, as agreed to between the Government of Uganda and the licensee, not later than sixty days prior to the commencement of commercial production or the Dated Brent; and

(b) “net income” means the chargeable income of the licensee derived from petroleum operations in that year of income.

Rules applicable to mining and petroleum operations

101. Farm-outs

(1) This section shall apply where the following conditions are satisfied—

(a) a licensee (referred to as the "transferor") has entered into an (referred to as the "transferee") for the transfer of the whole or part of the interest of the transferor in a mining right or petroleum agreement;

(b) the consideration given by the transferee for the transferred interest wholly or partly includes the transferee undertaking some or all of the work commitments of the transferor in respect of the part of the interest retained by the transferor.

(2) If this section applies—

(a) the value of any work undertaken by the transferee in relation to the part of the interest retained by the transferor shall be included in—

(i) the consideration received by the transferor for the transferred interest; or

(ii) the gross income of the transferor; and

(b) the following applies to any amount of money received or receivable by the transferor for the transferred interest—

(i) section 61 applies to the amount of money on the basis that it is a recoupment by the transferor of any deductions allowed for expenditure incurred by the transferor in respect of the transferred interest; and

(ii) if the amount of money exceeds the amount of deducted expenditure to which section 61 applies, the excess shall be treated as consideration received for the transferred interest.

102. Indirect transfers of interest

(1) If there is a change in the underlying ownership of a licensee, the licensee shall immediately notify the Commissioner General, in writing, of the change.

(2) If the person disposing of the interest to which a notice under subsection (1) relates is a non-resident person, the licensee shall be liable, as agent for the non-resident person, for any tax payable under this Act by the non-resident person in respect of the disposal.

(3) The interest referred to in subsection (2) is a business asset for the purposes of this Act.

103. Taxation of contractors

(1) Subject to subsection (3), a non-resident contractor who derives a fee (referred to as a "service fee"), for the provision of services to a licensee in respect of mining or petroleum operations is liable to pay non-resident contractor tax at the rate prescribed in paragraph 3 of Part VII of Schedule 4 to this Act.

(2) The tax payable under subsection (1) shall be computed by applying the rate prescribed in paragraph 3 of Part VII of Schedule 4 to this Act to the gross amount of the service fee.

(3) A licensee paying a service fee to a non-resident contractor that is subject to non-resident contractor tax shall withhold tax on the gross amount paid at the rate specified in subsection (1).

(4) A licensee to whom subsection (3) applies shall withhold tax at the earlier of—

(a) at the time the licensee credits the service fee to the account of the non-resident contractor; or

(b) at the time that the fee is actually paid.

(5) A non-resident contractor tax imposed under this section shall be a final tax on the service fee and the fee shall not be included in the gross income of the contractor.

(6) Section 140 to 146 of this Act and the Tax Procedures Code Act apply to a non-resident contractor on the basis that—

(a) the tax is a tax withheld under Part XIV;

(b) the contractor is a payee; and

(c) the licensee is a withholding agent.

(7) This section shall apply as if the associate is a non-resident contractor providing services to the license if the following conditions are satisfied—

(a) a non-resident contractor provides services to a licensee;

(b) the service fee is paid to the contractor by a non-resident associate of the licensee; and

(c) the fee is recharged by the associate to the licensee.

(8) If a non-resident contractor provides services for the benefit of a licensee and the fee for the services is paid to the non-resident contractor by a non-resident associate of the licensee, this section applies to any recharge of the fee by the associate to the licensee as if the associate provided the services to the licensee.

104. Withholding tax

(1) The tax payable for the purposes of section 82(3) applicable to a participation dividend paid by a resident licensee to a company is calculated by applying the rate prescribed in Part VIII of Schedule 4 to this Act.

(2) A licensee is treated as a designated person for the purposes of section 136 in respect of payments made to a resident contractor.

(3) Section 136 applies to an amount treated as a royalty as defined in paragraph (a)(v) of the definition of “royalty” in section 2, if it is paid by a licensee to any contractor in Uganda in respect of the use of property in Uganda.

(4) For the purposes of this section, “resident contractor” means a contractor that is a resident person.

105. Tax accounting principles

(1) A licensee shall account on an accrual basis.

(2) Except as may be otherwise agreed in writing between the Government and a licensee, all transactions shall be accounted for at arm's length prices, and a licensee shall disclose all non-arm's length transactions in a return for a specified period if required to do so by the Commissioner General.

(3) A prescribed licensee shall, for purposes of taxation—

(a) maintain accounts for a contract area in Uganda Shillings and in United States Dollars, and in the case of any conflict, the accounts maintained in the United States Dollars shall prevail; and

(b) use the exchange rates prescribed for conversion of currencies as follows—

(i) the Government or a prescribed licensee shall not experience an exchange gain or loss at the expense of, or to the benefit of, the other; and any gain or loss resulting

from the exchange of currency, shall be credited or charged to the accounts;

(ii) the amounts received and costs and expenditures made in Uganda shillings, United States Dollars or any other currency shall be converted into Uganda Shillings or United States Dollars, as the case may be, on the basis of the average of the buying and selling exchange rates between the currencies in question as published by the Bank of Uganda, prevailing on the last business day of the calendar month preceding the calendar month in which the amounts are received, and costs and expenditures are paid;

(iii) in the event of an increase or decrease, one time or accumulative, often percent or more in the rates of exchange between the Uganda Shilling, the United States Dollar or the currency in question during any given calendar month, the following rates shall be used—

(A) for the period from the first of the calendar month to the day when the increase or decrease is first reached, the average of the official buying and selling exchange rates between the United States Dollar, the Uganda Shilling or the currency in question as issued on the last day of the previous calendar month;

(B) for the period from the day on which the increase or decrease is first reached to the end of the calendar month, the average of the official buying and selling exchange rates between the United States Dollar, the Uganda Shilling or the currency in question as issued on the day on which the increase or decrease is reached.

(4) A prescribed licensee shall maintain a record of the exchange rates used in converting Uganda Shillings, United States Dollars or any other currency.

106. Allocation of costs and expenses

Any petroleum exploration expenditure or petroleum development expenditure associated with a unit development involving a discovery area which extends into a neighbouring country or licence, or both shall be allocated on the basis of the petroleum reserves attributable to that portion of the discovery area located in Uganda or licence, or both.

107. Valuation and measurement of petroleum

For the purposes of determining the value of petroleum derived from petroleum operations from a contract area, the petroleum shall be valued and measured in accordance with the regulations prescribed by the Minister which shall be laid before Parliament.

108. Application of sections 121, 122 and 123 and the Tax Procedures Code Act

Sections 121,122 and 123 and the Tax Procedures Code Act apply, subject to the modifications in this Part, to a licensee in respect of—

(a) mining and petroleum revenues and for that purpose—

(i) such revenues are a “tax”; and

(ii) a consolidated mining revenue return and a consolidated petroleum revenue return required under section 109 are a “tax return”; and

(b) taxes payable to the Government not included in mining or petroleum revenues, in this Part referred to as “other taxes”.

109. Returns

(1) Section 119 of this Act and sections 16 and 19 of the Tax Procedures Code Act apply to a licensee subject to the following modifications—

(a) a licensee shall furnish a return not later than seven days after the end of every month in respect of the provisional payments required under section 111(b);

(b) not less than thirty days before the beginning of a year of income, a licensee shall furnish a return, including particulars for each calendar quarter of the year, estimated to the best of the licensee's judgment, and shall furnish updates of the return within seven days after the end of each of the first three calendar quarters in the year;

(c) the Commissioner General may require a duly appointed agent or trustee of the licensee, whether taxable or not, to furnish a return on the licensee's behalf or as an agent or trustee of the licensee;

(d) in addition to a return furnished on a licensee's own behalf, the Commissioner General may require a licensee acting as an operator in a contract area, to furnish a return in respect of that area on behalf of all licensees with an interest in the petroleum agreement;

(e) a return required under this section shall include particulars of mining or petroleum revenues and other taxes prescribed by the Commissioner General;

(f) a return required for any period shall be furnished, whether mining or petroleum revenues or other taxes are payable for the period or not;

(g) the Commissioner General may make provision permitting or requiring a licensee to submit returns electronically.

(2) In addition to a return required under subsection (1), a contractor shall file an annual consolidated mining or petroleum revenue return with the Commissioner General at the end of each year of income, not later than ninety days after the expiry of the year of income.

110. Assessments, objections and appeals

(1) Part VII of the Tax Procedures Code Act applies to a licensee subject to an assessment made by the Commissioner General on a licensee may relate to mining or petroleum revenues and not only to

chargeable income.

(2) Objections and appeals relating to mining or petroleum revenues shall be determined in accordance with Part VIII of the Tax Procedures Code Act.

111. Collection and recovery

Sections 120, 121 and 122 and Part IX of the Tax Procedures Code Act shall apply to contractors with the following modifications—

(a) mining or petroleum revenues and other taxes charged in any assessment shall be payable within seven days after the due date for furnishing a return;

(b) a contractor shall, in each calendar quarter, make a provisional payment consisting of-

(i) in the case of income tax, one quarter of the contractor's estimated income tax for the year; and

(ii) in the case of mining or petroleum revenues, other than income tax, the amounts payable for the quarter under the Mining and Minerals Act or mining right, or petroleum agreement;

(c) unless otherwise agreed between the Government and a prescribed licensee, all payments or refunds of mining or petroleum revenues other than those payable in kind and other taxes shall be made in United States Dollars;

(d) all mining or petroleum revenues shall be payable to the Uganda Revenue Authority;

(e) subject to paragraph (f), section 123 shall apply to refunds of mining or petroleum revenues and other taxes payable to the Government;

(f) late payment, or refunds of mining or petroleum revenues and other taxes payable to the Government shall, for each day on which the sums are overdue during any month, bear interest

compounded daily at an annual rate equal to the average rates published by the Bank of Uganda plus five percentage points;

(g) where a licensee has paid mining or petroleum revenues in kind and the amount payable subsequently requires to be adjusted for any reason, the adjustment shall be made in cash unless otherwise agreed between the Government and a licensee;

(h) a payment of mining or petroleum revenues made by a licensee shall be allocated by the Commissioner General against the amounts payable in the order in which they become due and in such a way as to minimise any interest or penalties payable by a licensee.

112. Failure to furnish returns

(1) Notwithstanding the provisions of sections 56 and 58 of the Tax Procedures Code Act, a licensee who fails to furnish a return or provide any other document within the time prescribed by this Act is liable to a penalty of not less than fifty thousand United States Dollars and not exceeding five hundred thousand United States Dollars.

(2) Where a licensee convicted of an offence under subsection (1) fails to furnish the return or document to which the offence relates within a period specified by the court, or furnishes false or inaccurate returns, that licensee is liable to a fine not exceeding one hundred thousand United States Dollars.

113. Making false or misleading statements

A prescribed licensee or person in relation to a prescribed licensee who is convicted of an offence under section 67 of the Tax Procedures Code Act shall be liable, on conviction-

(a) when the statement or omission was made knowingly or recklessly, to a fine not less than one million United States Dollars or to imprisonment for a term not exceeding five years,

or both; or

(b) in any other case, to a fine not less than fifty thousand United States Dollars and not exceeding five hundred thousand United States Dollars.

114. Penal tax and tax offences

Part XV and sections 68, 69,81, 82,83 and 85 of the Tax Procedures Code Act apply to a licensee in respect of mining or petroleum revenues and other taxes subject to the following modifications-

(a) interest under section 111(f) and not penal tax under section 60 of the Tax Procedures Code Act shall be charged where provisional tax is understated;

(b) a licensee shall not be prosecuted or fined under these sections if prosecuted or fined for the same offence under the Mining and Minerals Act, Petroleum (Exploration, Development and Production) Act or the petroleum agreement.

115. Right of Commissioner General to execute mandate

Nothing in a mining right, petroleum agreement or in any law shall be construed as limiting the right of the Commissioner General to execute his or her mandate for purposes of this Act.

PART XI-ANTI-AVOIDANCE

116. Transactions between associates[97]

(1) In any transaction between associates or persons who are in an employment relationship, the Commissioner General may distribute, apportion or allocate income, deductions or credits between the associates or persons who are in an employment relationship, as the case may be, as is necessary to reflect the chargeable income

[97] See SMEC International Limited v URA, TAT Application No. 75 of 2019. Decided 15 November 2024.

realised by the taxpayer in an arm's length transaction.

(2) The Commissioner General may adjust the income arising in respect of any transfer or licence of intangible property between associates so that it is commensurate with the income attributable to the property.

(3) In making any adjustment under subsection (1) or (2), the Commissioner General may determine the source of income and the nature of any payment or loss as revenue, capital or otherwise.

117. Re-characterisation of income and deductions[98]

(1) For the purposes of determining liability to tax under this Act, the Commissioner General may—

(a) re-characterise a transaction or an element of a transaction that was entered into as part of a tax avoidance scheme;

(b) disregard a transaction that does not have substantial economic effect; or

(c) re-characterise a transaction the form of which does not reflect the substance.

(2) A "tax avoidance scheme" in subsection (1) includes any transaction one of the main purposes of which is the avoidance or reduction of liability to tax.

PART XII-PROCEDURE RELATING TO INCOME TAX

Returns

118. Furnishing of return of income

(1) Subject to section 119, every taxpayer shall furnish a return of income for each year of income not later than six months after the

[98] Explorer Limited v URA, TAT Application No. 87 of 2023. Decided 31 October 2024.

end of that year.

(2) Notwithstanding subsection (1), a manager of a takaful business shall furnish a return of income for each year of income, not later than six months after the end of that year, on behalf of the participants in each group in the takaful business.

(3) A return of income shall be in the form prescribed by the Commissioner General and shall be furnished in the manner prescribed by the Commissioner General.

(4) Where a taxpayer is legally incapacitated, the legal representative of the taxpayer shall sign the return.

(5) A return of income of a taxpayer who is carrying on business shall be accompanied by a statement of income and expenditure and a statement of the assets and liabilities of the taxpayer.

(6) A person, other than an employee of the taxpayer, who, for remuneration, prepares or assists in the preparation of a return of income, a balance sheet, a statement of income and expenditure or any other document submitted in support of a return, shall sign the return certifying that the person has examined the books of accounts and all other relevant documentation of the taxpayer, and that, to the best of the person's knowledge, the return or document correctly reflects the data and transactions to which it relates.

(7) Where a person refuses to sign a certificate referred to in writing of the reasons for the refusal and the taxpayer shall include that statement with the return of income to which the refusal relates.

119. Cases where returns of income not required

Unless requested by the Commissioner General by notice in writing, no return of income shall be furnished under this Act for a year of income—

(a) by a non-resident person where section 4(4) or section 87(1)(c) or both apply to all the income derived from sources in Uganda by the person during the year of income; or

(b) by a resident individual—

(i) to whom section 4(4) applies, except persons employed by diplomatic missions and prescribed organisations on which diplomatic immunities and privileges are conferred; or

(ii) whose total chargeable income for the year of income is subject to the zero rate of tax under Part I of Schedule 4to this Act.

(c) by a non-resident person who is licensed to carry on Islamic financial business under a partnership arrangement or who has no physical place of business in Uganda.

120. Due date for payment of tax

The tax due under this Act shall be payable—

(a) in the case of a taxpayer subject to section 22 of the Tax Procedures Code Act, on the due date for furnishing of the return of income to which the assessment relates; and

(b) in any other case, within forty-five days from the date of service of the notice of assessment.

Provisional tax

121. Payment of provisional tax

(1) A person who derives or expects to derive any income during a year of income which is not or will not be subject to withholding tax at source under section 126, 127 or 128 is liable or subject to pay provisional at the tax under this section.

(2) A provisional taxpayer, other than an individual, is liable to pay two instalments of provisional tax, on or before the last day of the sixth and twelfth months of the year of income, in respect of the taxpayer's liability for income tax for that year.

(3) For the purposes of subsection (2), the amount of each instalment of provisional tax for a year of income is calculated using the following formula—

$$(50\% \times A) - B$$

where—

A is the estimated tax payable by the provisional taxpayer for the year of income; and

B is the amount of any tax withheld under this Act, prior to the due date for payment of the instalment, from any amounts derived by the taxpayer during the year of income which will be included in the gross income of the taxpayer for that year.

(4) A provisional taxpayer who is an individual is liable to pay four instalments of provisional tax, on or before the last day of the third, sixth, ninth and twelfth months on the year of income, in respect of the taxpayer's liability for income tax for that year.

(5) For the purposes of subsection (4), the amount of each instalment of provisional tax for a year of income is calculated using the following formula-

$$(25\% \times A) - B$$

where—

A is the estimated tax payable by the provisional taxpayer for the year of income; and

B is the amount of any tax withheld under this Act, prior to the due date for payment of the instalment, from any amounts derived by the taxpayer during the year of income which will be included in the gross income of the taxpayer for that year.

(6) Upon written application by the taxpayer, the Commissioner General may, where good cause is shown, extend the due date for payment of an instalment of provisional tax or allow for payment of such an instalment in equal or varying amounts.

(7) An instalment of provisional tax, when it becomes due and payable, is a debt due to the Government, and the provisions of this Act shall apply for the purposes of the collection and recovery of provisional tax by the Commissioner General.

(8) Each instalment of provisional tax shall be credited against the income tax assessed to the provisional taxpayer for the year of income to which the instalment relates.

(9) Where the total of the instalments credited under subsection (8) exceeds the taxpayer's income tax assessed for that year, the excess shall be dealt with by the Commissioner General in accordance with section 123(3).

(10) No instalment of provisional tax paid by a provisional taxpayer shall be refunded to the taxpayer other than in accordance with subsection (9).

(11) In this section, "estimated tax payable" has the meaning in section 122.

122. Estimated tax payable

(1) A provisional taxpayer's estimated tax payable for a year of income is —

(a) in the case of a taxpayer to whom section 4(5) applies, the amount determined under Schedule 3 to this Act for that year as the tax payable on the gross turnover of the taxpayer estimated for that year under subsection (2); or

(b) in any other case, the amount calculated by applying the rates of tax in force for that year against the amount estimated under subsection (3) by the taxpayer as the chargeable income of the taxpayer for the year.

(2) Every provisional taxpayer to whom section 4(5) applies shall furnish an estimate of the gross turnover of the taxpayer for each year of income and shall include with the estimate for a year of income, a statement of the actual gross turnover of the taxpayer for

the previous year of income.

(3) Every provisional taxpayer, other than a taxpayer to whom section 4(5) applies, shall furnish an estimate of the chargeable income to be derived by the taxpayer for a year of income in respect of which provisional tax is or may be payable by the taxpayer.

(4) A provisional taxpayer's estimate under subsection (2) or (3) shall be in the form prescribed by the Commissioner General and shall be furnished to the Commissioner General by the due date for payment of the first instalment of provisional tax for the year of income.

(5) A provisional taxpayer's estimate under subsection (2) or (3) shall remain in force for the whole of the year of income unless the taxpayer furnishes a revised estimate to the Commissioner General which revised estimate shall only apply to the calculation of the provisional tax payable by the taxpayer after the date the revised estimate was furnished to the Commissioner General.

(6) Where a provisional taxpayer fails to furnish an estimate of gross turnover or chargeable income as required by subsection (2) or (3), the estimated gross turnover or chargeable income of the taxpayer for the year of income shall be such amount as estimated by the Commissioner General.

Refund of tax

123. Refunds

(1) A taxpayer may apply to the Commissioner General for a refund, in respect of any year of income, of any tax paid by withholding, instalments or otherwise in excess of the tax liability assessed to or due by the taxpayer for that year.

(2) An application for a refund under this section shall be made to the Commissioner General in writing within five years of the later of—

(a) the date on which the Commissioner General has served the notice of assessment for the year of income to which the refund

application relates; or

(b) the date on which the tax was paid.

(3) Where the Commissioner General is satisfied that tax has been overpaid, the Commissioner General shall—

(a) apply the excess in reduction of any other tax due from the taxpayer; then

(b) apply the balance of the excess, if any, in reduction of any outstanding liability of the taxpayer to pay other taxes not in dispute or to make provisional tax payments during the year of income in which the refund is to be made; then

(c) refund the remainder, if any, to the taxpayer.

(4) Where the Commissioner General is required to refund an amount of tax to a person as a result of an application made to the Commissioner General under this section or of a decision made under section 25, 26 or 27of the Tax Procedures Code Act, the Commissioner General shall pay simple interest at a rate of two percent per month for the period commencing on the date the person made the application for refund and ending on the last day of the month in which the refund is made.[99]

(5) A taxpayer shall be deemed to have submitted an application for refund referred to in subsection (4), on the date on which the application is received by the Commissioner General.

(6) Notwithstanding subsection (8), where the Commissioner General requests for additional information, the application for refund shall be deemed to have been submitted on the date on which the additional information is received by the Commissioner General.

---

[99] This subsection is not an accurate reproduction of the old provision in section 113 of the ITA Cap 340. It may be useful to refer to the old law for a proper understanding of the context.

(7) Notwithstanding subsection (4), a refund shall be paid by the Commissioner General to a taxpayer within a period of six months from the date on which the application by the tax payer is received by the Commissioner General.

(8) The Commissioner General shall, within thirty days of making a decision on a refund application under subsection (1), serve on the person applying for the refund a notice in writing of the decision.

(9) A person dissatisfied with a decision referred to in subsection (8) may only challenge the decision under the objection and appeal procedure in the Tax Procedures Code Act.

PART XIII-PROCEDURE RELATING TO RENTAL TAX

124 Rental tax

(1) An individual charged to tax under section 5 shall furnish a return of rental income for each year of income not later than six months after the end of that year.

(2) Sections 118 and 123 apply, with necessary modifications, to the tax imposed under section 5.

(3) For the avoidance of doubt, the Commissioner General shall prescribe the form for return of rental income under this section.

PART XIV-WITHHOLDING OF TAX AT SOURCE

125 Interpretation of Part

In this Part—

"payee" means a person receiving payments from which tax is required to be withheld under this Part; and

"withholding agent" means a person obliged to withhold tax under this Part.

126 Withholding of tax by employers[100]

(1) Every employer shall withhold tax from a payment of employment income to an employee as prescribed by regulations made under section 151.

(2) The obligation of an employer to withhold tax under subsection (1) is not reduced or extinguished because the employer has a right, or is otherwise under an obligation, to deduct and withhold any other amount from such payments.

(3) The obligation of an employer to withhold tax under subsection (1) applies notwithstanding any other law which provides that the employment income of an employee shall not be reduced or subject to attachment.

127 Payment of interest to resident persons

(1) Subject to subsection (2), a resident person who pays interest to another resident person shall withhold tax on the gross amount of the payment at the rate prescribed in Part IX of Schedule 4 to this Act.

(2) This section does not apply to—

(a) interest paid by a natural person;

(b) interest, other than interest from Government securities, paid to a financial institution;

(c) interest paid by a company to an associated company; or

(d) interest paid which is exempt from tax in the hands of the recipient.

(3) In this section, "associated company”, in relation to a company, in

---

[100] See International Food Policy Research Institute v URA, TAT Application No. 59 of 2023. Decided on 06 September 2024.

this subsection referred to as the “payer company”, means—

(a) a company in which the payer company controls fifty percent or more of the voting power in the company either directly or through one or more interposed companies;

(b) a company which controls fifty percent or more of the voting power in the payer company either directly or through one or more interposed companies; or

(c) a company, in this subsection referred to as the “payee company”, where another company controls fifty percent of the voting power in the payee and payer companies either directly or through one or more interposed companies.

128 Payment of dividends to resident shareholders

(1) A resident company which pays a dividend to a resident shareholder shall withhold tax on the gross amount of the payment at the rate prescribed in Part IX of Schedule 4 to this Act.

(2) This section does not apply where the dividend income is exempt from tax in the hands of the shareholder.

129 Withholding tax from professional fees

(1) A resident person who pays management fees, agency fees in case of Islamic financial business, or professional fees to a resident person shall withhold tax on the gross amount of the payment at the rate prescribed in Part X of Schedule 4 to this Act.

(2) This section does not apply to a resident person whom the Commissioner General is satisfied has regularly complied with the obligations imposed on that person under this Act.

130 Withholding tax by purchaser of asset

(1) A resident person who purchases an asset from a non-resident person shall withhold tax on the gross amount of the payment at the rate prescribed in Part X of Schedule 4 to this Act.

(2) A resident person who purchases a business or business asset shall withhold tax at a rate specified in Part X of Schedule 4 to this Act.[101]

131 Withholding of tax on payments for winnings of betting

A person who makes payment for winnings of betting shall withhold tax on the gross amount of the payment at the rate prescribed in Part XI Schedule 4 to this Act.

132 Withholding tax on payments of re-insurance or re-takaful premiums

(1) A resident person who makes a payment of premium for reinsurance or re-takaful services to a non-resident person shall withhold tax on the gross amount of the payment at a rate prescribed in Part XII of Schedule 4 to this Act.

(2) Subsection (1) does not apply to re-insurance or re-takaful services provided by—

(a) Uganda Reinsurance Company Limited;

(b) African Reinsurance Corporation; or

(c) PTA Reinsurance Company.

(3) Reference to premium under this section shall have the same meaning as contribution in the case of re-takaful business.

133. Withholding tax on commission paid by telecommunications service providers on airtime distribution and mobile money

A telecommunications service provider who makes a payment of a commission for airtime distribution or provision of mobile money services shall withhold tax on the gross amount of the payment at the rate prescribed in Part XIII of Schedule 4 to this Act.

---

[101] See Tunga Nutrition Limited v URA, TAT Application No.89 of 2023. Decided on 26 June 2025; African Renewal Ministries Limited v URA, TAT Application No. 207 of 2023. Decided on 11 April 2025.

134. Withholding of tax on commission paid to insurance agent

An insurance service provider who makes a payment of a commission to an insurance agent shall withhold tax on the gross amount of the payment at the rate prescribed in Part XIV of Schedule 4 to this Act.

135. Withholding of tax on commission paid to advertising agent

A person who makes payment for a commission to an advertising agent shall withhold tax on the gross amount of the payment at the rate prescribed in Part XIV of Schedule 4 to this Act.

118I. Withholding tax on commission paid to payment service provider[102]

(1) A person who pays a commission to a payment service provider shall withhold tax on the commission paid to the payment service provider at the rate prescribed in Part XIV of the Third Schedule.

(2) For the avoidance of doubt, this section shall apply to commission paid to banking agents or any other agent offering financial services.

136. Payment for goods and services

(1) Where the Government of Uganda, a Government institution, a local authority, any company controlled by the Government of Uganda, or any person designated in a notice issued by the Minister, in this section referred to as the “payer”, pays an amount or amounts in aggregate exceeding one million shillings to any person in Uganda—

(a) for a supply of goods or materials of any kind; or

---

[102] Section 135 was previously section 118H. The 2024 amendment, provided that section 118I would appear immediately after section 118H. This is why the new section 118I appears after section 135 in this edition.

(b) for a supply of any services,

the payer shall withhold tax on the gross amount of the payment at the rate prescribed in Part X of Schedule 4 to this Act, and the payer shall issue a receipt to the payee.

(2) Where—

(a) there are separate supplies of goods or materials, or of services and each supply is made for an amount of one million shillings or less; and

(b) it would reasonably be expected that the goods or materials, or services would ordinarily be supplied in a single supply for an amount exceeding one million shillings,

subsection (1) applies to each supply.

(3) Every person who imports goods into Uganda is liable to pay tax at the time of importation on the value of the goods at the rate prescribed in Part X of Schedule 4 to this Act.

(4) The value of goods under subsection (3) shall be the value of the goods ascertained for the purposes of customs duty under the laws relating to customs.

(5) This section does not apply to—

(a) importations by organisations within the definition of "exempt organisation" in section 2(a)(ii) of that definition;

(b) a supplier or importer—

(i) who is exempt from tax under this Act; or

(ii) who the Commissioner General is satisfied has regularly complied with the obligations imposed on the supplier or importer under this Act; and

(c) agricultural supplies.[103]

---

[103] See Nyanga Oburofa Enterprises Limited & Ors v URA, TAT Application No.

(6) The tax paid under subsections (1) and (3) is treated as tax withheld for the purposes of section 146.

137. International payments

(1) Any person making a payment of the kind referred to in section 82,84 or 85 shall withhold from the payment the tax levied under the relevant section.[104]

(2) Any promoter, agent or similar person—

(a) paying remuneration to a non-resident entertainer or sportsperson; or

(b) responsible for collecting the gross receipts from a performance in Uganda by a theatrical, musical or other group of non-resident entertainers or sportspersons,

shall withhold from the remuneration or receipts the tax levied under section 83.

(3) This section does not apply where the payment is exempt from tax.

138. Non-resident services contract

(1) Every person who enters into an agreement with a non-resident for the provision of services by the non-resident which services give rise to income sourced in Uganda shall, within thirty days of the date of entering into such agreement, notify the Commissioner General in writing of—

(a) the nature of such agreement;

(b) the likely duration of the agreement;

(c) the name and postal address of the non-resident person to

---

139 of 2024. Decided on 13 June 2025.

[104] See ESRI Eastern African Limited v URA, TAT Application No. 41 of 2023. Decided on 10 October 2024.

whom payments under the agreement are to be made; and

(d) the total amount estimated to be payable under the agreement to the non-resident person.

(2) The Commissioner General may, by notice in writing served on the person who has notified the Commissioner General under subsection (1), require that person to withhold tax from any payment made under the agreement at the rate specified by the Commissioner General in the notice.

(3) Subsection (2) does not apply to a contract to which section 84 applies.

(4) A person who fails to notify the Commissioner General in accordance with subsection (1) is personally liable to pay to the Commissioner General the amount of tax that the non-resident is liable for on the income arising under the contract, but the person is entitled to recover this amount from the non-resident.

(5) The provisions of this Act relating to the collection and recovery of tax apply to the liability imposed by subsection (1) as if it were tax.

139. Withholding as final tax

Where—

(a) tax has been withheld under section 127 on a payment of interest on treasury bills or other Government securities by the Bank of Uganda to any person or by a financial institution to a resident individual, other than in the capacity of trustee, resident retirement fund or to an exempt organisation;

(b) tax has been withheld under section 133 on a payment of commission for airtime distribution or provision of mobile money services to a resident individual; or

(c) tax has been withheld under section 128 on a payment of dividends to a resident individual;

the withholding tax is a final tax, and—

(d) no further tax liability is imposed upon the taxpayer in respect of the income to which the tax relates;

(e) that income is not aggregated with the other income of the taxpayer for the purposes of ascertaining chargeable income;

(f) no deduction is allowed for any expenditure or losses incurred in deriving the income; and

(g) no refund of tax shall be made in respect of the income.

140. Payment of tax withheld

(1) Subject to subsection (2), a withholding agent shall pay to the Commissioner General any tax that has been withheld or that should have been withheld under this Part within fifteen days after the end of the month in which the payment subject to withholding tax was made by the withholding agent.

(2) Where a person withholds or should have withheld tax as required under section 137(2), the tax shall be paid to the Commissioner General within five days of the performance or by the day before the date the non-resident leaves Uganda, whichever is the earlier.

(3) The provisions of this Act relating to the collection and recovery of tax apply to any amount withheld under this Part as if it were tax.

141. Advance tax for transport services

(1) A taxpayer who provides a passenger transport service or a freight transport service where the goods vehicle used has a loading capacity of at least two tonnes shall pay an advance tax at the rates specified in Part II of Schedule 3 to this Act.

(2) A taxpayer who provides a passenger transport service or a freight transport service under subsection (1), shall be required to obtain a tax clearance certificate from the Commissioner General in accordance with section 50 of the Tax Procedures Code Act before

renewal of operational licences.

142. Failure to withhold tax

(1) A withholding agent who fails to withhold tax in accordance with this Act is personally liable to pay to the Commissioner General the amount of tax which has not been withheld, but the withholding agent is entitled to recover this amount from the payee.[105]

(2) The provisions of this Act relating to the collection and recovery of tax apply to the liability imposed by subsection (1) as if it were tax.

143. Tax credit certificates

(1) Subject to subsection (3), a withholding agent shall deliver to the payee a tax credit certificate setting out the amount of payments made and tax withheld during a year of income.

(2) A payee who is required to furnish a return of income shall attach to the return the tax credit certificate or certificates supplied to the payee for the year of income for which the return is filed.

(3) A withholding agent shall at the end of each year of income deliver to the employee, to whom section 4(4) applies, a certificate setting out the amount of tax withheld during a year of income.

144. Record of payments and tax withheld

(1) A withholding agent shall maintain, and keep available for inspection by the Commissioner General, records showing, in relation to each year of income—

(a) payments made to a payee; and

(b) tax withheld from those payments.

(2) The records referred to in subsection (1) shall be kept by the

---

[105] See ESRI Eastern African Limited v URA, TAT Application No. 41 of 2023. Decided on 10 October 2024.

withholding agent for five years of income after the end of the year of income to which the records relate.

(3) The Commissioner General may call upon a withholding agent to allow an auditor to examine the records of the agent to verify their accuracy against the tax credit certificates of the agent.

145. Priority of tax withheld

(1) Tax withheld by a withholding agent under this Act—

(a) is held by the withholding agent in trust for the Government of Uganda; and

(b) is not subject to attachment in respect of a debt or liability of the withholding agent,

and in the event of the liquidation or bankruptcy of the withholding agent, an amount withheld under this Act does not form a part of the estate in liquidation, assignment or bankruptcy; and the Commissioner General shall have a first claim before any distribution of property is made.

(2) Every amount which a withholding agent s required under this Act to withhold from a payment is—

(a) a first charge on that payment; and

(b) withheld prior to any other deduction which the withholding agent may be required to make by virtue of an order of any court or any other law.

146. Adjustment on assessment and withholding agent's indemnity

(1) The amount of tax withheld under this Part is treated as income derived by the payee at the time it was withheld.

(2) A withholding agent who has withheld tax under this Part and remitted the amount withheld to the Commissioner General is treated as having paid the withheld amount to the payee for the purposes of any claim by that person for payment of the amount

withheld.

(3) Tax withheld from a payment under this Part is deemed to have been paid by the payee and, except in the case of a tax that is a final tax under this Act, is credited against the tax assessed on the payee for the year of income in which the payment is made.

(4) Where the tax withheld under this Part for a year of income, together with any provisional tax paid under section 121 for that year, exceeds the liability under an assessment of the taxpayer for that year, the excess shall be dealt with by the Commissioner General in accordance with section 123(3).

(5) Where a person who pays tax in accordance with section 136(3) is an individual whose only source of income is employment income, the tax shall be refunded on application by that person in accordance with section 123.

PART XV-INFORMATION COLLECTION

147. Business information returns

(1) Every person carrying on business in Uganda who makes a payment of income sourced in Uganda, being services income, interest, royalties, management fees or other income specified by the Commissioner General shall furnish a return of such payments, in this section referred to as a “business information return", to the Commissioner General within sixty days after the end of the year of income in which the payment was made.

(2) A business information return shall be in the form specified by the Commissioner General and shall state the information required.

(3) Subsection (1) does not apply to the payment of any income subject to withholding of tax at source under Part XIV of this Act, other than employment income.

(4) Notwithstanding subsection (1), a person required to withhold tax under section 126 shall furnish a withholding tax return for every

month in the form specified by the Commissioner General, not later than fifteen days after the end of the month to which the withholding tax relates for all employees liable to tax.

(5) A withholding agent who makes a payment subject to withholding tax under section 82 to 85 and section 127 to 136 shall furnish a return of withholding tax for every month in the form specified by the Commissioner General not later than fifteen days after the end of every month to which withholding tax relates.

PART XVI-INTEREST

148. Interest on unpaid tax[106]

(1) A person who fails—

(a) to pay any tax, including provisional tax;

(b) to pay any penal tax; or

(c) to pay to the Commissioner General any tax withheld or required to be withheld by the person from a payment to another person,

on or before the due date for payment is liable for interest at a rate equal to 2percent per month on the amount unpaid calculated from the date on which the payment was due until the date on which payment is made.

(2) Interest paid by a person under subsection (1) shall be refunded to the person to the extent that the tax to which the interest relates is found not to have been due and payable.

(3) Where good cause is shown, in writing, by the person liable for payment of interest, the Minister may, on the advice of the Commissioner General, remit, in whole or in part, any interest

[106] Local Works Limited v URA, TAT Application No. 201 of 2022. Decided on 11 April 2025.

charged under this section.

(4) Interest charged in respect of a failure to comply with section 140is borne personally by the withholding agent, and no part of it is recoverable from the person who received the payment from which tax was or should have been withheld under Part XIV of this Act.

(5) Interest charged under this section shall be simple interest.

(6) The provisions of this Act relating to the collection and recovery of tax apply to any interest charged under this section as if it were tax due.

(7) The interest due and payable under subsection (1), which exceeds the aggregate of the principal tax and the penal tax shall be waived.

PART XVII-MISCELLANEOUS

149. Interpretation of Part

In this Part, “repealed legislation" means the Income Tax Decree, 1974, amendments to it and subsidiary legislation made under it and section 25 of the Investment Code, 1991.

150. Re-characterisation of arrangements under Islamic financial business

(1) For purposes of determining liability to tax under this Act, the Commissioner General may re-characterise an arrangement under Islamic financial business not provided for under this Act, to the equivalent arrangement under conventional financial services for purposes of reflecting the equivalent economic substance, other than the form.

(2) The Commissioner General shall comply with Shari'ah principles in re-characterising an arrangement under Islamic financial business not provided for under this Act.

151. Regulations

(1) The Minister may, by statutory instrument, make regulations for better carrying into effect the purposes of this Act.

(2) Without prejudice to the general effect of subsection (1), regulations made under that subsection may—

(a) contain provisions of a saving or transitional nature consequent on the making of this Act; or

(b) prescribe penalties for the contravention of the regulations not exceeding a fine of twenty-five currency points or imprisonment not exceeding six months, or both, and may prescribe, in the case of continuing offences, an additional fine not exceeding five currency points in respect of each day on which the offence continues.

152. Power to amend monetary amounts and Schedules

(1) The Minister may, by statutory instrument, with the approval of Cabinet, amend Schedule 1 to this Act.

(2) The Minister may, by statutory instrument, with the approval of Parliament, amend any monetary amount set out in this Act and Schedules 2,3,4,5,6 and 7 to this Act.

153. Application of certain laws, etc.

(1) The repealed legislation shall continue to apply to the years of income prior to the year of income in which this Act came into force.

(2) Any arrangement between the Government of Uganda and the Government of a foreign country with a view to affording relief from double taxation made under section 47 of the Income Tax Decree, 1974, or its predecessor and which is still in force at 1st July, 1997, shall continue to have effect under this Act.

(3) A reference in this Act to a previous year of income includes, where the context requires, a reference to a year of income under the

repealed legislation.

(4) Section 3(1)(d) of the Income Tax Decree,1974, shall continue to apply to an amount referred to in section 21(1)(h) of this Act if the payer of the alimony, allowance or maintenance obtained a deduction for the payment under the Income Tax Decree, 1974, prior to the commencement of this Act.

(5) Sections 18(1)(a) and 22(1)(b) do not apply to business assets of a capital nature disposed of before 1st April, 1998, or to business debts of a capital nature cancelled or satisfied before 1st April, 1998.

(6) Where, as a result of the application of this Act, a gain or loss on realisation of a liability is subject to tax being a gain or loss which would not otherwise have been subject to tax, the value of the liability on 31st March,1998, shall be used in the calculation of any income or deduction as from that date.

(7) Subject to subsections (8) and (9), where, as a result of the application of this Act, a gain or loss on disposal of an asset is subject to tax being a gain or loss that would not otherwise have been subject to tax, the cost base of the asset is calculated on the basis that each item of cost or expense included in the cost base and which was incurred prior to that date is determined using the following formula—

$$\mathbf{CB \times \frac{CPID}{CPIA}}$$

where—

CB is the amount of an item of cost or expense incurred on or before 31st March,1998, included in the cost base of the asset;

CPID is the Consumer Price Index number published for the month ending on 31st March, 1998; and

CPIA is the Consumer Price Index number published for the month immediately prior to the date on which the relevant item of cost or expense was incurred.

(8) Where the taxpayer is able to substantiate the market value of an asset on 31st March, 1998, the taxpayer may substitute that value for the cost base determined under subsection (7).

(9) Where the asset referred to in subsection (8) is immovable property, the cost base of the property as at 31st March, 1998, is equal to the market value of the property as determined by the Chief Government Valuer.

(10) Section 27(4)(b) shall apply to depreciable assets acquired by a taxpayer before 1st July, 1997, and held by the taxpayer at that date on the basis that the cost base of the asset is the cost of the asset less any depreciation deductions allowed under the repealed legislation in respect of that cost.

(11) For the purposes of section 28(6), the "residue of expenditure" of an industrial building at 30th June, 1997, shall be the residue of expenditure as determined under the Income Tax Decree, 1974, at that date.

(12) The amount of a deduction allowed to a taxpayer under section 36 for the year of income commencing on 1st July, 1997, shall be determined under section 14(4) of the Income Tax Decree, 1974.

(13) The amount of a deduction allowed under sections 30 and 31 in respect of start-up costs incurred or intangible assets acquired before this Act came into force shall be calculated on the assumption that those sections had always applied.

(14) For the purpose of applying subsections (5) to (12) to a taxpayer permitted to use a substituted year of income for the first year of income under this Act—

(a) the reference in those subsections to 31st March, 1998, is treated as a reference to the day immediately preceding the

commencement of the first year of income of the taxpayer under this Act; and

(b) the reference in those subsections to 1st April, 1998, is treated as a reference to the first day of the first year of income of the taxpayer under this Act.

(15) A taxpayer entitled to use a substituted year of income under the Income Tax Decree, 1974, is permitted to continue to use that period as the taxpayer's substituted year of income under this Act until the Commissioner General decides otherwise by notice in writing to the taxpayer.

(16) Where a taxpayer subject to tax under this Act but who was not subject to tax under the Income Tax Decree, 1974, is entitled to use a substituted year of income, the taxpayer is treated for the purposes of section 37(6) as having a transitional year of income for the period 1st July, 1997, to the end of the day immediately preceding the start of the first substituted year of income after that date.

(17) Finance leases, as defined in section 58, entered into before 1st July, 1997 shall be dealt with in terms of the Income Tax Decree,1974.

(18) A reference in section 61 to a previously deducted expenditure, loss or bad debt includes a reference to an expenditure, loss or bad debt deducted under the repealed legislation.

(19) Notwithstanding the repeal of section 25 of the Investment Code, 1991, the holder of a certificate of incentives which is valid at the commencement of this Act may make an election in writing to the Commissioner General by 31st December, 1997, for the exemption from tax on corporate profits and the exemption from withholding tax paid on dividends and interest paid to resident persons as provided under section 25 of the Investment Code, 1991 to continue until the exemption expires in accordance with that section, as if that section had not been repealed.

(20) Where an exemption referred to in subsection (19) expires, the following provisions apply to the holder of the certificate of incentives—

(a) subsections (5) to (8) apply to the person on the basis that the reference in those subsections to 31st March, 1998 is treated as a reference to the day on which the exemption expired;

(b) the amount of the deduction allowed under sections 27,28,29 and 30 in respect of depreciable assets, industrial buildings, or intangible assets acquired, or start-up costs incurred, before the exemption expired shall be calculated on the assumption that those sections had always applied; and

(c) the amount of any assessed loss to be deducted in the first year of income after the exemption has expired is calculated on the basis that this Act and its predecessor has always applied to the person.

(21) Notwithstanding the repeal of section 25 of the Investment Code,1991,and without prejudice to other relevant provisions of this section, an investor who, immediately before the commencement of this Act, holds a valid investment licence under the Investment Code, 1991, and who but for this Act would be eligible for the grant of a certificate of incentives and whose application had been approved for a certificate of incentives, shall be issued with the certificate in accordance with the Investment Code,1991,as if section 25 of the Code had not been repealed.

(22) Subject to subsection (23), where the income of a person is wholly or partly exempt from tax under—

(a) a notice in the Gazette under section 12(2) of the Income Tax Decree,1974; or

(b) a provision in any agreement,

the notice or provision shall have no effect under this Act unless the Minister concurred in writing by 31st December, 1997, with the

exemption provided for in the notice or provision.

(23) Subsection (22) does not apply where the exemption is provided for in an agreement between the Government of Uganda and a foreign government or the United Nations or a specialised agency of the United Nations.

SCHEDULES

Schedule 1

Sections 2,152(1)

Currency Point

A currency point is equivalent to twenty thousand shillings.

Schedule 2

Sections 2,152(2)

Listed Institutions

Austrian Development Agency (ADA)
African Development Bank
African Development Fund
African Export-Import Bank
African Reinsurance Corporation (Africa Re);[107]

---

[107] Inserted by the 2024 amendment.

African Trade Insurance Agency
Aga Khan Foundation
Belgian Technical Cooperation (BTC)
Danish International Development Agency (DAN IDA)
Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)
East African Development Bank
Eastern and Southern African Trade and Development Bank
European Development Fund
European Investment Bank
European Union
Food and Agriculture Organisation
Foreign, Commonwealth and Development Office (FCDO)
French Development Agency (AFD)
Global Fund for AIDS, Malaria and Tuberculosis
Icelandic International Development Agency (ICEADA)
Independent Regulatory Board of the East African Power Pool;[108]
International Atomic Energy Agency (IAEA)[109]
International Bank for Reconstruction and Development
International Centre for Research in Agroforestry (ICRAF)
International Civil Aviation Organisation
International Development Association
International Development Law Organisation (IDLO)
International Finance Corporation
International Labour Organisation
International Monetary Fund
International Potato Centre
International Telecommunications Union
International Union for Conservation of Nature
Islamic Cooperation for the Development of the Private Sector;[110]
Islamic Development Bank
Japan International Cooperation Agency (JICA)
Korea International Cooperation Agency (KOICA)

---

[108] Inserted by the 2024 amendment.
[109] Inserted by the 2025 amendment.
[110] Inserted by the 2024 amendment.

Kreditanstalt fur Wiederaufbau (KFW)
Norwegian Agency for Development Cooperation (NORAD)
Swedish International Development Agency (SIDA)
United Nations related Agencies and Specialised Agencies
ZEP-RE (PTA Reinsurance Company)

Schedule 3

Sections 4(5), 122(1), 141(1),152(2)

Small Business Taxpayers Tax Rates

Part I

1.The amount of tax payable for purposes of section 4(5) is

Gross turnover	**Tax rates without records**	**Tax rates with records**
Where the gross turnover of the taxpayer does not exceed ten million shillings per annum.	Nil	Nil
Where the gross turnover of the taxpayer exceeds ten million shillings but does not exceed thirty million shillings per annum.	Eighty thousand shillings	0.4% of the annual turnover in excess of ten million shillings

Where the gross turnover of the taxpayer exceeds thirty million shillings but does not exceed fifty million shillings. per annum.	Two hundred thousand shillings	Eight thousand shillings plus 0.5% of the annual turnover in excess of thirty million shillings.
Where the gross turnover of the taxpayer exceeds fifty million shillings but does not exceed eighty million shillings per annum.	Four hundred thousand shillings	One hundred eighty thousand plus 0.6% of the annual turnover in excess of fifty million shillings
Where the gross turnover of the taxpayer exceeds eighty million shillings but does not exceed one hundred fifty million shillings per annum.	Nine hundred thousand shillings	Three hundred sixty thousand shillings plus 0.7% of the annual turnover in excess of eighty million shillings.

2. The tax payable by a tax payer under section 4(5) is reduced by—

(a) any credit allowed under section 146(3) for withholding tax paid in respect of the amounts included in the gross turnover of the tax payer; or

(b) any credit allowed under section 121(8) for provisional tax paid in respect of amounts included in the gross turnover of the tax payer.

Part II

The rate of advanced tax under section 141 is—

(a) fifty thousand per ton per year, for goods vehicles; and

(b) twenty thousand shillings per seat per year, for passenger service vehicles.

Schedule 4

Rates of Tax

Sections 6(1),8,119(b),152(2)

Part I

Rates of income tax for individuals

1.The income tax rates applicable to resident individuals are—

Chargeable income	**Rate of tax**
Not exceeding Ushs. 2,820,000	Nil
Exceeding Ushs. 2,820,000 but not exceeding Ushs.4,020,000	10% of the amount by which chargeable income exceeds Ushs. 2,820,000.
Exceeding Ushs. 4,020,000 but not exceeding Ushs. 4,920,000	Ushs. 120,000 plus 20% of the amount by which chargeable income exceeds Ushs.4,020,000.
Exceeding Ushs. 4,920,000	(a) Ushs. 300,000 plus 30% of the amount by which chargeable income exceeds shs. 4,920,000; and b) Where the chargeable income of an individual exceeds Ushs. 120,000,000 an additional 10% charged on the amount by which chargeable income exceeds Ushs.120,000,000.

2.The income tax rates applicable to non-resident individuals are—

Chargeable income	Rate of tax
Not exceeding Ushs. 4,020,000	10%
Exceeding Ushs.4,020,000 but not exceeding Ushs. 4,920,000	Ushs. 402,000 plus 20% of the amount by which chargeable income exceeds Ushs.4,020,000.
Exceeding Ushs.4,920,000	(a) Ushs. 582,000 plus 30% of the amount by which chargeable income exceeds Ushs.4,920,000; and (b) where the chargeable income of an individual exceeds Ushs.120,000,000 an additional 10% charged on the amount by which chargeable income exceeds Ushs. 120,000,000.

Sections 6(2),7(2)

Part II

Rate of Rental Tax applicable to an individual

Gross rental income	Rate of tax
Not exceeding Ushs. 2,820,000per annum (235,000 per month)	Nil
Exceeding Ushs.2,820,000	12%

Section 7

Part III

Rate of income tax for companies

1. The income tax rate applicable to companies, other than mining companies, for the purposes of section 7 is 30%.

2. Subject to paragraphs 3 and 4, the income tax rate applicable to mining companies is calculated according to the following formula—

where—

$$70 - 1500 / X$$

X is the number of the percentage points represented by the ratio of the chargeable income of the mining company for the year of income to the gross revenue of the company for that year.

3. If the rate of tax calculated under paragraph 2 exceeds 45%, then

the rate of tax shall be 45%.

4. If the rate of tax calculated under paragraph 2 is less than 25%, then the rate of tax shall be 25%.

5. In this Part—

(a) "gross revenue", in relation to a mining company for a year of income, means—

(i) the amount shown in the recognised accounts of the company as the gross proceeds derived in carrying on of mining operations during the year of income, including the gross proceeds arising from the disposal of trading stock, without deduction for expenditures or losses incurred in deriving that amount; and

(ii) the amount, if any, shown in the recognised accounts of the taxpayer as the amount by which the sum of the gains derived by the taxpayer during the year of income from the disposal of business assets used or held ready for use in mining operations, other than trading stock, exceeds the sum of losses incurred by the taxpayer during the year in respect of the disposal of such assets; and

(b) "mining company" means a company carrying on any mining operations in Uganda.

Section 8

Part IV

Rate of income tax for trustees and retirement funds

The income tax rate applicable to trustees and retirement funds for the purposes of section 8 is 30%.

Sections 81(2),82(2),

83(2),84(2),86(1)

Part V

Rate of income tax for non-resident persons

1 The income tax rate applicable to a non-resident person under section 81,82,83 or 84 excluding interest on Government securities is 15%.

2 The withholding tax rate for interest payments on Government securities to a non-resident person under section 82-

(a) is 20 percent for Government securities whose period of maturity does not exceed ten years; and

(b) ten percent for Government securities whose period of maturity is at least ten years.

3 The income tax rate applicable to a non-resident deriving income under section 86 is 5%.

Section 85(2)

Part VI

Rate of tax applicable to ship operators, air transport operators and road transport operators

The rate of tax applicable to ship operators, air transport operators and road transport operators under section 85(2) is 2%.

Sections 90(3),95(3),103(1), (2)

Part VII

Rates of tax for licensees and contractors

1 The income tax rate applicable to a licensee under section 90 is 30%.

2 The income tax rate applicable to a licensee under section 95 is 30%.

3 The rate of non-resident contractor tax under section 103 is 10%.

Section 104(1)

Part VIII

Rate of income tax for resident contractors

The income tax rate payable on a participation dividend paid by a resident contractor to a non-resident company is 15%.

Sections 127(1),128(1)

Part IX

Withholding tax rate for interest and dividends for resident persons

1. The withholding tax rate applicable for interest and dividend payments to a resident person under sections 127 and 128 excluding interest on government securities is 15%.

2. The withholding tax rate applicable for dividend payments from companies listed on the stock exchange to individuals under section 128 is 10%.

3. The withholding tax rate for interest payments on Government securities to a resident person under section 127 is-

   (a) twenty percent for Government securities whose period of maturity does not exceed ten years; and

(b) ten percent for Government securities whose period of maturity is at least ten years.

Sections 129(1),130,136(1)

Part X

Withholding tax rate for goods and services transactions

1. The withholding tax rate applicable for goods and services transactions and for imported goods under sections 129 and 136 is 6%.
2. The withholding tax rate for purposes of section 130 is 10% of the gross payment.
3. The withholding tax rate for purposes of section 130(2) is 6% of the gross payment.

Section 131

Part XI

Withholding tax rate for w innings from betting

The withholding tax rate applicable to winnings from betting is 15%.

Section 132(1)

Part XII

Withholding tax on payments of re-insurance or re-takaful premiums

The withholding tax rate for the purposes of section 132 is 10%.

Section 133

Rate of withholding tax on payments of commission paid by tele communications service providers on airtime distribution and mobile money

The rate of withholding tax on payment of commission paid by telecommunications service providers on airtime distribution and mobile money services is 10% of the gross amount of the payment.

Sections 134,135

Part XIV

Rate of withholding tax on insurance and advertising agents

The tax rate applicable to withholding tax for purposes of sections 134 and 135 is 10% of the gross amount of the payment.

PART XIV[111]

Withholding tax rate on commissions paid to payment service provider

Section 118I

The rate of withholding tax on commission paid to a payment service provider is 10% of the commission to a payment service provider.

[111] This Part XIV was introduced by the 2024 ITA Amendment. The preceding XIV was as a result of the renumbering following the revision of the Laws of Uganda.

Schedule 5

Section 16(1)

Chargeable Income Arising From Short-Term Insurance or General Takaful Business

1. The chargeable income of a resident person for a year of income arising from the carrying on of a short-term insurance or general takaful business is determined according to the following formula—

A-B

where—

A is the total income derived by the resident person for the year of income in carrying on a short-term insurance or general takaful business as determined under paragraph 2; and

B is the total deduction allowed for the year of income in the production of income referred to in A as determined under paragraph 3.

2. The total income derived by a resident person for a year of income in carrying on a short-term insurance or general takaful business is the sum of—

(a) the amount of the gross premiums, including premiums on reinsurance, derived by the person during the year of income in carrying on such a business in respect of the insurance of any risk, other than premiums returned to the insured;

(b) the amount of any other income derived by the person during the year of income in carrying on such a business, including any commission or expense allowance derived from reinsurers, any income derived from investments held in connection with such a business and any gains derived on disposal of assets of the business; and

(c) the amount of any reserve deducted in the previous year of

income under paragraph 3(d).

3. The total deduction allowed for a year of income in the production of income from the carrying on of a short-term insurance or general takaful business is the sum of—

(a) the amount of the claims admitted during the year of income in the carrying on of such a business, less any amount recovered or recoverable under any contract of reinsurance, guarantee, security or indemnity;

(b) the amount of agency expenses incurred during the year of income in the carrying on of such a business;

(c) the amount of expenditures and losses incurred by the person during the year of income in carrying on that business which are allowable as a deduction under this Act, other than expenditures or losses referred to in paragraphs (a) and (b); and

(d) the amount of a reserve for unexpired risks referable to such a business at the percentage adopted by the company at the end of the year of income.

4. Where, for any year of total income, the total deduction allowed to a person under paragraph 3 exceeds the income derived by the person as determined under paragraph 2, the excess may not be deducted against any other income of the person for the year of income, but shall be carried forward and deducted in determining the chargeable income of the person arising from the carrying on of a short-term insurance or general takaful business in the next year of income.

5. The chargeable income of a non-resident person for a year of income arising from the carrying on of a short-term insurance or general takaful business in Uganda is determined according to the following formula—

where—

A is the total income derived by the person for the year of income in carrying on a short-term insurance or general takaful business as determined under paragraph 6; and

B is the total deduction allowed for the year of income in the production of income referred to in A as determined under paragraph 7.

6. The total income derived by a non-resident person for a year of income in carrying on a short-term insurance or general takaful business in Uganda is the sum of—

(a) the amount of the gross premiums, including premiums on reinsurance, derived by the person during the year of income in carrying on such a business in respect of the insurance of any risk in Uganda, other than premiums returned to the insured;

(b) the amount of any other income derived by the person during the year of income in carrying on such a business in Uganda, including—

(i) any commission or expense allowance derived from reinsurance of risks accepted in Uganda;

(ii) any income derived from investment of the reserves referable to such business carried on in Uganda; and

(iii) any gains derived on disposal of assets of the business; and

(c) the amount of any reserve deducted in the previous year of income under paragraph 7(d).

7. The total deduction allowed for a year of income in the production of income from the carrying on of a short-term insurance or general takaful business in Uganda by a non-resident person is the sum of—

(a) the amount of the claims admitted during the year of income in the carrying on of such a business, less any amount recovered or recoverable under any contract of reinsurance, guarantee, security or indemnity;

(b) the amount of agency expenses incurred during the year of income in the carrying on of such a business;

(c) the amount of expenditures and losses incurred by the person during the year of income in carrying on that business which are allowable as a deduction under this Act, other than expenditures or losses referred to in paragraphs (a) and(b); and

(d) the amount of a reserve for unexpired risks in Uganda referable to such a business at the percentage adopted by the company at the end of the year of income.

8. Where, for any year of total income, the total deduction allowed to a person under paragraph 7 exceeds the income derived by the person as determined under paragraph 6, the excess may not be deducted against any other income of the person for the year of income, but shall be carried forward and deducted in determining the chargeable income of the person arising from the carrying on of a short-term insurance or general takaful business in Uganda in the next year of income.

9. Reference to premium under this Schedule shall have the same meaning as a contribution in the case of takaful business.

Schedule 6

Section 19(3)

Valuation of Benefits

1 The valuation of benefits for the purposes of section 19(3) of this Act shall be determined in accordance with this Schedule.

2 For the purposes of this Schedule, a benefit provided by an employer to an employee means a benefit that-

(a) is provided by an employer, or by a third party under an arrangement with the employer or an associate of the employer;

(b) is provided to an employee or to an associate of an employee; and

(c) is provided in respect of past, present or prospective employment.

3 Where a benefit provided by an employer to an employee consists of the use or availability for use, of a motor vehicle wholly or partly for the private purposes of the employee, the value of the benefit is calculated according to the following formula—

$$(20\% \times A \times B/C)-D$$

A is the market value of the motor vehicle at the time when it was first provided for the private use of the employee depreciated on a reducing balance basis at a rate of 35% per annum for the subsequent years;

B is the number of days in the year of income during which the motor vehicle was used or available for use for private purposes by the employee for all or a part of the day;

C is the number of days in the year of income; and

D is any payment made by the employee for the benefit.

4 Where a benefit provided by an employer to an employee consists of the provision of a housekeeper, chauffeur, gardener or other domestic assistant, the value of the benefit is the total employment income paid to the domestic assistant in respect of services rendered to the employee, reduced by any payment made by the employee for the benefit.

5 Where a benefit provided by an employer to an employee consists of the provision of any meal, refreshment or entertainment, the value of the benefit is the cost to the employer of providing the meal, refreshment or entertainment, reduced by any consideration paid by the employee for the meal, refreshment or entertainment.

6 Where a benefit provided by an employer to an employee consists of the provision of utilities in respect of the employee's place of residence, the value of the benefit is the cost to the employer of providing the utilities reduced by any consideration paid by the employee for the utilities.

7 Where a benefit provided by an employer to an employee consists of a loan or loans in total exceeding one million shillings at a rate of interest below the statutory rat, the value of the benefit is the difference between the interest paid during the year of income, if any, and the interest which would have been paid if the loan had been made at the statutory rate for the year of income.

8. Where a benefit provided by an employer to an employee consists of the waiver by an employer of an obligation of the employee to pay or repay an amount owing to the employer or to any other person, the value of the benefit is the amount waived.

9. Where a benefit provided by an employer to an employee consists of the transfer or use of property or the provision of services, the value of the benefit is the market value of the property or services at the time the benefit is provided, reduced by any payment made by the employee for the benefit.

10. Where a benefit provided by an employer to an employee consists of the provision of accommodation or housing, other than where section 19(1)(a) or (c) applies, the value of the benefit is the lesser of—

(a) the market rent of the accommodation or housing educed by any payment made by the employee for the benefit; or

(b) 15% of the employment income, including the amount referred

to in paragraph (a), paid by the employer to the employee for the year of income in which the accommodation or housing was provided.

11. The value of any benefit provided by an employer to an employee which is not covered by the above clauses is the market value of the benefits, at the time the benefit is reduced by any payment made by the employee for the benefit.

12. Paragraph 11 does not apply to any benefit expressly covered by section 19(1)(a), (c), (d), (e), (f), (g) and (h).

13. In this Schedule, "statutory rate", in relation to a year of income, means the Bank of Uganda discount rate at the commencement of the year of income.

Schedule 7

Sections 27(2), (11), (12),29(1)

Depreciation Rates and Vehicle Depreciation Ceiling

Part I

Declining balance depreciation rates for depreciable assets

Class	Assets included	Depreciation rate
1	Computers and data handling equipment.	40%
2	Plant and machinery used in farming, manufacturing and mining.	30%
3	Automobiles; buses, minibuses, goods vehicles, construction and earth moving equipment, specialised trucks, tractors, trailers and trailer mounted containers, rail cars, locomotives and equipment; vessels, barges, tugs and similar water transportation equipment; aircraft; specialised public utility plant, equipment and machinery; office furniture, fixtures and equipment; any depreciable asset not included in another class.	20%

Part II

Vehicles depreciation ceiling

The amount for the purposes of section 27(11) is shs. 60,000,000.

Part III

Straight-line depreciation rate for industrial buildings

The depreciation rate for the purposes of section 29 is 5%.

———

History: Act 11/1997; Cap. 340 (Revised Edition, 2000); Act 1/2001; Act 10/2002; Act 3/2003; Act 3/2005; Act 13/2005; Act 30/2006; Act 4/2008; Act 19/2008; Act 15/2009; Act 24/2010; Act 21/2011; Act 4/2012; Act 15/2013; Act 12/2014; Act 14/2014; Act 3/2015; Act 11/2015; Act 20/2016; Act 10/2017; Act 14/2017; Act 7/2018; Act 13/2019; Act 20/2020; Act 7/2021; Act 24/2021; Act 11/2022; Act 23/2023; Act 25/2023

Cross References

Building Societies Act, Cap. 104
Capital Markets Authority Act, Cap.64
Collective Investment Schemes Act, Cap. 65
Diplomatic Privileges Act, Cap.185
Financial Institutions Act, Cap. 57
Income Tax Decree, Decree 1/1974
Investment Code, Statute 1/1991
Local Governments Act, Cap. 138
Mining and Minerals Act, Cap. 159
Petroleum (Exploration, Development and Production) Act, Cap. 161
Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, Cap.162
Public Finance Management Act, Cap.171
Tax Procedures Code Act, Cap. 343
Uganda Revenue Authority Act, Cap. 218

———

THE INCOME TAX ACT.

Statutory Instrument 340—1.

The Income Tax (Withholding Tax) Regulations.

Arrangement of Regulations.

Regulation

1. Citation.

2. Interpretation.

3. Amount of tax to be withheld.

4. Employee declaration.

5. Secondary employment form.

6. Declarations and secondary employment forms.

7. Change of employment certificate.

8. Tax credit and employee withholding certificates.

9. Offences and penalties.

THE INCOME TAX ACT.

Statutory Instrument 340—1.

The Income Tax (Withholding Tax) Regulations.

(Under sections 116(1) and 164 of the Act.)

1. Citation.

These Regulations may be cited as the Income Tax (Withholding Tax) Regulations.

2. Interpretation.

(1) In these Regulations, “Act” means the Income Tax Act.

(2) Terms and expressions used in these Regulations have, unless the contrary intention appears, the same meanings as they have in the Act.

3. Amount of tax to be withheld.

(1) Every employer obliged under section 116 of the Act to withhold tax from a payment of employment income to an employee shall withhold tax in accordance with this regulation.

(2) Subject to subregulation (10) of this regulation, where employment income is paid monthly by an employer to an employee and the employee has furnished the employer with an employee declaration, the amount of tax to be withheld from the payment for a month (referred to as the “current month”) is calculated according to the following formula—

(A-B)/C

where—

A is the amount of tax payable calculated—

(a) in the case of an employee who is a resident individual, in accordance with paragraph 1 of Part I of the Third Schedule to the Act on the annualised employment income of the employee calculated in accordance with subregulation (3) of this regulation; and

(b) in the case of an employee who is a nonresident person, in accordance with paragraph 2 of Part I of the Third Schedule to the Act on the annualised employment income of the employee calculated in accordance with subregulation (3) of this regulation;

B is the amount of tax withheld from payments made to the employee in the previous months of the year of income; and

C is the number of months remaining in the year of income, including the current month.

(3) The annualised employment income of an employee for the purposes of component A of the formula in subregulation (2) of this regulation is calculated in accordance with the following formula—

(D + E) x 12/F

where—

D is the amount of employment income paid by the employer to the employee in the current month;

E is the amount of employment income paid by the employer to the employee in the previous months of the year of income; and

F is the number of completed months in the year of income, including the current month.

(4) Subject to subregulation (10) of this regulation, where employment income is paid fortnightly by an employer to an employee and the employee has furnished the employer with an employee declaration, the amount of tax to be withheld from a payment for a fortnight (referred to as the “current fortnight”) is calculated according to the following formula—

(A-B) C

where—

A is the amount of tax payable calculated—

(a) in the case of an employee who is a resident individual, in accordance with paragraph 1 of Part I of the Third Schedule to the Act on the annualised employment

income of the employee calculated in accordance with subregulation (5) of this regulation; or

(b) in the case of an employee who is a nonresident individual, in accordance with paragraph 2 of Part I of the Third Schedule to the Act on the annualised employment income of the employee calculated in accordance with subregulation (5) of this regulation;

B is the amount of tax withheld from payments made to the employee in the previous fortnights of the year of income; and

C is the number of remaining fortnights in the year of income, including the current fortnight.

(5) The annualised employment income of an employee for the purposes of component A of the formula in subregulation (4) of this regulation is calculated in accordance with the following formula—

(D + E) x 26/F

where—

D is the amount of employment income paid by the employer to the employee in the current fortnight;

E is the amount of employment income paid by the employer to the employee in the previous fortnights of the year of income; and

F is the number of completed fortnights in the year of income, including the current fortnight.

(6) Subject to subregulation (10) of this regulation, where employment income is paid weekly by an employer to an employee and the employee has furnished the employer with an employee declaration, the amount of tax to be withheld from a payment for a week (referred to as the “current week”) is calculated according to the following

formula—

(A-B)/C

where—

A is the amount of tax payable calculated—

(a) in the case of an employee who is a resident individual, in accordance with paragraph 1 of Part I of the Third Schedule to the Act on the annualised employment income of the employee calculated in accordance with subregulation (7) of this regulation; or

(b) in the case of an employee who is a nonresident individual, in accordance with paragraph 2 of Part I of the Third Schedule to the Act on the annualised employment income of the employee calculated in accordance with subregulation (7) of this regulation;

B is the amount of tax withheld from payments made to the employee in the previous weeks of the year of income; and

C is the number of remaining weeks in the year of income, including the current week.

(7) The annualised employment income of an employee for the purposes of component A of the formula in subregulation (6) of this regulation is calculated in accordance with the following formula—

(D + E) x 52/F

where—

D is the amount of employment income paid by the employer to the employee in the current week;

E is the amount of employment income paid by the employer to the employee in the previous weeks of the year of income; and

F is the number of completed weeks in the year of income, including the current week.

(8) An employer shall notify the commissioner, in writing, where the employer pays employment income to an employee on a basis other than monthly, fortnightly or weekly.

(9) An employer shall notify the commissioner, in writing, of any change, during a year of income, to the period of payment of employment income to an employee who has furnished an employee declaration to the employer.

(10) Where a notification has been made under subregulation (8) or (9) of this regulation, the commissioner shall advise the employer, by notice in writing, of the amount of tax to be withheld by the employer from the employment income paid by the employer to the employee.

(11) Subject to subregulation (13) of this regulation, where an employee has not furnished an employer with an employee declaration under regulation 4 of these Regulations, the amount of tax to be withheld from a payment of employment income for any period shall be the standard withholding amount.

(12) An employee who has not furnished an employer with an employee declaration may apply, in writing, to the commissioner for a statement of the amount of tax to be withheld by the employer from the employment income paid by the employer to the employee.

(13) After considering the application under subregulation (12) of this regulation, the commissioner may, if he or she considers it appropriate, issue the employee with a statement of the amount of tax to be withheld by the employer from the employment income paid by the employer to the employee, and the employee shall furnish the statement to his or her employer; and the employer shall withhold tax from payments of employment income to the employee in accordance with the statement.

(14) Where a change occurs in the circumstances affecting the amount

of withholding tax specified in a statement referred to in subregulation (13) of this regulation, the employee to whom the statement has been issued shall, by notice in writing within seven days of the change occurring, notify the commissioner of the change occurring and the commissioner shall issue a new statement accordingly.

(15) In this regulation—

(a) a fortnight is a "completed fortnight", "previous fortnight", or "remaining fortnight", in relation to a year of income, if the pay day for the fortnight occurs during the year of income;

(b) a week is a "completed week", "previous week", or "remaining week", in relation to a year of income, if the pay day for the week occurs during the year of income; and

(c) "standard withholding amount", in relation to a payment of employment income to an employee, means

A x B

where—

A is the highest marginal rate specified in the rates of tax in the relevant paragraph of Part I of the Third Schedule to the Act; and

B is the amount of employment income paid to the employee.

4. Employee declaration.

(1) Subject to subregulation (2) of this regulation, an employee shall furnish an employee declaration to his or her employer for each year of income.

(2) Where an employee has more than one employer at any time during a year of income, the employee shall furnish an employee declaration to only one employer.

(3) An employee declaration shall be—

(a) in the form prescribed by the commissioner;

(b) signed and dated by the employee; and

(c) furnished to the employer—

(i) unless the commissioner provides otherwise, by 1st July of the year of income to which the declaration relates; or

(ii) where the employee takes up employment during the year of income, within seven days after the date on which the employment commenced.

5. Secondary employment form.

(1) Where an employee has more than one employer at any time during a year of income, the employee shall furnish a secondary employment form to each employer other than the employer to whom an employee declaration has been furnished under regulation 4 of these Regulations.

(2) A secondary employment form shall be—

(a) in the form prescribed by the commissioner; and

(b) signed and dated by the employee.

(3) A secondary employment form shall be furnished to the employer—

(a) unless the commissioner provides otherwise, by 1 July of the year of income to which the form relates; or

(b) where the employee takes up employment during the year of income, within seven days after the date on which the employment commenced.

6. Declarations and secondary employment forms.

(1) An employee declaration or a secondary employment form applies only to amounts of tax to be withheld after the date on which the declaration or form is furnished to the employer and continues in force until—

(a) withdrawn by the employee by notice in writing to the employer;

(b) the end of the year of income to which the declaration or form relates; or

(c) the employee ceases to be in the employment of the employer to whom the declaration or form has been furnished, whichever is the earlier.

(2) Where, after furnishing an employee declaration to an employer, a change occurs in the circumstances affecting the amount of withholding tax calculated under regulation 3 of these Regulations, the employee shall, by notice in writing within seven days after the change occurring, withdraw the declaration and furnish the employer with a new declaration.

(3) An employer shall maintain and keep available for five years, employee declarations and secondary employment forms furnished by employees under regulations 4 and 5 of these Regulations for inspection by the commissioner.

7. Change of employment certificate.

(1) An employer shall issue to each employee who leaves the employer's employment during the year of income, a change of employment certificate setting out—

(a) the amount of employment income paid by the employer to the employee during the year of income;

(b) the amount of tax withheld under section 116 of the Act by the employer from that income; and

(c) the period of the year of income that the employee was employed by the employer.

(2) A change of employment certificate shall be issued to the employee at the time that the employee leaves the employer's employment.

(3) An employee who receives a change of employment certificate shall furnish the certificate

(4) An employer who has been furnished with a certificate under subregulation (3) of this regulation shall take the amounts set out in the certificate into account in applying regulation 3 of these Regulations to the employment income paid to the employee for the year of income to which the certificate relates.

8. Tax credit and employee withholding certificates.

(1) This regulation applies to the issue of tax credit certificates under section 125(l) of the Act and employee withholding certificates under section 125(3) of the Act.

(2) A withholding agent who is required to issue a tax credit certificate or employee withholding certificate to a payee shall sign the certificate and shall issue it by—

(a) causing it to be delivered to the payee personally; or

(b) posting it by prepaid letter addressed to the payee's last known postal address.

(3) Where a tax credit certificate or employee withholding certificate which has been posted in accordance with this regulation is returned to the withholding agent undelivered, the withholding agent shall forward the certificate to the commissioner within seven days after the date on which the certificate was returned to the withholding

agent.

(4) A payee whose tax credit certificate or employee withholding certificate has been lost, stolen or destroyed may request in writing that the withholding agent issue a duplicate certificate.

(5) Where a request has been made under subregulation (4) of this regulation, the withholding agent shall comply with the request and the certificate so issued shall be clearly marked “duplicate”.

(6) The personal representative of a payee who dies during the year of income may apply, in writing, to the withholding agent of the deceased payee for a tax credit certificate or employee withholding certificate in respect of that part of the year of income prior to the death of the payee.

(7) A payee who intends to cease to be a resident person may apply in writing, to his or her withholding agent for a tax credit certificate or employee withholding certificate in respect of that part of the year of income prior to the payee ceasing to be a resident person.

(8) Where an application has been made under subregulation (6) or (7) of this regulation, the withholding agent shall issue the personal representative or payee with the certificate within seven days after the application is made.

(9) A withholding agent who ceases to carry on business shall issue a tax credit certificate or employee withholding certificate to each payee prior to ceasing business.

9. Offences and penalties.

(1) An employee who fails to notify any change in circumstances as required by regulation 3(14) of these Regulations commits an offence and is liable on conviction to a fine not exceeding twenty-five currency points.

(2) An employee who furnishes an employee declaration to an employer in contravention of regulation 4(2) of these Regulations commits an offence and is liable on conviction to a fine not exceeding twenty-five currency points.

(3) An employee who fails to maintain employee declarations and secondary employment forms as required under regulation 6(3) of these Regulations commits an offence and is liable on conviction to a fine not exceeding twenty-five currency points.

(4) An employer who fails to issue a change in employment certificate as required by regulation 7 of these Regulations commits an offence and is liable on conviction to a fine not exceeding twenty-five currency points.

(5) A withholding agent who fails to issue a tax credit certificate or employee withholding certificate as required by regulation 8 of these Regulations commits an offence and is liable on conviction to a fine not exceeding twenty-five currency points.

_____

History: S.I. 52/2000.

THE INCOME TAX ACT.

Statutory Instrument 340—2.

The Income Tax (Distraint) Rules.

Arrangement of Rules.

Rule

1. Citation.

2. Interpretation.

3. Appointment of distraint agent.

4. Distraint agent to give security.

5. Execution of warrant.

6. Service of warrant.

7. Entry into house and rooms.

8. Receipts and reports.

9. Sale by public auction.

10. Returns to commissioner.

11. Payment or security.

12. Attachment of livestock.

13. Costs and expenses.

14. Remuneration of distraint agent.

15. Auctioneer’s commission.

16. Remuneration to cover all expenses.

Schedule

Schedule - Charges.

THE INCOME TAX ACT.

Statutory Instrument 340—2.

The Income Tax (Distraint) Rules.

(Under section 107(8) of the Act.)

1. Citation.

These Rules may be cited as the Income Tax (Distraint) Rules.

2. Interpretation.

In these Rules, unless the context otherwise requires—

(a) "distrainor" means an officer in the service of the Uganda Revenue Authority authorised to levy distress under a warrant;

(b) "distraint agent" means a person appointed a distraint agent under rule 3 of these Rules;

(c) "distress" means a distress levied under a warrant;

(d) "distress debt" means the amount of any tax and penalties specified in a warrant;

(e) "goods" means all movable property (other than growing crops and goods which are liable to perish within ten days of attachment) of the distrainee which is liable under the laws of Uganda to attachment and sale in execution of a decree of a court of Uganda;

(f) "warrant" means a warrant issued by the commissioner under section 107 of the Act.

3. Appointment of distraint agent.

(1) The commissioner may appoint distraint agents to assist distrainors in the execution of warrants for the purposes of section 107 of the Act.

(2) No person shall be appointed a distraint agent unless he or she satisfies the commissioner—

(a) that he or she is of good repute and financial standing;

(b) that he or she is qualified under the laws of Uganda to levy distress (by way of attachment of movable property) in execution of a decree of a court of Uganda;

(c) that he or she has adequate and secure facilities for the storage of goods; and

(d) that he or she has contracted a policy of insurance in an adequate sum against theft, damage, or destruction by fire of any goods which may be placed in his or her custody by reason of the performance of his or her duties as a distraint agent.

4. Distraint agent to give security.

(1) A person appointed a distraint agent shall furnish the commissioner with security by means of a deposit, or such other security as the commissioner may approve, of a sum of five hundred thousand shillings and that security shall be refunded or cancelled on the termination of the appointment, unless it is deemed to be forfeited under this rule.

(2) Where a distraint agent is convicted of an offence involving fraud or dishonesty in connection with any functions performed by him or her as a distraint agent, the court by which he or she is convicted may make an order for the forfeiture of his or her security or part of his or her security deposited with the commissioner under subrule (1) of this rule.

(3) Section 83 of the Magistrates Courts Act and section 21 of the Trial on Indictments Act, insofar as they relate to forfeiture of recognisance, shall apply, with the necessary modifications, to the forfeiture of any security under this rule.

5. Execution of warrant.

(1) A warrant may be executed at any time between 6.00 a.m. and 6.00 p.m., after it has been served on the distrainee in the manner provided by rule 6 of these Rules.

(2) A warrant shall be executed by attachment of such goods of the distrainee as, in the opinion of the distrainor, are of a value which would, on sale by public auction, realise a sum sufficient to meet the distress debt and the costs and expenses of the distress incurred by the distrainor.

6. Service of warrant.

(1) Service of a warrant to an individual shall be effected—

(a) by service by the distrainor of a copy of the warrant on the distrainee in person; or

(b) if, after using all due and reasonable diligence, the distrainee cannot be found, by service of a copy of the warrant on an agent of the distrainee empowered to accept service or an adult member of the family of the distrainee who is residing with him or her.

(2) Service of a warrant to a company shall be effected by delivering it to the principal officer, company secretary, general manager or a director of the company.

(3) A person served with a copy of a warrant under this rule shall endorse and acknowledge service on the original warrant stating the time, date and place of service.

(4) Where a person served with a warrant under subrule (3) of this rule refuses to endorse the warrant, the distrainor shall leave the copy of the warrant stating—

(a) that the person upon whom he or she served the warrant refused to sign the acknowledgement; and

(b) that he or she left, at the time, date and place stated in the warrant, a copy of the warrant with that person and the name and address of the person (if any) by whom the person on whom the warrant was served was identified, and thereupon the warrant shall be deemed to have been duly served.

7. Entry into house and rooms.

(1) In executing any distress under these Rules, the outer door of a dwelling house shall not be broken open unless that dwelling house is occupied by the distrainee and he or she refuses, or in any way prevents access to it.

(2) When the distrainor executing distress under these Rules has duly gained access to a dwelling house, he or she may break open the door of any room in which he or she has reason to believe any goods of the distrainee to be.

(3) Where a room in a dwelling house is in the actual occupancy of a woman who, accordto her religion or local custom does not appear in public, the distrainor shall give notice to her that she is at liberty to leave the room.

(4) After allowing reasonable time for a woman to leave the room under subrule (3) of this rule and giving her reasonable facility for leaving, the distrainor may enter that room for the purpose of attaching any goods in it, using at the same time every precaution consistent with these Rules to prevent their clandestine removal.

8. Receipts and reports.

As soon as practicable after the attachment of any goods, the distrainor shall—

(a) issue a receipt in respect of the goods distrained; and

(b) forward to the commissioner a report containing—

(i) an inventory of all the items attached;

(ii) the value of each item as estimated by the distrainor;

(iii) the address of the premises at which the goods are being kept, pending sale;

(iv) the name and address of the distraint agent in whose custody the goods have been placed; and

(v) the arrangements, if any, made or to be made for the sale by public auction of the goods on the expiration of ten days after the date of attachment.

9. Sale by public auction.

(1) The goods distrained under rule 8 of these Rules shall be sold by public auction, and the distrainor shall cause the sale to be stopped when the sale has realised a sum equal to or exceeding the distress debt and the cost and expenses incurred by the distrainor.

(2) Any unsold goods shall, at the cost of the distrainee, be restored to the distrainee, and the proceeds of the sale shall be applied in the manner prescribed under section 107(5) of the Act.

10. Returns to commissioner.

Immediately after the completion of the sale by public auction of goods attached under these Rules, the distrainor shall make a return to the commissioner specifying—

(a) the items which have been sold;

(b) the amount realised by the sale; and

(c) the manner in which the proceeds of the sale were applied.

11. Payment or security.

(1) Where a distrainee has, within ten days after attachment of his or her goods, paid or given security accepted by the commissioner for the whole of the tax due from him or her together with the whole of the costs and expenses incurred by the distrainor in executing the distress, the distrainor shall, at the cost of the distrainee, immediately restore the attached goods to the distrainee and return the warrant to the commissioner who shall cancel it.

(2) Any sum paid by a distrainee under this rule shall be applied by the commissioner—

(a) first in settlement of the costs and expenses incurred by the distrainor; and

(b) the balance, if any, in settlement of the distress debt or such part of the debt as the commissioner shall direct.

12. Attachment of livestock.

Where any goods attached under these Rules comprise or include livestock, the distrainor may make appropriate arrangements for the transport, safe custody and feeding of the livestock, and any costs and expenses incurred in doing so shall be recoverable from the distrainee under rule 9 or 11 of these Rules, as the case may be, as costs and expenses incurred by the distrainor.

13. Costs and expenses.

In addition to a claim for any other costs and expenses which may be incurred by the commissioner or the distrainor in levying any distress under these Rules, there may be claimed by the distrainor and recovered under rule 9 or 11 of these Rules, as the case may be, costs at the rate specified in the Schedule to these Rules.

14. Remuneration of distraint agent.

The maximum rates of remuneration which a distraint agent is entitled to demand from the distrainor for the distraint agent's assistance in executing a distress under these Rules, and which may be recovered by the distrainor under rule 11 of these Rules are specified in the Schedule to these Rules.

15. Auctioneer's commission.

(1) The maximum rate of commission which an auctioneer is entitled to demand from the distrainor as remuneration for the auctioneer's services for the sale by public auction of any goods attached under these Rules, and which may be recovered by the distrainor under rule 9 of these Rules, is 2 percent of the amount realised on sale.

(2) Where an auctioneer has rendered services as a distraint agent, he or she is entitled, in addition to any commission under subrule (1) of this rule, to remuneration for those services as provided by rule 14 of these Rules.

16. Remuneration to cover all expenses.

The rates of remuneration specified in the Schedule to these Rules shall be deemed to include all expenses of advertisements, inventories, categories, catalogues and insurance and necessary charges for safeguarding any goods attached under these Rules.

———

Schedule.

Charges.

rules 13, 14, 16.

1. Distraint charges.

(1) Where no distress is levied and the distress debt and any costs and

expenses incurred by the distrainor are paid by the distrainee on demand or within thirty minutes thereafter, the distrainee shall pay the distrainor one hundred thousand shillings.

(2) The distrainee shall, in addition to the payment under subparagraph (1) of this paragraph, pay the distrainee costs incurred in serving or executing a warrant.

2. Distraint agent charges.

(1) Where no distress is levied and the distressed debt and any costs and expenses incurred by the distrainor are paid by the distrainee on demand or within thirty minutes thereafter, the distraint agent is entitled to remuneration of one hundred thousand shillings.

(2) For attaching goods or attaching and keeping possession of goods pending sale or for sale of the goods—

Tax recovered or amount realised on sale	Charges
Up to 50,000,000 shillings	3% of tax recovered or amount realised on sale
Exceeding 50,000,000 shillings but not exceeding 100,000,000 shillings	1,500,000 shillings plus 2% of the amount by which tax recovered or amount realized on sale exceeds 50,000,000 shillings
Exceeding 100,000,000 shillings	2,500,000 shillings plus 1% of the amount by which tax recovered or amount realised on sales exceeding 100,000,000 shillings

3. Charges on auction.

Where the goods or part of them have been sold by public auction, the distraint agent's charges shall be calculated by reference to the amount realised on sale after deduction of the auctioneer's commission under rule 15 of these Rules.

———

History: S.I. 53/2000.

Cross References

Magistrates Courts Act, Cap. 16.

Trial on Indictments Act, Cap. 23.

———————

STATUTORY INSTRUMENTS

SUPPLEMENT No. 6 14th March, 2003

STATUTORY INSTRUMENTS SUPPLEMENT to The Uganda Gazette No. 12 Volume XCVI dated 14th March, 2003.

Printed by UPPC, Entebbe, by Order of the Government.

S T A T U T O R Y I N S T R U M E N T S2003 No. 9.

The Income Tax (Approved Industrial Buildings) Regulations, 2003.

(Under section 30 and 165 of the Income Tax, 1997, Act No. 11 of 1997).

IN EXERCISE of the powers conferred upon the Minister by section 165 of the Income Tax Act, 1997, these Regulations are made this 31st day of October 2002.

1. Citation.

These Regulations may be cited as the Income Tax (Approved Industrial Buildings) Regulations, 2003.

2. Commencement and application.

(1) Regulations 4 and 5 shall be deemed to have come into force on 1st July, 1997 and apply to an approved hotel or approved hospital whose construction commenced on or after 1st July, 1997.

(2) Regulation 6 shall be deemed to have come into force on 1st July, 2000 and applies to an approved commercial building whose construction commenced on or after 1st July, 2000.

3. Approval of industrial buildings.

For the purposes of section 30 of the Act, the industrial buildings referred to in regulations 4, 5 and 6 are approved for the purposes specified in those regulations.

4. Approval hotel.

An approved hotel is an industrial building licensed by the appropriate authorities for use, at a price, for boarding and lodging with at least—

(a) ten bedrooms with minimum facilities of bed and bedding, toilet and bath or shower room; and

(b) restaurant or dining room for provision of food and beverages.

5. Approved hospital.

An approved hospital is a specialised institutional industrial building manned by a fully registered specialist and general practitioner for the purpose of treating general patients as outpatients or inpatients, or both, for medical, paediatric, surgical and obstetric or gynaecologic conditions, providing treatment and nursing care and equipped with equipment and facilities for specialised establishment.

6. Approved commercial building.

(1) An approved commercial building is an industrial building which is primarily used by the owner or let out for rent—

(a) for the purpose of carrying on a business, trade or profession;

(b) as an office;

(c) as a warehouse or commercial storage facility; or

(d) as a workshop.

(2) For the avoidance of doubt, an approved commercial building does not include a building let out or used for residential accommodation.

GERALD M. SSENDAULA,

Minister of Finance, Planning and Economic Development.

STATUTORY INSTRUMENTS

SUPPLEMENT No. 16 10th July, 2009

STATUTORY INSTRUMENTS SUPPLEMENT

to The Uganda Gazette No. 33 Volume CII dated 10th July, 2009

Printed by UPPC, Entebbe, by Order of the Government.

S T A T U T O R Y I N S T R U M E N T S

2009 No. 34.

THE INCOME TAX (TAX INCENTIVES FOR EXPORTERS OF FINISHED CONSUMER AND CAPITAL GOODS) REGULATIONS, 2009

ARRANGEMENT OF REGULATIONS

Regulation

1. Title

2. Commencement and application

3. Interpretation

4. Application and grant of Certificate of Entitlement to Exemption

5. Validity of Certificate of Entitlement to Exemption

6. Conditions for grant of Certificate of Entitlement to Exemption

7. Obligations of certificate holder

8. Revocation of the Certificate of Entitlement to Exemption

9. Appeals

10. Records

11. Filing of returns

12. Register

SCHEDULE

FORMS

STATUTORY INSTRUMENTS 2009 NO. 34

The Income Tax (Tax Incentives for Exporters of Finished Consumer and Capital Goods) Regulations, 2009. (Under sections 21(1) (y) (ab) and

164 of the Income Tax Act, Cap. 340)

IN EXERCISE of the powers conferred upon the Minister by sections 21(1) (y) (ab) and 164 of the Income Tax Act, Cap. 340, these Regulations are made this 11th day of May, 2009.

1. Title.

These Regulations may be cited as the Income Tax (Tax Incentives for Exporters of Finished Consumer and Capital Goods) Regulations, 2009.

2. Commencement and application.

These Regulations shall be deemed to have come into force on 1st July 2007 and shall apply to persons engaged in the exportation of finished consumer goods and finished capital goods.

3. Interpretation.

In these Regulations, unless the context otherwise requires—

“Authority” means the Uganda Revenue Authority;

“Commissioner” means the Commissioner General appointed under the Uganda Revenue Authority Act;

“existing investment” means an investment that was in existence as at 1st July 2007;

“export” means to take or cause to be taken out of the Partner States;

“finished capital goods” means goods other than finished consumer goods that may be used in the production process;

“finished consumer goods” means finished consumer products ready for consumption without the need for further processing; and in the case of flower exports includes potted plants and chrysanthemum cuttings;

“goods” includes all kinds of articles, wares, merchandise, livestock, and

currency;

“investment” means the creation of new business assets and includes the expansion, restructuring or rehabilitation of an existing business enterprise;

“manufacturing” means the substantial transformation of tangible movable property, including power generation and water supply;

“manufacturing under bond” means a facility extended to manufacturers to import plant, machinery, equipment and raw materials tax free, exclusively for use in the manufacture of goods for export;

“Minister” means the Minister responsible for finance;

“new investment” means an investment that did not exist as at 1st July 2008;

“production” means a process involving the use of inputs to derive outputs including manufacturing, growing or extraction.

4. Application and grant of Certificate of Entitlement to Exemption.

(1) A person seeking tax exemption on income derived from the export of finished consumer goods and finished capital goods under section 21(1) (y) of the Act shall apply for a Certificate of Entitlement to Exemption in Form 1 set out in the schedule to the Regulations.

(2) The applicant under subregulation (1) shall state in the application—

(a) his or her name and address;

(b) the description of the goods;

(c) the Tax Identification Number;

(d) telephone and e-mail contact;

(e) the details of directors;

(f) a declaration that the applicant will export or intends to export at least eighty percent (80%) percent of his or her production of finished consumer goods and finished capital goods during the year, whether or not the raw materials are from within Uganda;

(g) details of the manufacturing or production of goods process including graphic presentation of the manufacturing process where applicable.

(3) The Commissioner may request for additional information to ascertain whether a person qualifies for a grant of a Certificate of Entitlement to Exemption, to verify the existence of the investment.

(4) The Commissioner shall, based on the information provided whether or not to grant a Certificate of Entitlement to Exemption, and on ascertainment of the existence of an investment, make a decision within thirty working days.

(5) A person who qualifies under subregulation (4) shall be issued with a certificate of entitlement to exemption in Form 2 set out in the schedule to these Regulations.

(6) A certificate of entitlement to exemption under these Regulations shall be specific to a person and the income derived from activities resulting in exports.

(7) Where the Commissioner refuses to grant a certificate of entitlement to exemption, the Commissioner shall state in writing the reasons for the refusal.

5. Validity of Certificate of Entitlement to Exemption.

(1) Subject to subsection (2), a certificate of entitlement to exemption is valid for a period of ten years starting from the date on which it is issued.

(2) Notwithstanding subsection (1), an exporter is only eligible for the tax exemption in any year in which the exporter fulfills the conditions for the tax exemption specified in regulation 6.

(3) Where the exporter fails to fulfill the conditions for the tax exemption for a particular year, the tax exemption shall not be granted for that year.

6. Conditions for grant of Certificate of Entitlement to Exemption.

A certificate of entitlement to exemption on income derived from export of finished consumer goods and finished capital goods shall not be granted to an applicant unless the applicant—

(a) keeps proper books of accounts and records required under regulation 10; and

(b) exports at least eighty percent (80%) of his or her production of finished consumer goods and finished capital goods of goods during the year, whether or not the raw materials are from within Uganda.

7. Obligations of a certificate holder.

The holder of the Certificate of Entitlement to Exemption shall, during the period of the tax incentives—

(a) comply with the obligations imposed by the Income Tax Act, Cap. 340;

(b) keep proper books of accounts and records as required by regulation 7;

(c) export eighty percent (80%) of the finished consumer goods or finished capital goods produced by him or her;

(d) not transfer the Certificate of Entitlement to Exemption to another person.

8. Revocation of Certificate of Entitlement to Exemption.

(1) The Commissioner may revoke a Certificate granted under these Regulations where he or she is satisfied that—

(a) there has been a breach of the terms under which the certificate is granted;

(b) there has been a breach of a condition attached to the certificate;

(c) the application for the Certificate of Entitlement to Exemption was defective in that the holder misrepresented himself or herself and failed to rectify the defect within forty five days after being requested to do so;

(d) the holder is bankrupt;

(e) the holder has failed to submit the required information for two years consecutively;

(f) the holder knowingly or negligently gives false or misleading information to the Authority;

(g) the holder refuses or neglects to provide information which the Authority may reasonably require for the purposes of the enforcement of these Regulations;

(h) the holder refuses or neglects to keep proper books of accounts; or

(i) the holder refuses without lawful excuse to admit an officer or an agent of the Authority after being given reasonable notice into the premises of his or her business enterprise or otherwise obstructs any inspection by an officer or agent of the Authority in the discharge of its monitoring function.

(2) The Commissioner shall before revoking a certificate under subsection (1) give not less than thirty days' written notice of the

intention to revoke the certificate to the holder of the certificate and shall consider any written representations made by the holder of the certificate to the Commissioner within that time.

9. Appeals.

(1) A person aggrieved by a decision of the Commissioner may appeal to the Minister by giving written notice to the Authority against—

(a) the refusal of the Authority to grant a certificate under these Regulations;

(b) the attaching of a condition to a certificate; or

(c) the revocation of the certificate.

(2) An appeal under this Regulation shall be in writing to the Minister within thirty days after the receipt of the decision of the Authority and the appellant shall give notice of the appeal to the Authority.

(3) The Minister shall consider an appeal under this regulation and may—

(a) dismiss the appeal;

(b) require the Authority to issue a certificate to the appellant;

(c) quash the revocation of a certificate; or

(d) permit the appellant to make a fresh application for a certificate notwithstanding that the period prescribed for applications has expired and the Authority shall give effect to the determination of the Minister.

10. Records

(1) The holder of a Certificate of Entitlement to Exemption shall maintain records of—

(a) inputs for the exports business;

(b) export sales;

(c) export documents;

(d) goods that have been warehoused;

(e) goods that have been produced;

(f) local sales; and

(g) any other records as may be required by the Commissioner.

11. Filing of returns.

(1) The holder of a Certificate of Entitlement to Exemption shall submit an annual return to the Authority, showing a summary of receipts and exports and the return shall contain the following information—

(a) stock at hand at the beginning of the year;

(b) total receipts into the company warehouse;

(c) total annual production;

(d) stock carried forward to the next year; and

(e) total sales in the local market and total sales exported.

(2) The return shall be submitted annually together with the final return of income.

12. Register

(1) The Authority shall maintain a register of all the certificates granted under these Regulations.

(2) The Authority shall cause to be entered in the register in respect of each certificate—

(a) the name of the business enterprise to which the certificate was granted;

(b) the principal place of business of the certificate holder; and

(c) the activities to which the certificate relates.

SCHEDULE

Regulation 4(1)

FORMS

FORM 1

Application for a Certificate of Entitlement to Exemption(Under sections 21 and 164 of the Income Tax Act, Cap. 340)

Please enter the information requested in the spaces provided. Any additional information should be attached to this application form.

Business Details:

Name (company or individual) ……

TIN ……..…

Parent company (If applicable) ……

Address (postal and physical) ……..……

Contact telephone number ……..……

E-mail address ……....……

Director's details (names and contacts)

……

Nature of goods to be manufactured for export ……

DECLARATION:

I …… declare that I am exporting or intend to export at least eighty percent (80%) of my production of finished capital goods or finished consumer goods during the year.

Completed by:

Name……
Title…….

Signature……
Date…….

Official Comments.

Details of Verifications and Recommendations:

Verification officer's Signature …… Date ……..

Supervisor's Signature ……

Date ……..

FORM 2

Regulation 4(5)

Certificate of Entitlement to Exemption

This Certificate of Entitlement to Exemption is issued under sections 21 and 164 of the Income Tax Act, Cap. 340.

Name of Business:

Address:

Physical location:

Nature of business:

Tax incentives: Exemption from Corporation Tax and

Withholding Tax.

The certificate is valid from …… to ……

Note:

1. The holder of this Certificate of Entitlement to Exemption shall comply with the requirements of section 21 of the Income Tax Act Cap. 340 and these Regulations.

2. The Commissioner may revoke the Certificate if satisfied that there has been a breach of the terms under which the certificate is granted or on a breach of a condition attached to the certificate or if the holder of the certificate is convicted of an offence under the Income Tax Act or other relevant law.

……

Commissioner

SYDA N M BBUMBA,

Minister of Finance, Planning and Economic Development.

STATUTORY INSTRUMENTS SUPPLEMENT

to The Uganda Gazette No. 43 Volume CIV dated 24th June, 2011

Printed by UPPC, Entebbe, by Order of the Government.

S T A T U T O R Y I N S T R U M E N T S

2011 No. 30.

THE INCOME TAX (TRANSFER PRICING) REGULATIONS 2011

ARRANGEMENT OF REGULATIONS

Regulation

PART I—PRELIMINARY

1. Title and commencement

2. Application of regulations

3. Interpretation

PART II—COMPATIBILITY FACTORS, BRANCH PERSON AND OECD DOCUMENTS

4. Compatibility factors

5. Branch person and headquarter person

6. Application of OECD documents

PART III—CONSISTENCY WITH ARM'S LENGTH PRINCIPLE, DOCUMENTATION, ADVANCED PRICING AGREEMENTS ANDCORRESPONDING ADJUSTMENTS

7. Consistency with arm's length principles

8. Documentation

9. Advanced pricing agreements

10. Corresponding adjustments

S T A T U T O R Y I N S T R U M E N T S

2011 No. 30.

The Income Tax (Transfer Pricing) Regulations 2011

(Under sections 90 and 164 of the Income Tax Act cap 340)

IN EXERCISE of the powers conferred upon the Minister by section 164 of the Income Tax Act, Cap. 340, these Regulations are made this 20th day of June, 2011.

PART I—PRELIMINARY

1. Title and commencement.

These Regulations may be cited as the Income Tax (Transfer Pricing) Regulations 2011, and shall come into force on the 1st day of July 2011.

2. Application of Regulations.

The Regulations shall apply to a controlled transaction if a person who is a party to the transaction is located in and is subject to tax in Uganda and the other person who is a party to the transaction is located in or outside Uganda.

3. Interpretation.

In these Regulations, unless the context otherwise requires—

“Act” means the Income Tax Act;

“arm’s length principle” in relation to a controlled transaction, means the results of the transaction are consistent with the results that would have been realised in a transaction between independent persons dealing under the same conditions;

“associate” has the meaning given to it in section 3 of the Act;

“branch” in relation to a person—

(a) where there is a tax treaty applicable to the person, means a permanent establishment as defined in the treaty; or

(b) in any other case, has the meaning given to it in section 78 of the Act;

“comparability factors” means the factors specified in regulation 4;

“comparable uncontrolled price method” means comparing the price charged in a controlled transaction with the price charged in a comparable uncontrolled transaction;

“comparable uncontrolled transaction” in relation to the application of a transfer pricing method to a controlled transaction, means an uncontrolled transaction which, after taking account of the comparability factors, satisfies the differences, if any, between the two transactions or between the persons undertaking the transactions which do not materially affect the financial indicator applicable under the method or where the differences do materially affect the financial indicator applicable under the method, then reasonably accurate adjustments can be made to eliminate the effects of the differences;

“controlled transaction” means a transaction between associates;

“cost plus method” means comparing the mark up on the costs directly and indirectly incurred in the supply of property or services in a controlled transaction with the mark up on those costs directly or indirectly incurred in the supply of property or services in a comparable uncontrolled transaction;

“financial indicator” means—

(a) in relation to the comparable uncontrolled price method, the price;

(b) in relation to the cost plus method, the mark up on costs;

(c) in relation to the resale price method, the resale margin;

(d) in relation to the transaction net margin method, the net profit margin; or

(e) in relation to the transactional profit split method, the division of profit and loss;

“person” has the meaning given to it in the Act and includes a “branch person” and

“headquarters person” referred to in regulation 5;

“resale price method” means comparing the resale margin that a purchaser of property in a controlled transaction earns from reselling the property in an uncontrolled transaction with the resale margin that is earned in a comparable uncontrolled purchase and resale transaction;

“transaction” includes an arrangement, understanding, agreement, or mutual practice whether or not legally enforceable or intended to be legally enforceable, and includes a dealing between a branch of a person and another part of the person;

“transactional net margin method” means comparing the net profit margin relative to the appropriate base including costs, sales or assets that a person achieves in a controlled transaction with the net profit margin relative to the same basis achieved in a comparable uncontrolled transaction;

“transactional profit split method” means comparing the division of profit and loss that a person achieves in a controlled transaction with the division of profit and loss that would be achieved when participating in a

comparable uncontrolled transaction;

“transfer pricing method” means—

(a) the comparable uncontrolled price method;

(b) the resale price method;

(c) the cost plus method;

(d) the transaction net margin method; or

(e) the transactional profit split method;

“uncontrolled transaction” means a transaction that is not a controlled transaction.

PART II—COMPARABILITY FACTORS, BRANCH PERSONS AND OECD DOCUMENTS

4. Comparability factors.

In determining whether two or more transactions are comparable the following factors shall be considered to the extent that they are economically relevant to the facts and circumstances of the transactions—

(a) the characteristics of the property or services transferred or supplied;

(b) the functions undertaken by the person entering into the transaction taking account of assets used and risks assumed;

(c) the contractual terms of the transactions;

(d) the economic circumstances in which the transactions take place; and

(e) the business strategies pursued by the associate to the

controlled transaction.

5. Branch person and headquarter person.[112]

For the purposes of these Regulations—

(a) a branch shall be deemed to be a separate and distinct person referred to as the "branch person" from the person in respect of whom it is a branch referred to as the "headquarters person";

(b) a branch person and headquarters person shall be deemed to be associates; and

(c) a branch person and a headquarter person are located where their activities are located.

6. Application of OECD documents.

(1) Subject to sub regulation (2), these Regulations shall be applied in a manner consistent with—

(a) the arm's length principle in Article 9 of the OECD Model Tax Convention on Income and Capital; and

(b) the OECD Transfer Pricing Guidelines for Multi-national Enterprises and Tax Administrations approved by the Council of the OECD for publication on 13 July 1995 (C(95)126/FINAL) as supplemented and updated from time to time.

(2) Where there is any inconsistency between the Act, these Regulations and the OECD documents referred to in sub regulation (1), the Act shall prevail.

---

[112] See SMEC International Limited v URA, TAT Application No. 75 of 2019. Decided 15 November 2024.

PART III—CONSISTENCY WITH ARM'S LENGTH PRINCIPLE, DOCUMENTATION, ADVANCED PRICING AGREEMENTS AND CORRESPONDING ADJUSTMENTS

7. Consistency with the arm's length principle.

(1) Where a person has entered into a transaction or a series of transactions to which these Regulations apply, the person shall determine the income and expenditures resulting from the transaction or transactions in a manner that is consistent with the arm's length principle.

(2) Where a person fails to comply with sub regulation (1), the Commissioner may make the necessary adjustments to ensure that the income and expenditures resulting from the transaction or transactions are consistent with the arm's length principle.

(3) In determining whether the result of a transaction or series of transactions is consistent with the arm's length principle, the most appropriate transfer pricing method shall be used taking into account—

(a) the respective strengths and weaknesses of the transfer pricing methods in the circumstances of the case;

(b) the appropriateness of a transfer pricing method having regard to the nature of the controlled transaction determined, in particular, through an analysis of the functions undertaken by each person that is a party to the controlled transaction;

(c) the availability of reliable information needed to apply the transfer pricing methods; and

(d) the degree of comparability between controlled and uncontrolled transactions, including the reliability of adjustments, if any, that may be required to eliminate differences.

(4) Where a person has used an appropriate transfer pricing method in accordance with sub regulation (3), the Commissioner's examination as to whether income and expenditures resulting from the person's transaction or transactions are consistent with the arm's length principle shall be based on the transfer pricing method used by the person.

(5) A person may apply a transfer pricing method other than those listed in the definition of transfer pricing method under regulation 3, if the person can establish that—

(a) none of the listed methods can reasonably be applied to determine whether a controlled transaction is consistent with the arm's length principle; and

(b) the method used gives rise to a result that is consistent with that between independent persons engaging in comparable uncontrolled transactions in comparable circumstances.

(6) A person who contravenes this regulation is liable on conviction to imprisonment for a term not exceeding six months or to a fine not exceeding twenty five currency points or both.

8. Documentation.

(1) A person shall record, in writing, sufficient information and analysis to verify that the controlled transactions are consistent with the arm's length principle.

(2) The documentation referred to in sub regulation (1) for a year of income shall be in place prior to the due date for filing the income tax return for that year.

(3) The Commissioner may, by notice, specify the items of documentation that a person is required to keep for the purposes of this regulation.

(4) A person who fails to comply with this regulation is liable on conviction to imprisonment for a term not exceeding six months or to a fine not exceeding twenty five currency points or both.

9. Advance pricing agreements.

(1) A person may request that the Commissioner enter into an advance pricing agreement to establish an appropriate set of criteria for determining whether the person has complied with the arm's length principle for certain future controlled transactions undertaken by the person over a fixed period of time.

(2) A request under sub regulation (1) shall be accompanied by—

(a) a description of the person's activities, controlled transactions, and the proposed scope and duration of the advanced pricing agreement;

(b) a proposal by the person for the determination of the transfer prices for the transactions to be covered by the advanced pricing agreement setting out the comparability factors, the selection of the most appropriate transfer pricing method to the circumstances of the controlled transactions; and the critical assumptions as to future events under which the determination is proposed;

(c) the identification of any other country or countries that the person wishes to participate in the advanced pricing agreement; and

(d) any other information which the Commissioner may require as specified in a practice note on transfer pricing.

(3) The Commissioner shall consider a request made by a person under sub regulation (1) and, after taking account of the matters specified in the request and the expected benefits from an advance pricing agreement in the circumstances of the case, the Commissioner may decide to enter into an advance pricing agreement or to reject the

request.

(4) Where the Commissioner agrees to enter into an advance pricing agreement with a person, the Commissioner may—

(a) accept the person's proposal under sub regulation (2)(b);

(b) reject the proposal; or

(c) modify the proposal with the person's consent.

(5) The Commissioner may enter into an advance pricing agreement with the person either alone or together with the competent authorities of the country or countries of the person's associate or associates identified under sub regulation (2)(c).

(6) Where the Commissioner approves a proposal under sub regulation (4)(a) or modifies it with the person's consent under sub regulation (4)(c), the Commissioner shall enter into an advance pricing agreement that will provide confirmation to the person that no transfer pricing adjustment will be made under regulation 7(2) to controlled transactions covered by the agreement where the transactions are consistent with the terms of the agreement.

(7) An advance pricing agreement entered into under sub regulation (6) shall apply to the controlled transactions specified in the agreement that are entered into on or after the date of the agreement and the agreement shall specify the years of income for which the agreement applies.

(8) The Commissioner may cancel an advanced pricing agreement with a person by notice in writing if—

(a) the person has failed to materially comply with a fundamental term of the agreement;

(b) there has been a material breach of one or more of the critical assumptions underlying the agreement;

(c) there is a change in the tax law that is materially relevant to the agreement; or

(d) the agreement was entered into based on a misrepresentation, mistake or omission by the person.

(9) Cancellation of an advance pricing agreement under sub regulation (8) takes effect—

(a) in the case of sub regulation (8)(a) and (c), from the date of the notice of cancellation specified by the Commissioner in the notice of cancellation

(b) in the case of sub regulation (8)(b), from the date that the material breach occurred; and

(c) in the case of sub regulation (8)(d), from the date the agreement was entered into.

(10) The Commissioner shall treat as confidential any trade secrets or other commercially sensitive information or documentation provided to the Commissioner in the course of negotiating an advance pricing agreement.

10. Corresponding adjustments.

Where—

(a) an adjustment is made by a competent authority of another country with which Uganda has a double tax treaty to the taxation of a transaction or transactions of a person subject to tax in Uganda; and

(b) the adjustment results in taxation in another country of income or profits that are also taxable in Uganda, the Commissioner shall, upon request by the person subject to tax in Uganda, determine whether the adjustment is consistent with the arm's length principle and where it is determined to be consistent, the

Commissioner shall make a corresponding adjustment to the amount of tax charged in Uganda on the income or profits so as to avoid double taxation.

Cross references

Income Tax Act Cap 340

MARIA KIWANUKA,

Minister of Finance, Planning and Economic Development.

LEGAL NOTICES

SUPPLEMENT No. 7 29th June, 2018.

LEGAL NOTICES SUPPLEMENT

to The Uganda Gazette No. 33, Volume CXI, dated 29th June, 2018.

Printed by UPPC, Entebbe, by Order of the Government.

Legal Notice No.13 of 2018.

THE INCOME TAX ACT CAP. 340

The Income Tax (Designation of Payers) Notice, 2018.

(Under sections 118E and 119(1) of the Income Tax Act, Cap.340)

IN EXERCISE of the powers conferred upon the Minister responsible for finance by sections 118E and 119(1) of the Income Tax Act, this Notice is issued this 28th day of June, 2018.

1. Title

This Notice may be cited as the Income Tax (Designation of Payers) Notice, 2018.

2. Commencement

This Notice shall come into force on the 1st day of July 2018.

3. Designation of persons as payers

The persons specified in the Schedule to this Notice are designated as payers for purposes of sections 118E and 119(1) of the Income Tax Act.

4. Payment for agricultural products

Where any person designated in the Schedule to this Notice as a payer pays an amount exceeding one million shillings to any person, for agricultural supplies, the payer shall withhold tax on the gross amount of the payment at the rate prescribed in Part XII of the Third Schedule to the Income Tax Act, and the payer shall issue a receipt to the payee.

5. Payment for goods and services.

(1) Where any person designated in the Schedule to this Notice as a payer pays an amount or amounts in aggregate exceeding one million shillings to any person in Uganda—

(a) for a supply of goods or materials of any kind; or

(b) for a supply of any services,

the payer shall withhold tax on the gross amount of the payment at the rate prescribed in Part VIII of the Third Schedule to the Income Tax Act, and the payer shall issue a receipt to the payee.

(2) Where—

(a) there are separate supplies of goods or materials, or of

services and each supply is made for an amount that is one million shillings or less; and

(b) it would reasonably be expected that the goods or materials, or services would ordinarily be supplied in a single supply for an amount exceeding one million shillings, subparagraph (1) applies to each supply.

6. Revocation of Legal Notice No. 9 of 2013

The Income Tax (Designation of Payers) Notice, 2013, Legal Notice No. 9 of 2013 is revoked.

SCHEDULE

LIST OF DESIGNATED PAYERS

Paragraph 3, 4 and 5.

…SCHEDULE LEFT OUT…

STATUTORY INSTRUMENTS

SUPPLEMENT No. 8 13th March, 2020

STATUTORY INSTRUMENTS SUPPLEMENT

to The Uganda Gazette No. 15, Volume CXIII, dated 13th March, 2020

Printed by UPPC, Entebbe, by Order of the Government.

S T A T U T O R Y I N S T R U M E N T S

2020 No. 42

The Income Tax (Rental Rates) Regulations, 2020

(Under sections 5 and 164 of the Income Tax Act, Cap.340)

IN EXERCISE of the powers conferred upon the Minister by section 164 of the Income Tax Act, Cap. 340, these Regulations are made this 29th day of January, 2020.

1. Title.

These Regulations may be cited as the Income Tax (Rental Rates) Regulations, 2020.

2. Application.

These Regulations apply to—

(a) a taxpayer who fails to file a return in accordance with the Act; and

(b) a taxpayer whose return is contested by the Commissioner.

3. Interpretation.

In these Regulations, unless the context otherwise requires—

“Act” means the Income Tax Act, Cap. 340;

“property” includes a factory, warehouse, house or other building;

“rent” has the meaning given to it in section 2 (ccc) of the Act;

“rental income” has the meaning given to it in section 2 (ddd) of the Act;

“taxpayer” has the meaning given to it in section 2 (sss) of the Act.

4. Rental income.

(1) A person who rents out property located along a road, lane or street specified in the first column of Schedule 1 to these Regulations shall

be deemed to earn rental income from that property at the rate specified in the second, third, fourth, fifth and sixth columns of Schedule 1 to these Regulations, corresponding to the location in the first column respectively.

(2) A person who, for residential purposes, rents out property located in an area specified in the first column of Schedule 2 to these Regulations shall be deemed to earn rental income from that property at the rate specified in the second, third, fourth and fifth columns of Schedule 2, corresponding to the location in the first column respectively.

(3) A person who for commercial purposes other than office space, rents out property located in an area specified in the first column of Schedule 2 to these Regulations shall be deemed to earn rental income at the rate specified in the sixth column of Schedule 2, corresponding to the location in the first column, respectively.

(4) A person who, for purposes of providing office space, rents out property located in an area specified in the first column of Schedule 2 to these Regulations shall be deemed to earn rental income specified in the seventh column of Schedule 2, corresponding to the location in the first column, respectively.

SCHEDULE 1

Reg. 4(1)

RENTAL RATES IN THE CENTRAL DIVISION OF KAMPALA CITY

Street/Road/Lane Name	Rent Per Square Meter in Uganda Shillings per month				
	Ground Floor	1st Floor	2nd Floor	3rd Floor	4th Floor

					and above
Kampala Road	142,857	101,409	73,112	58,824	49,822
Jinja Road, Station Approach, Station Road, Dewinton Road	104,762	84,347	63,774	44,642	32,000
Ben Kiwanuka Street, William Street, Wilson Road, Johnson Street	128,571	90,000	62,108	41,875	23,039
Bombo Road, LumumbaAvenue, George Street, Kyagwe Road, Nakasero Lane, Nakasero Road Queens Lane, BugandaRoad, Lumumba Avenue,Wandegeya Road	90,476	68,441	51,461	45,463	36,370
Colville Street, Speke Road, Pilkington Road, Kimathi Avenue, Nile Avenue, Apollo Kagwa Road, Parliament Avenue,Said Barre Avenue and Portal Avenue	95,238	82,194	71,349	62,294	54,700

Entebbe Road	95,238	67,075	45,474	34,235	23,871
Kikuubo Lane	166,667	103,969	61,268	40,923	20,802
Luwum Street, Market Street, Market Square, Sikh Street, Burton Street, Snay Bin Amir Rise	123,810	81,388	54,462	33,555	25,000
Nakivubo Place, NakivuboRoad, Allen Road	119,048	72,960	51,547	34,943	25,338
Nkrumah Road, Nasser Road, Rosebury Road	95,238	62,177	36,291	21,864	18,861
Rashid Khamis Road, MackayRoad,Martin Road, Berkley Road, Berkley Lane, Ginnery Road, Old Kampala Road	114,286	70,490	31,331	23,089	15,236
First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Streets and Old PortBell Road		81,428	72,048	72,190	75,207

SCHEDULE 2

Reg. 4(2), (3) and (4)

RENTAL RATES OUTSIDE THE CENTRAL DIVISION OF KAMPALA CITY

Residential, Commercial and Office Rates outside Central Division of Kampala City						
Location of Property	**Rent Per Square Meter in Uganda Shillings per month**					
	Rent for residential purposes in Ug. Shs. per month				**Rent for commercial office purposes in Ug. Shs. per month**	
	One Bedroom	**Two Bedrooms**	**Three Bedrooms**	**Four or more Bedrooms**	**Commercial rent/Sqm**	**Office rent/Sqm**
Bugolobi	500,000	1,000,000	1,500,000	2,000,000	71,429	64,286
Bukoto	400,000	800,000	1,200,000	1,700,000	57,143	51,429
Buwate	300,000	600,000	800,000	1,100,000	38,095	34,286
Bweyogerere	250,000	600,000	800,000	1,100,000	42,857	38,571
Kamwokya	600,000	1,200,000	2,000,000	2,500,000	95,238	85,714
Kansanga	400,000	700,000	1,000,000	1,200,000	47,619	42,857
Kira	350,000	600,000	800,000	950,000	38,095	34,286
Kireka	250,000	600,000	900,000	1,100,000	42,857	38,571
Kisaasi	300,000	700,000	1,000,000	1,200,000	47,619	42,857
Kiwatule	300,000	700,000	1,000,000	1,300,000	47,619	42,857
Kololo	1,000,000	2,500,000	3,500,000	4,500,000	166,667	150,000
Kyaliwajala	250,000	600,000	900,000	1,100,000	42,857	38,571

Mbuya	450,000	1,000,000	1,400,000	1,800,000	66,667	60,000
Mengo	450,000	1,000,000	1,300,000	1,700,000	61,905	55,714
Munyonyo	450,000	900,000	1,200,000	1,600,000	57,143	51,429
Mutungo	400,000	700,000	900,000	1,300,000	42,857	38,571
Muyenga	600,000	1,000,000	1,500,000	2,000,000	71,429	64,286
Naalya	400,000	700,000	900,000	1,200,000	42,857	38,571
Naguru	800,000	1,500,000	2,000,000	3,000,000	95,238	85,714
Najjeera	350,000	700,000	900,000	1,200,000	42,857	38,571
Nakasero	1,000,000	2,500,000	3,500,000	4,500,000	166,667	150,000
Namugongo	250,000	600,000	900,000	1,000,000	42,857	38,571
Nsambya	400,000	900,000	1,200,000	1,500,000	57,143	51,429
Ntinda	500,000	1,000,000	1,500,000	2,000,000	71,429	64,286
Seeta	250,000	500,000	900,000	1,000,000	38,095	34,286

MATIA KASAIJA, (MP)

Minister of Finance, Planning and Economic Development

Practice Notes - 2001

ISSUE DATE **:** 2 November 2001

EFFECTIVE DATE **:** 1st July 2001

ISSUED BY : Annebritt Aslund –Commissioner General

1. Recruitment Expenses.

All expenses genuinely incurred by taxable employers in the recruitment of employees should be treated as incurred in the production of income under Section 22 of the ITA and allowed as a deduction.

2. Deduction of Bad Debts.

(a) For persons other than financial institutions, a bad debt is allowed as a deduction only if all reasonable steps for recovery have been taken and there is reasonable ground that the debt will not be recovered.

(b) For financial institutions, specific reserves for identified losses or potential losses are allowable as a deduction. For this purpose, in respect of financial institutions, bad debts provided for in accordance with the Bank of Uganda Regulations are allowable as a deduction. Refer to Prudential Norms on Asset Quality for Financial Institutions -Paragraph 12(1) to (6)]

(c) Paragraph 12(7) of the same Bank of Uganda Regulations provides for 1% general provision on the total outstanding credit facilities. This 1% general provision does not satisfy the requirements of Section 25 of the ITA and is therefore not deductible.

(d) Any recoveries of previously written off bad debts will be treated as income and taxed in the year in which the recoveries are made.

3. Initial Allowance.

Placing "an item of eligible property into service for the first time… " should be interpreted to mean for the first time in the taxpayer's business. Therefore, where taxpayer 'B buys equipment which has been used by taxpayer A' in his business, taxpayer B is entitled to initial allowance in the first year in which he puts the same equipment to use notwithstanding that A' got initial allowance in respect of the same equipment.

4. **Carry Forward of Losses by Companies enjoying Tax Holidays under Certificate of Incentives - Section 166(23)**

The meaning of this subsection is that in respect of companies enjoying tax holidays, a tax computation will be done under Section 166(23) (c) for each of the tax holiday years as 1f the company was not exempt, and notional deductions made for Sections 27, 29, 30 and 31 under Section 166(23) (b) so that any loss in the final tax holiday year may be carried forward for deduction in the first year after expiration of the tax holiday and subsequently in accordance with Section 38.

5. Valuation of Benefits - Housing provided to Domestic Workers within the same Compound as the Person they work for (commonly referred to as “Boys' Quarters").

Workers quarters of this nature have no market value in terms of rent. Consequently, no benefit should be attached to such accommodation for domestic workers under paragraph 10 of the Fifth Schedule.

6. Valuation of Benefits - Provision of Security Guards.

An employer's provision of security guards is not classified as a taxable benefit under the Fifth Schedule.

7. Computer Software.

Computer software is an integral part of computers and therefore a class 1 depreciable asset under the Sixth Schedule of the ITA.

8. Revoked (by Practice Notes issued on 1st September 2008).

9. Any assessments that have become final and conclusive as at 1" July 2001 shall not be re-opened on account of variance with these

---

Practice Notes - 2002

ISSUED BY: Annebritt Aslund –Commissioner General

1. Foreign Currency Debt Gains and Losses - Section 48(4).

This Section requires notification of foreign currency debt to be given to the Commissioner in writing before a foreign currency loss in respect thereof can be allowed as a deduction.

Information relating to foreign currency gains and losses must be available in the accounts. Therefore, the notification requirement is deemed to be satisfied when the accounts have been submitted. If any further details are necessary, they should be provided when requested.

2. Withholding Tax on Professional Fees - Section 119A *[Now 118A]*

This Section requires deduction of withholding tax from management or professional fees paid to resident professionals.

Professional here shall have the same meaning as under Section 4(7), namely “a resident taxpayer who is in the business of providing medical, dental, architectural, engineering, accounting, legal or other professional services".

Other professional services shall be limited to persons belonging to a vocation or calling that involves some advanced learning or science with a minimum qualification of a Diploma or Degree, or its equivalent.

INCOME TAX ACT CAP 338

Practice Notes - 2006

ISSUE DATE : 24thJuly 2006

ISSUED BY : Allen Kagina (Mrs) – Commissioner General

1. Treatment of Expenses and Losses incurred by Financial Institutions on Loans given out for Agricultural purposes.

The Income Tax (Amendment) Act 2005 inserted a provision under Section 21 that exempts from tax interest earned by financial institutions on loans granted for agricultural purposes.

Under Section 22(1)) ITA, expenses and losses are allowed only to the extent to which the expenditures or losses were incurred in the production of income included in gross income. Expenses and losses incurred in producing income that is exempt from tax are therefore not allowable for tax purposes.

Below is the recommended tax treatment of expenses related to deriving exempt bank interest, and procedures to be followed:

(a) Direct Finance Cost (Interest on borrowed funds)

(i) Interest payable by a Financial Institution on borrowed funds should be apportioned between loans for agricultural purposes and loans for other purposes using the formula -

Interest relating to agricultural loans = $\frac{A+B}{C+D} + E$

Where,

A loan (principal) for agricultural purposes outstanding at the beginning of the Year;

B loans (principal) for agricultural purposes outstanding at the end of the year,

C borrowed funds at the beginning of the year;

D borrowed funds at the end of the year;

E the total interest cost for the year.

(ii) The portion of interest obtained using the formula above is not tax allowable.

(b) **Provisions for Bad and Doubtful Debts.**

Specific provisions as well as general provisions made in respect of agricultural loans are not allowable for tax purposes as per provisions of Section 22(1) (a).

(c) Overheads and other Expenses.

(i) Overheads are allowed wholly because they cannot be directly traced to agricultural loans, and possible bases of apportionment are highly subjective.
(ii) Administrative and other establishment expenses are also allowed wholly because of the difficulty in obtaining a suitable base for apportionment.

(d) Any other expenses that can be separately identified and is wholly related to agricultural loans is not allowable for tax purposes.

(e) **Transitional Loans.**

This refers to loans that had already been advanced by financial institutions for agricultural purposes before 1" July 2005.

Interest accruing to a financial institution out of this category of loans after 1* July 2005 is exempt, while the related expenses are not allowable for

tax purposes.

(f) Financial Institutions should submit with their final returns and accounts the following information -

(i) A breakdown of specific provisions between those made against loans for agricultural purposes and those made against loans for other purposes;

(ii) Total interest cost for the year,

(iii) Opening and closing balances of the principal in respect of loans advanced for agricultural purposes; and

(iv) Opening and closing balances of total interest-incurring funds available to the financial institution for lending.

(g) **Definitions.**

"Agricultural loan" means a loan for primary production purposes of farming, forestry, fish farming, bee keeping, animal and poultry husbandry, or similar operations.

“Financial Institution" is defined in the ITA.

2. Exemption of Income of a Collective Investment Scheme.

The income of a Collective Investment Scheme (CIS) is exempt from tax under Section 21(1)(t) of the ITA to the extent of which the income is distributed to participants in the Collective Investment Scheme.

A Collective Investment Scheme is defined in Section 3 of the Collective Investment Scheme Act to mean –

> “...any arrangement with respect to property of any description, including money, the purpose or effect of which is to enable persons taking part in the arrangement, whether by becoming owners of the

property or any part of it or income arising from the otherwise, to participate in or receive profits acquisition, holding, management or disposal of the property or sums paid out of such profits or income."

This definition is adopted for purposes of the ITA under Section 2.

To qualify as a CIS under the above definition, the following conditions must be satisfied:

(a) The participants in the scheme must not have day to day control over the management of the property in question;

(b) The participant's contributions and ultimate income/profits in relation to a property as a whole (not as separate parts unless there's free exchange or rights) must be pooled;

(c) The property must be managed as a whole by the operator of the scheme or on his behalf.

Arrangements that do not meet the above conditions and those outlined under Section 3(5) of the CIS Act do not constitute a CIS for the purposes of the n a would not enjoy the exemption.

3. Exempt Organisation.

For purposes of the definition of exempt organisation in Section 2 of the ITA, in order to be considered

(a) “charitable” – an organisation must be proved to provide services for pubic benefit falling under any of the following categories:

(i) the relief of poverty;
(ii) the advancement of education;
(iii) the advancement of religion; or
(iv) other purposes beneficial to the community within the legal understanding of charity.

Whereas the public benefit in the above categories can easily be assumed, an organisation claiming to be charitable under category

(iv) shall positively demonstrate the public benefit provided.

(b) "an institution of public character" – the benefit provided must be to the public at large or at least to a sufficient section of the community.

4. Widely Issued – Section 83(5)(a)

For interest paid by a resident person in respect of debentures to be exempt from tax, the public offer test" must be met. This means the debentures, debenture stock, mortgage stock, loans, loan stock or similar instrument acknowledging indebtedness whether secured or not, must have been issued –

(a) To a reasonable number of people operating in a capital market;
(b) to several investors with a history of previous acquisition of debt instruments or debentures;
(c) as a result of negotiations for the loan in a public forum used by financial markets dealing in debt instruments; or

(d) to a dealer, manager or underwriter for the purpose of placement of the debt instrument.

The issuance of debentures should therefore be non-exclusive and preferably in a capital market arrangement that caters for public involvement.

5. "Partly Used" -Section 27(10) and 2(u)

The phrase "partly used" relates to use of assets for both business and non-business purposes.

Practice Notes - 2007

ISSUE DATE **:** 18 June 2007

ISSUED BY **:** Allen Kagina (Mrs) – Commissioner General

1. Withholding Tax on Payments for Goods and Services - Meaning of "aggregate" and gross amount" under Section 119(1) ITA.

(a) For purposes of Section 119(1) ITA, the word "aggregate" is interpreted to mean the total payments to a supplier in respect of a supply of goods or services as provided for in a contract. The threshold of one million shillings is therefore in respect of the total contract value. This implies that separate supplies which constitute one contract of one million shillings and above are subject to 6% WHT irrespective of whether the amount paid at any given time in respect of the supply is less than the threshold provided under Section 119(2).

(b) Gross amount of the payment under Section 119(1) refers to the actual consideration for goods or services exclusive of any tax (i.e., VAT or Excise Duty)

2. Exemption for 6% WHT on Sales by Insurance Brokers/ Agents.

Section 119(1) gives the Government of Uganda, a Government Institution, a local authority, any company controlled by the GOU or any person designated in a notice issued by the Minister the mandate to withhold at a rate of 6% on the gross amount payable to any person in Uganda for the services or goods supplied. This includes payments to insurance brokers/agents.

In exercising this provision, the WHT agents have been withholding tax at 6% from payments of premiums to brokers/agents. Inevitably, the WHT is levied on the gross payments to the agent who may be entitled only to a part of the sale proceeds as a commission, yet the WHT credit can only be claimed by the agent and not the principal on whose behalf the sales are made.

Therefore, in order to iron out the anomaly, 6% WWHT shall not apply on payment of insurance premiums.

3 6% WHT on Sale of Air Tickets.

Section 86 ITA imposes tax on every non-resident person carrying on the business of air transport operator who derives income from the carriage of passengers who embark in Uganda at a rate of 2% of the gross income. Section 87 provides that the tax is a final tax if the tax payable has been withheld by a withholding agent under Section 120 and paid to the Commissioner under Section 123.

Section 119(1) gives the Government of Uganda, a Government Institution, a local authority, any company controlled by the GOU or any person designated in a notice issued by the Minister the mandate to withhold at a rate of 6% on the gross amount payable to any person in Uganda for the services or goods supplied. This includes payments to travel agents.

However, it is noted that travel/ ticketing agents receive money for air tickets on behalf of the airlines which are already taxed under a different arrangement.

Therefore, in order to iron out this anomaly, 6% WHT shall not apply on payments for air tickets.

Practice Notes - 2008

ISSUE DATE **:** 18thApril 2008

EFFECTIVE DATE **:** 1stMay 2008

ISSUED BY **:** Allen Kagina (Mrs) – Commissioner General

1. Cessation of Tax Credit Certificates in respect of Final Withholding Tax.

Section 128 (3) provides that tax withheld by a withholding agent from a payee is deemed to have been paid by the payee/supplier and is credited against the tax assessed on the payee/supplier for the year of income in

which the payment is made. The payee/supplier is entitled to a Tax Credit Certificate (TCC) with which he/she makes claim of the tax withheld.

However, in respect of withholding tax that is final tax under section 122 of the Income Tax, the tax withheld cannot be claimed as credit against any other tax liability in Uganda.

Therefore, with effect from 1st May 2008, URA will no longer issue Tax Credit Certificates in respect of final tax namely;

(a) Tax that is withheld on payment of interest by a financial institution to a resident individual, unless the individual receives it in the capacity of a trustee (section 117);

(b) Tax that is withheld on payment of interest by a financial institution to resident retirement fund (section 117);

(c) Tax that is withheld on payment of interest by a financial institution to an institution or organization which the Commissioner General has exempted from income tax under section 2(bb);

(d) Tax that is withheld on payment of interest on treasury bills (where the interest is payable on Treasury Bills that mature/matured on or after 1" July 2006); and

(e) Tax that is withheld on payment of dividends to a resident individual (section 118);

2. Boundaries of Kampala and Entebbe Areas for Income Tax Purposes.

Section 28 of the Income Tax Act provides for Initial allowance and subsection (1)(4) provides that;

"where the asset is placed in service outside an area prescribed in part IV of the sixth Schedule to this Act, seventy-five per cent of the cost base of the property at the time it is placed in service: or

(b) in any other case, fifty per cent of the cost base of the property at the time it is placed in service."

And Part IV of the sixth schedule provides as hereunder,

“The following areas are prescribed for the purposes of section 28 - **Kampala, Entebbe, Namanve, Jinja, and Njeru."**

It has been noted that there has been a contention as to the boundaries of Kampala and Entebbe areas for purposes of the above quoted provision. This therefore is to clarify on what Kampala and Entebbe Tax Districts are composed of.

Kampala: area for Income Tax purposes and in particular the above quoted provision is composed of the five political divisions namely;

1) Kampala Central;

2) Nakawa;

3) Rubaga,

4) Makindye and

5) Kawempe

Any area outside the above does not comprise Kampala for purposes of the Income Tax Act provision quoted above.

Entebbe area for tax purposes shall comprise of the administrative divisions of Entebbe Municipality which are divisions A and B. The divisions are further divided into four parishes that is,

1) Kigungu Parish;

2) Kiwafu Parish;

3) Central Parish and

4) Katabi Parish

Any area outside the above does not comprise Entebbe for purposes of tax.

For purposes of uniformity, ease in operation and implementation of Section 28 of the Income Tax Act, Kampala and Entebbe areas shall be defined as above.

Practice Notes - 2008

ISSUE DATE **:** 1stSeptember 2008

EFFECTIVE DATE **:** 1stSeptember 2008

ISSUED BY **:** Allen Kagina (Mrs) – Commissioner General

Withholding tax on management or professional fees paid to residents (section 119A[113])

This PN revokes the practice note issued on November 2nd, 2001 on the application of section 119A of the Income Tax Act 1997, Cap 340.[114]

In respect of Section 119A of the Income Tax Act 1997, Cap 340,[115] any professional meeting the following requirements will be deemed to have regularly complied with the obligations imposed under the Income Tax Act –

(i) Is registered with URA;

---

[113] Now section 129
[114] Now section 129
[115] Now section 129

(ii) Has submitted the Provisional, Final/Self-Assessment Returns for the Company and individuals (including directors); and monthly PAYE and VAT returns by the due dates for the three preceding years;

(iii) Has submitted all the directors' returns (for companies only);

(iv) Has fully settled all the taxes by the due dates for the three preceding years of income;

(v) has fully complied with the obligations to withhold tax under the Act,

(vi) Has paid all the customs dues to date;

(vii) Has entered and honours an arrangement to pay any URA arrears of tax due: and

(viii) Has complied with any notice or any requirement to provide information under the Income Tax Act.

URA will administratively review the professionals in the data base and issue a list of those deemed to be compliant as per section 119A (2) of the Income Tax Act 1997[116] as amended. All professionals already appearing on the recently published list of exempt persons are deemed to be compliant. Professionals not exempted shall require clearance from URA.

Any assessments that have become final and conclusive as at 1stSeptember 2008 shall not be re-opened on account of variance with this Practice Note.

Practice Notes - 2009

ISSUE DATE **:** 16thMarch 2009

---

[116] Now section 129

EFFECTIVE DATE : 1stJuly 2008

ISSUED BY : Allen Kagina (Mrs) – Commissioner General

No. URA/IT/PN 1/09: Exempt Income derived by a person from managing or running an Educational Institution

1. Background to the exemption.

The Minister of Finance, Planning and Economic Development proposed the exemption in his Budget Speech for the Financial Year 2008/2009 in order to encourage investment in the education sector. The proposal was subsequently passed into law and is provided for in section 21(1) (aa) of the Income Tax (Amendment) Act 2008. It is expected that the tax foregone would be re-invested in the institutions to provide better facilities and improve curricula for the betterment of Ugandans

2. Effective date of exemption.

The exemption applies to years of income commencing on or after 1stJuly 2008. Therefore, income derived by a person from managing or running an education institution whose year of income commenced before 1stJuly 2008 is not exempt even if the accounting date falls after 1stJuly 2008.

3. Education institution.

There are three broad categories that constitute education institutions i.e.

(i) a school,
(ii) a tertiary institution and:
(iii) a university.

The meaning of the above-mentioned categories obtained from the Ministry of Education Acts indicated below shall be adopted for the Education and Sports/The Edu purposes of t this exemption.

School

A School means a nursery school, a primary school, a senior secondary school, a technical., a business or a vocational school providing some form of training to a group of learners. This category covers pre-primary, primary and post primary sub sectors.

Tertiary institution

A tertiary institution means a post-secondary or post ordinary level business, technical or vocational education and training institution or a degree awarding institution duly registered and gazetted by the National Council for Higher Education.

University

A university means an institution, school, Institute or centre of Higher Education, other than a tertiary institution, which provides post-secondary education offering courses of study leading to the award of certificates, diplomas and degrees and conducting research and publish.

4. Beneficiaries of the exemption.

Generally, all institutions provided for by the Education (Pre-primary, Primary and Post-primary) Act 2008, the Business, Technical, Vocational Educational and Training (BTVET) Act 2008 and the Universities and Other Tertiary Institutions Act 2003 may be referred to as educational institutions falling under section 21(1) (aa) of the Income tax Amendment Act 2008.

5. Income derived from running or managing education institution.

Income that may be derived from running or managing an education institute constitute the following:

(i) Fees levied on the students

(ii) Donations

(iii) Legacies
(iv) Grants

(v) Income from development al projects of the institution such as a farm, hire of institutional premises and equipment, research, and consultancy.

(vi) Income generated by production units in Technical and vocational schools, institutes and colleges when they take on contracts or produce goods and services under “Training with Production" training strategy, especially under the following trades;
- ✓ Food and nutrition(baking),
- ✓ Motor vehicle mechanics,
- ✓ Carpentry and joinery,
- ✓ Electronics,
- ✓ Welding and fabrication,
- ✓ Tailoring, designing and cutting of garments,
- ✓ Farming, and
- ✓ Electrical installation

(vii) Any other income that is generated by an education institution to help in the provision and advancement of education and training and, is reflected in the income and expenditure books of accounts of the institution.

It should be noted that the following income is not exempted:

a) Employment income to staff including management staff and directors;
b) Dividends to shareholders,

c) Business/investment income that is not related to the functioning of the education institution and

d) Income from the institution's subsidiary enterprises and investments.

6. Obligations of education institutions.

Education institutions still have the following obligations:

1. Each education institution shall present evidence of recognition by the Ministry of Education and Sports or its relevant agencies to attest its legal existence and to the fact that it was founded for purposes of providing education ie. by means of a license, registration certificate or charter.

2. Filing of Income tax returns,

3. Filing of Pay As You Earn (PAYE) returns and payment of the tax thereof;

4. Payment of tax on income that is not exempt;

5. Payment of other taxes imposed under the: -
   - Value Added Tax Act Cap 349
   - The East African Community Customs Management Act 2004
   - Taxes, fees, imposed under the Traffic and Road Safety Act Cap 361
   - Taxes under the Stamps Act Cap 342
   - Taxes, levies, fees or duties imposed by any other statute recognized under the laws of Uganda.

Practice Notes – 2009- No. URA/IT/PN 2/09

ISSUE DATE **:** 31stMarch 2009

EFFECTIVE DATE **:** 1stJuly 2008

ISSUED BY **:** Allen Kagina (Mrs) - CG

No. URA/IT/PN 2/09: DEDUCTION ALLOWED TO PRIVATE EMPLOYERS EMPLOYING PERSONS WITH DISABILITIES

The Commissioner General of Uganda Revenue Authority hereby issues practice notes under Section 160 of the Income Tax Act, Cap 340 for the guidance of officers of URA and the Public on the effective date as per the Income Tax (amendment) Act 2008 under section 22(1) (e) which allows as a deduction 15% percent of tax payable to all private employers who employ ten or more persons with disabilities. The practice notes also define key terms in the provision.

Section 22(1) (e) provides that... "private employers who employ ten or more persons with disabilities either as regular employees, apprentices or learners on full time basis shall be entitled to tax deduction of fifteen percent of all payable tax upon proof to the Uganda Revenue Authority"

Effective date of the amendment

This amendment applies **to years of income commencing on or after 1/7/2008.**

Implication of the amendment

A deduction of 15% of tax payable by a private employer who employs 10 or more persons with disabilities shall be allowed in ascertaining chargeable income.

Illustration

If Chargeable Income ascertained of a corporate body is;

1,000,000 - Tax thereon at 30%_____300,000

15% deduction allowed_____15%*300,000 = 45,000

Therefore, the chargeable Income after deduction under section 2(1)(e)

1,000,000 -45,000 = 955,000

Tax thereon a
30%_____30%*955,000 = 286,000

The meanings below shall be attached to the terms as in the provision –

"apprentices or learners on full time basis" means a person who has agreed to work for a skilled employer for a fixed period usually for a low wage in return for being taught that persons skill.

“disability" means a substantial functional limitation of daily if the activities caused by physical, mental or sensory impairment which substantially limits one or more of the major life activities of that person.

"private employer" means an employer other than government or government controlled entities liable to income tax.

Note

An entity partly owned by Government but to less than 51% stands to benefit from the deduction.

"regular employees” means employees are following a constant definite pattern, done or happening often, lasting or happening over a long period.

Practice Notes - 2012

ISSUE DATE	**:**	5thMay 2012
EFFECTIVE DATE	**:**	1stJuly 2011
ISSUED BY	**:**	Allen Kagina (Mrs) – Commissioner General

Transfer Pricing Documentation to Be Kept by Taxpayers.

The Honourable Minister of Finance, Planning and Economic Development by virtue of the powers conferred upon her under Section 164 of the Income Tax Act, Cap. 340, Laws of Uganda, issued Statutory Instrument No. 30 of 2011 titled The Income Tax (Transfer Pricing) Regulations, 2011 effective 1" July 2011.

Documentation.

In accordance with Sub-Regulation 3 of Regulation 8 of the Regulations, the Commissioner General hereby notifies the general taxpaying public that the following documentation shall be required for transfer pricing purposes.

1. These documentation requirements shall apply to controlled transactions for Multi National Enterprises (MNES); or

2. Controlled Transactions in aggregate equal to or exceeding 25,000(Twenty-five thousand) currency points in a year of income.

Note: For purpose of this Practice Notes, MNEs are defined as enterprises that manage production, deliver services or generate sales and profits in more than one country and includes hybrid arrangements and relationships through shared shareholders.

This list is neither intended to be exhaustive nor meant to apply to all types of businesses. The taxpayer should maintain documents of sufficient quality so as to accurately and completely describe the transfer pricing analysis conducted and efforts to comply with the arm's length principle.

A. Company details:

(i) Ownership and organizational structure showing linkages between the associated parties. This shall include –

a) description of the taxpayers worldwide organizational structure (including an organizational chart covering all associated parties;
b) The identification of participants in related party dealings; and

c) Brief history and any significant changes in relationships between the parties including dates of incorporation, shareholding at the time of the changes.

(ii) Operational aspects of business including details of functions performed, risks assumed and assets employed relevant to the transactions.

(iii) Assumptions and information regarding factors that influenced the setting of prices or the establishment of policies for the taxpayer and the related party group as a whole.

B. Transaction details.

i) A description of controlled transactions that identifies the transactions which have been entered into, the names of the participants, the scope, type, timing, frequency of and value of transactions e.g. purchase of raw material or fixed assets, sale of finished goods, borrowing of funds, the currency of the transactions should also be stated, identification of internal data relating to the controlled transactions, terms and conditions of the transactions including copies of relevant intercompany agreements relating to the transactions such as:

a) Technical assistance fees.

b) Management fees.

c) Marketing fees and branding arrangements.

d) Recruitment fees, or other services provided.

e) Royalties and licences payable.

f) Purchase or rental of equipment or other assets.

g) Handling charges.

h) Loans, including loans advanced by a related company to the associate through independent parties.

i) Allocation of overhead expenses or any specific expenses (e.g., promotional or advertising) borne by the foreign entity or associated enterprise.

j) Other forms of payment made to associates. And

k) In regard to payments made above, where the payment made by an associate to a third party will result in an offset of obligations due by the third party to an associate or non-associate.

ii) Comparables, description of the comparables including, for tangible property, the physical features, availability and quality of tangible property, for services the nature and extent of the services, and for intangible property, the form of the transaction, type of intangible, the rights to use the intangible that are assigned, and anticipated benefits from use of the intangible. Also,

- Identify factors taken into account by the taxpayer to evaluate comparability including the characteristics of the property or service transferred.

- The functions performed (and the significance of those functions in terms of their frequency, nature and value to the respective parties), the assets employed (taking into consideration their age, market value, location, etc.)

- the risks assumed (including risks such as market risk, financial risk, and credit risk).

- Identification of any internal comparables, adjustments made if any, criteria used in selecting comparables etc.

- Aggregation analysis (grouping of transactions for comparability).

- Extension of the analysis over a number of years with reasons for the years chosen, where relevant.

iii) Economic conditions during the time of transactions including differences surrounding controlled firms'' transactions and uncontrolled transactions to which it is compared in terms of

a) Geographical location.

b) Business plans to the extent to which they relate to the nature and purpose of the controlled transactions.

c) Description of internal procedures and internal controls in place at the time of controlled transactions.

d) Economic and legal factors affecting the pricing of the taxpayer property and services.

e) Description of intangible property potentially relevant to the pricing of the taxpayers´ property or services in the controlled transactions.

f) Market size and Market share to the extent differences affect price.

g) Regulatory framework.

h) Description of the structure, intensity and dynamics of the relevant Industry competitive environment.

i) Trends, risks and key players, etc.

j) Availability of substitute goods and services.

k) Levels of supply and demand.

l) Any other special circumstances.

C. Determination of arm's length price.

i) Description of the method selected and the reasons why it was selected (The pricing methodology adopted, showing how the arm's length price is derived. Also indicate why that method is chosen over other methods and a description of the measures taken to ensure that the measure of profit for taxation purposes is derived from arm’s length pricing of relevant transactions. This would include:

- An analysis of the controlled transaction using the five (5) comparability factors as contained in Regulation 4 of the Transfer Pricing Regulations.

- Searches and databases and criteria used in selection of comparables including economic considerations.

- A description of the transactions selected as comparables, including an analysis of those transactions (using the five comparability factors) and an explanation of why the selected comparables are considered sufficiently reliable.

- A description of any comparability adjustments considered appropriate.

- A description of how comparable pricing or margins is applied to the tested transaction.

- Intangible property, the form of the transaction, the type of intangible, the rights to use the intangible that are assigned, and the anticipated benefits from its use, Documentation of assumptions and judgments made in the course of determining an arm's length outcome.

- Documentation of calculations made in applying the selected method and any adjustments made. Assumptions and information regarding factors that influenced the setting of prices or the establishment of any pricing policies for the taxpayer and the related party group as a whole.

ii) Functional analysis of the risks assumed (including risks such as market risk, financial risk, credit risk, foreign exchange risk, liability risk, assets employed (taking into account consideration of their age, market value, location etc) and functions performed by entity in relation to risks, assets and functions and performed by the associated entities that are party to the transaction and the significance of those functions in terms of their frequency, nature and value to the respective parties involved in or related to the transaction.

iii) Cost Contribution arrangements (CCA) including copies of the CCA agreements and relevant amendments, list of arrangement participants and beneficiaries, extent of use of CCA property by associated parties who are non-parties to CCA, duration of CCA, description of the scope of the activities to be undertaken, including any intangible or class of intangibles in existence or intended to be developed, interest of each participant, identification of benefits accruing to each party and any material differences between expectations and actual benefits and all other rights and obligations of each associated enterprise under the CCA, contribution borne by each participant, description of the method used to determine each

parties share of the contribution consequences of a participant entering or withdrawing from the agreement.

iv) Management strategy/policy and/or corporate business plans to the extent they give an insight into the nature of special circumstances under which the taxpayer business conducted, for example to enter a new market, increase share in existing market, to introduce new products into market, or to fend off increasing competition, set off transactions, distribution channel selection and management strategies that influenced determination of transfer price.

v) Where applicable, financial information relevant in comparing profit and loss between associated entities with whom the taxpayer has transactions subject to transfer pricing rules.

vi) If a comparability analysis results in a range of arm's length outcomes, please document all the outcomes. Reasons for choosing that particular arm's length price from the range of outcomes must be documented. If a range is used, documentation supporting the establishment of the range should be evidenced; and

vii) An explanation of the capital relationship e.g., balance and source of debt and equity funding) relevant to the transactions.

When to submit documents:

Documents pertaining to transfer pricing are NOT to be physically submitted with Return Forms, BUT must be in place prior to the due date for filing the Income Tax Return for the relevant year, must be in the English language or translated into the English language, prepared at the time the transfer price is established.

D. Summary and Conclusion

A summary and conclusion as to whether the controlled transactions

comply with arm's length principle and whether any transfer pricing adjustments are required.

E. Note

A person who fails to comply with this Regulation is liable on conviction to imprisonment for a term not exceeding six months or to a fine not exceeding twenty-five currency points or both.

Page intentionally left blank

CHAPTER 336

THE EXCISE DUTY ACT

Arrangement of Sections

Section

Part I—Preliminary

1. Interpretation
2. Associate

PART II—IMPOSITION, LIABILITY AND PAYMENT OF EXCISE DUTY

3. Imposition of excise duty

PART III—REGISTRATION OF MANUFACTURERS, IMPORTERS AND PROVIDERS OF EXCISABLE GOODS AND SERVICES

4. Registration of manufacturers, importers and providers of excisable goods and services

PART IV—CONTROL OF EXCISABLE GOODS

5. Provision of facilities for excise control
6. Entry
7. Storage of excisable goods after manufacture
8. Deficiency or excess in stock

Part V—Payment of excise duty, returns, ASSESSMENTS AND APPEALS

9. Payment of excise duty
10. Application of information technology
11. Refunds
12. Liability to duty on re-importation

13. Excisable goods or excisable services granted remission liable to duty on disposal

13A. Remission of duty paid on damaged, expired or obsolete goods[117]

PART VI—MISCELLANEOUS

14. Prices quoted to include duty
15. General penalty
16. Regulations
17. Power to amend Schedule 1
18. Repeal and savings

SCHEDULES

Schedule 1 Currency Point

Schedule 2 Excise Duty in Respect of Excisable Goods and Services

Schedule 3 Goods Exempt from Excise Duty

CHAPTER 336

THE EXCISE DUTY ACT

Commencement: 1 July, 2014

An Act to provide for excise duty and related matters.

[117] Inserted by the 2025 amendment.

PART I—PRELIMINARY

1. Interpretation

In this Act, unless the context otherwise requires—

“aircraft” includes every description of craft used in aerial navigation;

“assessment” means—

(a) the ascertainment of excise duty under this Act;

(b) the ascertainment of the amount of interest and any other amount payable by a person under this Act; or

(c) a decision of the Commissioner which, under this Act, is subject to objection and appeal;

“Authority” means the Uganda Revenue Authority established by the Uganda Revenue Authority Act;

“beer” includes ale, porter, and any other description of beer and any liquor which is made or sold as a description of, or substitute for, beer and which contains more than two percent of proof spirit but does not include—

(a) liquor as defined in the law relating to liquor; or

(b) any kind of beer prescribed by regulations;

“cigar” means a cigar, cheroot, or cigarillo prepared from tobacco;

“cigarette” means a cigarette prepared from tobacco and includes any form of tip and the paper;

“citizen” means—

(a) a natural person who is a citizen of a Partner State of the East

African Community; or

(b) a company or a body of persons incorporated under the laws of a Partner State of the East African Community in which at least fifty-one percent of the shares are held by a person who is a citizen of a Partner State of the East African Community;

“Commissioner” means the Commissioner General appointed under the Uganda Revenue Authority Act;

“currency point” has the value assigned to it in Schedule 1 to this Act;

“distiller” means a manufacturer of spirits by distillation of a fermented liquor or *enguli* or by any other process;

“distillery” means a distiller’s factory;

“distiller’s warehouse” means a place of security provided by a distiller and approved by the Commissioner under this Act;

“document” includes magnetic tapes, disks and microfilms;

"enguli” means a spirituous liquor including a drink containing liquor, which is conveyed into a receiver in a distillery entered under this Act as an *enguli* receiver;

“excisable goods” means goods manufactured in Uganda and imported into Uganda and specified in Schedule 2 to this Act but does include goods exempt from duty;[118]

“excisable services” means the services specified in Schedule 2 to this Act;

---

[118] See Besi Uganda Limited v URA, TAT Application No.224 of 2024. Decided on 13 December 2024.

“excise duty” means a duty imposed under this Act;

“export” means to take or cause to be taken out of Uganda;

“fruit juice” means unfermented liquid extracted from the edible part of fruit, whether the extracted liquid is diluted or not;[119]

“goods exempt from duty” means the goods specified in Schedule 3 to this Act;

“import”, as used in relation to goods, has the meaning assigned to it in the Value Added Tax Act;

“importer”, as used in relation to goods, has the meaning assigned to it in the Value Added Tax Act;

“manufacture” includes the production of excisable goods or any intermediate or uncompleted process in the production of excisable goods or the rectifying or denaturing of spirits;

“materials” means the goods from which excisable goods are capable of being manufactured and any residue from the process of manufacture;

“officer” includes a person, other than a labourer, employed in the service of the Authority and whose right or duty it is to require the performance of any act in this Act;

“over-the-top services” means the transmission or receipt of voice or messages over the internet protocol network and includes access to virtual private networks;

“own use”, in relation to services, means applying the services for non-business use;

---

[119] 2024 amendment.

“owner” in respect of any excisable goods, materials, aircraft, vessel, vehicle, plant, or other thing, includes a person who is or holds himself or herself out to be the owner, manufacturer, agent or the person in possession of, or beneficially interested in, or having control of, or power of disposition over, such goods, materials, aircraft, vessel, vehicle, plant, or other thing;

“plant” includes utensils, presses, machinery, mills, implements, appliances and fittings;

*“*powder for reconstitution into beer” means a powder, crystal or other dry substance which, after being mixed with water or other non-alcoholic beverage, ferments to become or otherwise becomes, an alcoholic beverage;[120]

“premises” includes a building, house, room or place;

“registered person” means a person registered to manufacture excisable goods, import excisable goods or to provide excisable services under this Act;

“rectifier” means a person who re-distills spirits removed from a spirits receiver for the purpose of purifying or adding flavour but does not include the re-distillation of *enguli;*

“return” means a return of excise duty;

“specially denatured spirits” means spirits denatured in accordance with a formula prescribed by regulations made under this Act for specially denatured spirits;

“spirits” means spirits of any description and includes all liquor mixed with spirits and all mixtures and compounds or preparations made with spirits but does not include denatured spirits or *enguli',*

---

[120] 2024 amendment.

“sugar” includes a saccharine substance, extract, or syrup, rice, flaked maize or any other description of com which in the opinion of the Commissioner is prepared in a manner similar to flaked maize and any other material capable of being used in brewing except malt, com, hops, hop concentrate or hop oil;

“supply” as used in relation to services, has the meaning assigned to it in the Value Added Tax Act;

“telecommunications services” means a service for the transmission, emission, or reception of signals, writing, images, sounds, or information of any kind by wire, radio, optical, or other electromagnetic systems and includes the related transfer or assignment of the right to use capacity for such transmission, emission, or reception, the provision of access to global or local information networks, but does not exclude a private network for the exclusive use of the person;

“Tribunal” means the Tax Appeals Tribunal established by the Tax Appeals Tribunals Act;

“un-denatured spirits” means spirits that are not mixed with any substance to render the spirit unfit for human consumption or capable of being rendered unfit for human consumption, and includes neutral spirits or alcoholic beverages made from neutral spirits that are fit for human consumption;[121]

“value added services” means content, products or services offered in the telecom sector via the mobile platform and includes short messaging service and multimedia messaging service which afford the user flexibility in accessing other services including mobile betting, games, paying for services, products or promotions but does not include standard voice calls, peer to peer short messaging service and multimedia messaging service, fax transmission, internet, mobile money transactions and

[121] 2024 amendment.

games promoted by a value added service provider licensed by the National Lotteries and Gaming Regulatory Board;

“value added tax” means value added tax imposed under the Value Added Tax Act;

“vegetable juice” means unfermented liquid extracted from the edible part of vegetables, whether the extracted liquid is diluted or not;[122]

“wash” means the fermented liquor from which spirits are produced by distillation;

“wine” means liquor of a strength not exceeding fifty degrees of proof which is made from fruit and sugar and which fruit or sugar is mixed with any other material and which had undergone a process of fermentation in its manufacture and includes mead.

2. Associate

(1) For the purposes of this Act, where a person who is not an employee acts in accordance with the directions, requests, suggestions or wishes of another person whether or not they are in a business relationship and whether those directions, requests, suggestions or wishes are communicated to the first- mentioned person, both persons are treated as associates of each other.

(2) Without limiting the general effect of subsection (1), the following are treated as an associate of a person—

(a) a relative of the person, unless the Commissioner is satisfied that neither person acts in accordance with the directions, requests, suggestions or wishes of the other person;

(b) a partner of the person, unless the Commissioner is satisfied

[122] 2024 amendment.

that neither person acts in accordance with the directions, requests, suggestions or wishes of the other person;

(c) a partnership in which the person is a partner where the person, either alone or together with an associate or associates under another application of this section, controls fifty percent or more of the rights to income or capital of the partnership;

(d) the trustee of a trust under which the person, or an associate under another application of this section, benefits or may benefit;

(e) a company in which the person, either alone or together with an associate under another application of this section, controls fifty percent or more of the voting power in the company either directly or through one or more interposed companies, partnerships or trusts;

(f) where the person is a partnership, a partner in the partnership who, either alone or together with an associate or associates under another application of this section, controls fifty percent or more of the rights to income or capital of the partnership;

(g) where the person is the trustee of a trust, any other person who benefits or may benefit under the trust; or

(h) where the person is a company—

(i) a person who, either alone or together with an associate or associates under another application of this section, controls fifty percent or more of the voting power in the company, either directly or through one or more interposed companies, partnerships or trusts; or

(ii) another company in which the person referred to in subparagraph (i), either alone or together with an

associate or associates under another application of this section, controls fifty percent or more of the voting power in that other company, either directly or through one or more interposed companies, partnerships or trusts.

PART II—IMPOSITION, LIABILITY AND PAYMENT OF EXCISE DUTY

3. Imposition of excise duty[123]

(1) Subject to this Act, the excisable goods and excisable services specified in Schedule 2 to this Act shall be chargeable with the excise duty specified in that Schedule.

(2) Unless otherwise provided in this Act, excise duty—

(a) in the case of an excisable service, is to be paid by the person providing the service;

(b) in the case of a manufactured excisable good, is to be paid by the person manufacturing the excisable good; and

(c) in the case of an imported excisable good, is to be paid by the person importing the excisable good.

(3) A manufacturer of an excisable good becomes liable to pay excise duty on that manufactured excisable good when the manufactured good is removed from the manufacturer's premises.

(4) A person providing an excisable service becomes liable to pay excise duty on that service on the earlier of the following—

(a) the date on which the performance of the service is completed;

(b) the date on which payment for the service is made; or

---

[123] See Besi Uganda Limited v URA, TAT Application No.224 of 2024. Decided on 13 December 2024.

(c) the date on which an invoice is issued.

(5) A telecommunications service operator providing data used for accessing over-the-top services is liable to account for and pay excise duty on the access to the over-the-top services.

(6) An importer of excisable goods shall pay excise duty at the time of import.

PART III—REGISTRATION OF MANUFACTURERS, IMPORTERS AND PROVIDERS OF EXCISABLE GOODS AND SERVICES

4. Registration of manufacturers, importers and providers of excisable goods and services

(1) For the purpose of facilitating the administration of excise duty, a manufacturer, importer or provider of excisable goods or excisable services other than retailers shall apply for registration and the registration of the premises in which the manufacture, provision or dealing in excisable goods or excisable services, other than premises where retailing takes place.

(2) The application under subsection (1) shall be in a form prescribed by the Commissioner.

(3) The Commissioner may, within one month after receiving the application under subsection (1), register or refuse to register a manufacturer, importer or provider of excisable goods or excisable services or the premises in which the manufacture, provision or dealing in excisable goods or excisable services takes place.

(4) The Commissioner may require the applicant to meet specified conditions before registration of the applicant or the premises.

(5) The Commissioner may issue a certificate of registration, with or without conditions.

(6) Where the Commissioner refuses to register the applicant or the premises, the Commissioner shall give reasons in writing for the refusal within one month referred to in subsection (3).

(7) Where the Commissioner registers a manufacturer, importer or provider of excisable goods and services or premises under this section, the Commissioner shall, issue to the applicant a certificate of registration.

(8) The certificate of registration shall be in a form prescribed by the Commissioner.

(9) The Commissioner shall establish and maintain a register containing the relevant details of all registered persons and their premises of operation under this section.

(10) The Commissioner shall cancel a certificate issued under this section if satisfied that the registered person and the premises no longer meet the conditions for the grant of the certificate.

(11) A registered person shall not use the premises for a purpose other than the purpose for which the premises were registered.

(12) A person who operates without a certificate of registration issued under this section is liable to pay a fine of twenty currency points for each day of default from the date on which the person commences the manufacture, provision or dealing in excisable goods or excisable services.

PART IV—CONTROL OF EXCISABLE GOODS

5. Provision of facilities for excise control

(1) The Commissioner may, for the purpose of ensuring compliance with this Act, require an officer to be stationed on the registered premises of a registered person under this Act.

(2) The Commissioner may, for the purposes of subsection (1), require the registered person to provide and maintain, to the satisfaction of the Commissioner, suitable office accommodation and equipment in the registered premises.

(3) A registered person shall provide and maintain at the registered premises storing excisable goods, scales and weights, lights, ladders and other equipment, as may be necessary to enable an officer to take account of, or check by weight, gauge, or measure, all excisable goods or materials in the registered premises.

6. Entry

(1) A registered person shall, before commencing manufacture of excisable goods, make entry in the prescribed manner of each building, room, place, and item of plant in the registered premises, which the registered person proposes to use in the manufacture, preparation for sale, or storage, of materials or excisable goods.

(2) An entry under subsection (1) shall specify the purpose for which a building, room, place or item of plant, is to be used and, unless the Commissioner otherwise permits, the mark by which it is to be distinguished.

(3) The Commissioner may, by notice in writing to the registered person, require a new entry to be made by the registered person within one month of the date of the notice.

(4) A registered person shall not, in the course of manufacture, preparation, sale or storage, of any materials or excisable goods—

(a) make use of any building, room, place, or item of plant, in relation to which entry is required under this section unless there is in force a valid entry;

(b) make use of a building, room, place, or item of plant, for any purpose other than that for which it was entered; or

(c) effect, without the prior permission of the Commissioner, an alteration to any building, room, place or item of plant.

(5) A registered person who contravenes subsection (4) commits an offence and is liable, on conviction, to a fine not exceeding seventy-two currency points or to imprisonment for a term not exceeding three years, or both.

(6) Where a person is convicted under subsection (5), the court shall order the forfeiture of any excisable goods, materials or plant in respect of which the offence has been committed.

7. Storage of excisable goods after manufacture

(1) All manufactured excisable goods shall, after the process of manufacture has been completed, be immediately removed to a room to be known as the “stock room”.

(2) The stock room shall be within the registered premises.

(3) The stock room shall not be used for any purpose other than that of storing manufactured excisable goods after they have been manufactured.

(4) All manufactured excisable goods kept in the stock room shall be stored in a manner that facilitates the taking of a full account of all the goods.

(5) A registered person who contravenes this section commits an offence and is liable, on conviction, to a fine not exceeding seventy-two currency points or to imprisonment for a term not exceeding three years and the court convicting the offender shall forfeit the excisable goods to the State.

(6) A stock book shall be kept in the prescribed form and shall be available for inspection by the Commissioner.

(7) The Commissioner may take copies of any entry in the stock book.

8. Deficiency or excess in stock

(1) Where, upon the Commissioner taking stock of the manufactured excisable goods in the registered premises of a registered person—

(a) the registered person fails to account to the Commissioner for any excisable goods manufactured by him or her, the excise duty on those manufactured excisable goods shall immediately become due and payable; or

(b) any excisable goods are found in excess of the quantity which, according to the stock book of the registered person must be in the stock room, those goods shall be forfeited to the State.

(2) A registered person—-

(a) who fails to account to the Commissioner for any excisable goods manufactured by the registered person; or

(b) in whose registered premises excisable goods are found in excess of the quantity which, according to the stock book, should be in the registered premises,

unless the registered person explains the deficiencies or excess to the satisfaction of the Commissioner, the registered person commits an offence and is liable, on conviction, to a fine not exceeding seventy-two currency points or to imprisonment for a term not exceeding three years, or both.

PART V—PAYMENT OF EXCISE DUTY, RETURNS, ASSESSMENTS AND APPEALS

9. Payment of excise duty

(1) A person liable to pay excise duty shall pay the duty on the date the person files a return with the Commissioner, or shall, in the case of an assessment, pay the excise duty within forty-five days after receipt of the notice of assessment.

(2) Where excisable goods on which excise duty has been paid are converted into other excisable goods liable to excise duty, the converted excisable goods shall be liable only to the difference between the excise duty on the converted goods and the excise duty originally paid before the conversion.

(3) Where excisable goods on which excise duty has been paid are converted into approved healthcare or medical products, a refund of the excise duty shall be provided to the manufacturer of the approved healthcare or medical products.

(4) The Commissioner may, if satisfied that the excisable goods have been exported, remit the excise duty chargeable on those goods.

(5) The Commissioner may, if satisfied that a plastic product—

(a) is for use in packaging of products for export;

(b) is for use in packaging medicaments; or

(c) is manufactured from recycled plastics,

remit or refund the excise duty paid under this Act.

(6) The Commissioner shall not remit the excise duty paid on a plastic product manufactured from recycled plastic referred to in subsection (5)(c), unless the recycled plastic used in the manufacture of the plastic product is equivalent to at least twenty percent of the raw material used.

(7) In this section, “approved healthcare or medical product” means a

product that has been approved by the Minister responsible for finance in consultation with the Minister responsible for health, in accordance with Regulations made under section 16.

10. Application of information technology

Subject to conditions, the Commissioner may prescribe the formalities or procedures under this Act which may be carried out by use of information technology.

11. Refunds

(1) A person liable to pay excise duty may apply to the Commissioner for a refund of any excise duty paid in error or in excess of the excise duty assessed or due.

(2) An application for a refund under this section shall be made to the Commissioner in the form and manner prescribed by the Commissioner.

(3) Where the Commissioner is satisfied that excise duty has been overpaid, the Commissioner shall—

(a) apply the excess in reduction of any other duty due from the person liable to pay excise duty; or

(b) at the written option of the person liable to pay excise duty, apply the balance of the excess, if any, in reduction of any outstanding liability of the person liable to pay excise duty in regard to other taxes not in dispute.

(4) In this section, “any other duty” means a duty other than excise duty.

(5) Where the Commissioner is required to refund an amount of excise duty to a person under this Act, the Commissioner shall pay simple interest on the amount of the refund at the rate of two percent per month commencing thirty days after the date of the application for

the refund and ending on the last day on which a refund is made.

(6) Notwithstanding subsection (4), a person liable to excise duty who causes delay in determining a correct refund payable to him or her, and leading to a belated refund process, is only entitled to interest with effect from sixty days from the date on which the person filed the delayed return, lodged an application with the Tribunal or the High Court, or submitted to the Commissioner all necessary and satisfactory information required in relation to the refund in question, whichever is the later.

(7) The Commissioner shall, within thirty days after making a decision on a refund application under subsection (1), serve on the person applying for the refund a notice in writing of the decision.

(8) A person dissatisfied with a decision referred to in subsection (7) may challenge the decision under the objection and appeal procedure in this Act.

12. Liability to duty on re-importation

Where a remission or refund of excise duty has been granted in respect of excisable goods or excisable services which have been exported and those excisable goods or excisable services are subsequently unloaded in Uganda for home consumption, those excisable goods or excisable services are liable to excise duty in force at the time of the unloading.

13. Excisable goods or excisable services granted remission liable to duty on disposal

(1) Subject to this Act, a person who has been granted a remission or refund in respect of excisable goods or excisable services or is in possession of excisable goods for which a remission or refund has been granted, shall not subsequently deal with those excisable goods or supply those excisable services in a manner inconsistent with the purpose for which the remission or refund was granted.

(2) A person who deals with excisable goods or supplies or excisable services in a manner inconsistent with the purpose for which the remission or refund was granted, is liable to pay the excise duty which would have been paid if the remission or refund had not been granted.

(3) Where excisable goods to which subsection (1) applies are sold or disposed of without payment of the excise duty to which they are liable, the excisable goods shall be forfeited to the State.

(4) Any person who knowingly disposes of or knowingly acquires excisable goods or knowingly provides or knowingly receives excisable services to which subsection (1) applies without the duty on the goods or services having been paid, commits an offence and is liable, on conviction, to a fine not exceeding forty-eight currency points or to imprisonment for a term not exceeding two years, or both.

13A. Remission of duty paid on damaged, expired or obsolete goods[124]

(1) A person liable to pay excise duty may apply to the Commissioner for the remission of any excise duty paid on damaged, expired or obsolete goods.

(2) The application referred to in subsection (1) shall be accompanied by—

(a) proof that the duty was paid on damaged, expired or obsolete goods, where applicable;

(b) goods delivery documentation;

(c) a report indicating the extent and the cause of the damage

[124] Inserted by the 2025 amendment.

issued by a competent authority, in the case of damaged goods; and

(d) any other document as the Minister may determine by regulations.

(3) Where the Commissioner is satisfied that excise duty was paid on damaged, expired or obsolete goods, the Commissioner shall—

(a) Apply the excise duty paid in reduction of any other duty due from the person liable to pay excise duty; or

(b) At the written option of the person liable to pay excise duty, apply the excise duty paid on damaged, expired or obsolete goods in reduction of any outstanding liability of the person liable to pay excise duty with regard to other taxes not in dispute.

PART VI—MISCELLANEOUS

14. Prices quoted to include excise duty

The price advertised or quoted for an excisable good or service shall include excise duty and the advertisement or quotation shall state that the price includes excise duty.

15. General penalty

(1) A person who fails to apply for registration under section 4 is liable to pay a penalty equal to the amount of duty payable during the period commencing with the last day of the application period until the person files an application for registration with the Commissioner, or until the Commissioner grants the certificate of registration, whichever is earlier.

(2) Any person who fails to furnish a return within the time specified under this Act is liable to pay a penalty amounting to whichever is the greater of the following—

(a) ten currency points; or

(b) an interest charge for the period for which the return is outstanding calculated in accordance with subsection (3).

(3) Any person who fails to pay excise duty imposed under this Act by the due date is liable to pay interest on the unpaid duty at a rate of two percent per month, compounded, for the excise duty which is outstanding.

(4) Where a person pays interest under subsection (3), and the duty to which it relates is found not to have been due and payable by the person and is refunded, the interest relating to the amount of the refund, shall be refunded to that person with an interest of two percent per month, compounded.

(5) Any person who fails to maintain proper records for any period required by this Act is liable to pay a penalty equal to the amount of duty payable by the person for that period or ten currency points per filing period, whichever is the higher.

(6) Where a person knowingly or recklessly—

(a) makes a statement or declaration to an officer of the Authority which is false or misleading in a material particular; or

(b) omits from a statement made to an officer of the Authority, any matter or thing without which the statement is misleading in such a maimer that—

(i) the duty payable by the person exceeds the duty that was assessed as payable, based on the false or misleading information; or

(ii) the amount of the refund claimed was false,

that person is liable to pay a penalty equal to the amount of the excess duty, refund or claim.

(7) Where the interest due and payable under subsection (3) exceeds the aggregate of the principal tax, any interest in excess of the principal tax shall be waived.

16. Regulations

(1) The Minister may, by statutory instrument, make regulations to better carry into effect the provisions of this Act.

(2) Without limiting the general effect of subsection (1), regulations made under this section may—

(a) provide for the fees to be paid for a certificate of registration issued under this Act;

(b) provide for the form of the returns to be made by a registered person;

(c) provide for the securing and collection of excise duty on spirits;

(d) prescribe the maximum and minimum strength of a wort, wash or spirits;

(e) regulate the remission of excise duty including the remission of excise duty on spirits; and

(f) regulate the receipt, storage, warehousing, removal and delivery of spirits, prior to the payment of excise duty.

(3) Regulations made under this section may provide that a person who contravenes a provision of the regulations commits an offence and

is liable, on conviction, to a fine not exceeding seventy-two currency points, or both.

17. Power to amend Schedule 1

The Minister responsible for finance may, by statutory instrument, with the approval of Cabinet, amend Schedule 1 to this Act.

18. Repeal and savings

(1) The East African Excise Management Act, 1970 and the Excise Tariff Act, Cap. 338 are repealed.

(2) Notwithstanding subsection (1)—

(a) all excise duty due in respect of a transaction that took place before the commencement of this Act shall be due and payable as if the repealed Act were still in force but in case of a default the person shall be dealt with under this Act;

(b) all appointments made under the repealed legislation and subsisting at the date of commencement of this Act are taken to be appointments made under this Act;

(c) all forms and documents used in relation to the repealed legislation may continue to be used under this Act, and all references in those forms and documents to provisions of and expressions appropriate to the repealed legislation are taken to refer to the corresponding provisions and expressions of this Act.

SCHEDULES

Schedule 1

Sections 1, 17

Currency Point

A currency point is equivalent to twenty thousand shillings.

Schedule 2

Sections 1, 3(1)

Excise Duty in Respect of Excisable Goods and Services

Part I

Excise duty in respect of excisable goods and services

No.	Item	Excise Duty/ Rate of excise duty
1.	Cigarettes	
	(a) Soft cap	

	(i) locally manufactured	Ushs. 65,000 per 1000 sticks[125]
	(ii) imported	Ushs. 150,000 per 1000 sticks[126]
	(b) Hinge lid	
	(i) locally manufactured	Ushs. 90,000 per 1000 sticks[127]
	(ii) imported	Ushs. 200,000 per 1000 sticks[128]
	(c) Cigars, cheroots, cigarillos containing tobacco	200%
	(d) Smoking tobacco, whether or not containing tobacco substitutes in any proportion	200%
	(e) Homogenised or reconstituted	200%
	(f) Other	200%
2.	Beer	
	(a) Malt beer	60% or Ushs. 2050 per litre, whichever is higher
	(b) Beer whose local raw material content, excluding water, is at least 75% by weight of its constituent.	30% or Ushs. 900 per litre, whichever is higher[129]
	(c) Repealed.	Repealed[130]

[125] Amended by the 2025 amendment.
[126] Amended by the 2025 amendment.
[127] Amended by the 2025 amendment.
[128] Amended by the 2025 amendment.
[129] Amended by the 2025 amendment.
[130] By the 2025 amendment.

	(d) Opaque beer	*10% or Ushs. 150 per litre, whichever is higher*[131]
	(e) any other alcoholic beverage locally produced	*10% or shs 150 per litre, whichever is*
	(f) powder for reconstitution into beer[133]	*Ushs. 2500 per kg.*
3.	Spirits	
	(a) Un-denatured spirits made from locally produced raw materials used in the production of disinfectants and sanitizers for the prevention of the spread of CO VID-19	Nil
	(b) *Undenatured spirits of alcoholic strength by volume of 80% or more made from imported raw materials*[134]	100% or Ushs. 2500 per litre, whichever is higher

[131] 2024 amendment.
[132] 2024 amendment.
[133] Item 2(f) inserted by 2024 amendment.
[134] 2024 amendment.

	(c) *Any other undenatured spirits-*[135] *(i) That are locally produced, of alcoholic strength by volume of less than 80%; or* *(ii) that are imported, of alcoholic strength by volume of less than 80%*	 *80% or Ushs. 1700 per litre, whichever is higher* *80% or Ushs. 1700 per litre, whichever is higher.*
4.	Wine	
	(a) Wine made from locally produced raw materials	20% or Ushs. 2000 per litre, whichever is higher
	(b) Other wines	*100% or Ushs. 10,000 per litre, whichever is higher*[136]
5.	Non-alcoholic beverages	
	(a) Non-alcoholic beverages not including fruit or vegetable juices	12% or Ushs. 250 per litre, whichever is higher
	(b)Fruit juice and vegetable juice, except juice made from at least 50% of pulp from fruit and vegetables locally grown in Partner State.[137]	*10% or Ushs. 250 per litre, whichever is higher*[138]

[135] 2024 amendment.
[136] 2024 amendment.
[137] Amended by the 2025 amendment. See Besi Uganda Limited v URA, TAT Application No.224 of 2024. Decided on 13 December 2024.
[138] 2024 amendment.

	(c) Powder for reconstitution to make juice or dilute-to-taste drinks, excluding pulp	15% of the value
	(d) *Any other non-alcoholic beverage locally produced, other than a beverage referred to in subparagraph (a), made out of fermented sugary tea solution with a combination of yeast and bacteria*[139]	*10% or Ushs 150 per litre, whichever is higher*
6.	*Mineral water, bottled water and other water purposely for drinking*	*10% or Ushs 50 per litre, whichever is higher.*[140]
7.	Cement, *adhesives, grout, white cement or lime*[141]	Ushs. 500 per 50 kgs
8.	Fuel	
	(a) Motor spirit (gasoline)	*Ushs. 1550 per litre*[142]
	(b) Gas oil (automotive, light, amber for high speed engine)	*Ushs. 1230 per litre*[143]
	(c) Other gas oils	Ushs. 630 per litre
	(d) Gas oil for power generation to national grid	Nil
	(e) Illuminating kerosene	Ushs. 200 per litre

[139] 2024 amendment.
[140] 2024 amendment.
[141] Underlined added by 2024 amendment. Please note that this was contained in the amendment act as passed by Parliament. However, on the available version that was assented by the president in the 15 July 2024, the changes in item 7, although mentioned in paragraph (g), are not captured in the text.
[142] 2024 amendment.
[143] 2024 amendment.

	(f) Jet A1 and aviation fuel	Ushs. 630 per litre
	(g) Jet A1 and aviation fuel imported by registered airlines, companies with designated storage facilities or with contracts to supply airlines	Nil
9.	Cane or beet sugar and chemically pure sucrose in solid form	Ushs. 100 per kg
10.	Cane or beet sugar for industrial use.	0%
11.	Plastics	
	Sacks and bags of polymers of ethylene and other plastics under HS codes 3923.21.00 and 3923.29.00 except vacuum packaging bags for food, juice, tea and coffee sacks, and bags for direct use in the manufacture of sanitary pads.[144]	2.5% or USD 70 per tonne, whichever is higher
12.	Cosmetics and perfumes except creams used by the albinal in the treatment of their skin	10%
13.	Telecommunication services	
	(a) Airtime on mobile cellular, landlines and public pay phones	12% of the fee charged
	(b) Internet data, except data for provision of medical services and education services.	12% of the fee charged

[144] Inserted by the 2025 amendment.

	(c) Money transfer or withdrawal services, including transfers and withdrawal services by operators licensed or permitted to provide communications or money transfers or withdrawals but not including transfers and withdrawal services provided by banks.	15% of the fees charged
	(d) Value added services	12% of the fee
	(e) Mobile money transactions of withdrawals of cash	0.5% of the value of transaction
	(f) Incoming international calls, except calls from the Republic of Kenya, Burundi, United Republic of Tanzania, the Republic of Rwanda and the Republic of South Sudan.[145]	USD 0.09 per minute

[145] Burundi and Tanzania added by the 2024 amendment. Reference to “item 13 (g)” in the2024 amendment must be read to mean “item 13 (f)” because the 2023 Laws of Uganda clean up removed the previously repealed and redundant item 13 (b).

13A[146]	Payment services Payment service of withdrawals of cash provided through a payment system, but does not include withdrawal services provided by a financial institution or a micro finance deposit taking institution and through agent banking.	*0.5% of the value of the transaction.*
14.	Ledger fees, ATM fees, withdrawal fees, periodic charges and other transaction and non-transaction charges, excluding loans or the equivalent under Islamic banking related charges, periodically charged by a financial institution or microfinance deposit-taking institution.	15% of the fees charged
15.	Lubricants under HS codes 2710.19.51, 2710.19.52, 3403.19.00 and 3403.99.00 including motor vehicle lubricants, but not aircraft lubricants	15%
16.	Sugar confectioneries; chewing gum, sweets and chocolates	Nil
17.	Furniture	
	(a) Specialised hospital furniture	Nil
	(b) Furniture manufactured in Uganda using local materials but excluding furniture which is assembled in	Nil
	(c) Other furniture	20%
18.	Cooking oil[147]	Ushs. 200 per litre

[146] Item 13A introduced by 2024 amendment.

[147] Vegol Limited v URA, TAT Application No. 261 of 2022. Decided on 16 May

19.	Motorcycles; at first registration	Ushs. 200,000
20.	Construction materials for development of industrial parks or free zones by a developer whose investment is at least USD 50,000,000 in the case of a foreigner and USD 10,000,000 in the case of a citizen.	Nil
21	Construction materials of a factory or warehouse exclusive of those available on the local market, locally produced raw materials and inputs to an operator within the industrial park, free zone, single factory or other business outside the industrial park or free zone who meets the following requirements— (a) a minimum investment capital of USD 10,000,000 in the case of a foreigner or USD 3,000,000 in the case of a citizen; or USD 150,000 for a citizen whose investment is placed upcountry;	Nil

2025.

	(b) processes agricultural goods; manufactures or assembles medical appliances, medical sundries or pharmaceuticals, building materials, automobiles, household appliances or manufactures furniture, pulp, paper, printing and publishing of instructional materials; carries on business in logistics and warehousing, information technology or commercial farming, tyres, footwear, mattresses or toothpaste; (c) 70% of the raw materials used are sourced locally, subject to their availability; (d) employs at least 70% of its employees being citizens earning an aggregate wage of at least 70% of the total wage bill; and (e) provides for substitution of 30% of the value of imported products.	
22.	Locally produced materials for construction of premises and other infrastructure to a hotel or tourism developer whose investment capital is at least USD 8,000,000 of a room capacity exceeding one hundred guests.	Nil

23.	Furnishings and fittings or locally produced materials for construction of premises and other infrastructure to a hospital facility developer whose minimum investment capital is at least USD 5,000,000 and who develops a hospital with capacity to provide specialised medical care.[148]	Nil
24.	Construction materials for the construction of premises and other infrastructure, machinery and equipment or furnishings and fittings for technical or vocational institute operators whose investment capital is at least USD 10,000,000 in the case of a foreigner or 1,000,000 in the case of a citizen.	Nil
25.	(a) Any other fermented beverages made from imported cider, perry, mead, spears or near beer;	60% or shs 950 per litre, whichever is higher
	(b) *Any other fermented beverages including cider, perry, mead, or near beer produced from locally grown or produced raw materials.*[149]	30% or shs 550 per litre, whichever is higher

[148] 2024 amendment.
[149] 2024 amendment.

26.	Construction materials of a manufacturer, other than a manufacturer referred to in item 21, whose investment capital is, at least USD 50,000,000 or, in the case of any other manufacturer, who makes an additional investment equivalent to USD 50,000,000.	Nil
27	*Construction materials of a manufacturer of electric vehicles, electric batteries or electric vehicle charging equipment or fabricators of frames and bodies of electric vehicles whose investment capital is at least thirty five million United States Dollars in the case of a foreigner, or five million United States Dollars in the case of a citizen.*[150]	*Nil*

Part II

Calculation of excise duty payable in respect of excisable goods and services whose excise duty is expressed in percentages.

1. Calculation of excisable duty payable

The excise duty payable by a person in respect of excisable goods or services whose excise duty is expressed as percentages shall be calculated using the following formula—

[150] 2024 amendment.

AxB

Where—

A is the value of the excisable goods or the excisable services; and

B is the rate of excise duty applicable to the goods or services.

2. Determination of value of excisable goods and services

(1) The value of an excisable good shall be the normal ex-factory price of the good exclusive of any tax on that good.

(2) The normal ex-factory price of the good shall include raw material costs, manufacturing costs, labour costs, profit margin, bank charges and interest and all other costs, charges and expenses incidental to the factory, production and sale.[151]

(3) The value of an excisable service shall be the price paid or payable by the consumer of that service excluding value added tax chargeable under the Value Added Tax Act and excise duty chargeable under this Act.

(4) In the case of non-arm's length transactions, the normal exfactory price shall be the price at which the transaction would have occurred in the ordinary course of business between the person liable to excise duty and an independent person dealing at arm's length and, in cases where the price cannot be determined, the price shall, subject to this Act, be decided by the Commissioner.

(5) A sale in the open market between a manufacturer and a buyer independent of each other presupposes—

(a) that the price is the sole consideration;

---

[151] Century Bottling Company Limited v URA, TAT Application No. 33 of 2020. Decided on 22 January 2025.

(b) that the price is not influenced by any commercial, financial or other relationship, whether by contract or otherwise, between the manufacturer or any person associated in business with that person and the buyer; and

(c) that no part of the proceeds of the subsequent resale, use or disposal of the goods or services will accrue either directly or indirectly to the manufacturer or any person associated with that person.

(6) Notwithstanding the provisions of the Act, where the Commissioner is satisfied that an arrangement has been entered into or carried out where—

(a) a person has obtained an excise duty benefit in connection with the arrangement; and

(b) having regard to the substance of the arrangement, it is concluded that the person, or one of the persons, who entered into or carried out the arrangement did so for the sole or dominant purpose of enabling the person to obtain the excise duty benefit,

the Commissioner may determine the liability of the person who has obtained the excise duty benefit as if the arrangement had not been entered into or carried out, or in a manner as in the circumstances the Commissioner considers appropriate for the prevention or reduction of the excise duty benefit.

(7) In this paragraph—

“arrangement” includes an agreement, promise, or undertaking whether express or implied and whether or not enforceable, or intended to be enforceable, by legal proceedings, and a plan, proposal, course of action, or course of conduct; and

"excise duty benefit" includes—

(a) a reduction in the liability of a person to pay excise duty;

(b) an increase in an entitlement of a person to a credit or refund; or

(c) any other avoidance or postponement of liability for the payment of excise duty.

(8) The value of an imported excisable good is the sum of the value of the good ascertained for the purposes of import duty under the laws relating to customs; and the amount of import duty payable on that good.

(9) The value of an excisable service is the amount exclusive of any tax and duty paid or payable by the final consumer in consideration for the service.

(10) Where no amount is paid in consideration for the excisable service under subsection (9) or where there is an application of the excisable service to own use by the person providing the service, the value of the excisable service shall be the market value of the excisable service.

(11) The taxable value of money transfer services by cellular service providers, money transfer agencies and other financial service providers shall be the fees charged for a particular money transfer service transaction.

Schedule 3

Section 1

Goods Exempt from Excise Duty

The goods exempt from excise duty are imported goods which are exempt from import duty under the Fifth Schedule to the East African

Customs Management Act, 2004.

History: Act 11/2014; Act 7/2015; Act 12/2016; Act 11/2017; Act 9/2018; Act 12/2018; Act 12/2019; Act 21/2020; Act 6/2021; Act 16/2021; Act 17/2023; Act 24/2023

Cross References

East African Customs Management Act, 2004
Tax Appeals Tribunals Act, Cap. 341
Uganda Revenue Authority Act, Cap. 218
Value Added Tax Act, Cap. 344

Page intentionally left blank

CHAPTER 337

THE HIDES AND SKINS (EXPORT DUTY) ACT

Arrangement of sections

Sections
1.Interpretation
2. Imposition of levy on raw hides and skins
3. Offences and penalties
4. Power to amend Schedules
5. Rules

SCHEDULES
Schedule 1 Currency Point
Schedule 2 **Repealed**[152]

CHAPTER 337

THE HIDES AND SKINS (EXPORT DUTY) ACT

Commencement: 1 April, 1962

An Act to impose export duty on hides and skins.

1. Interpretation

In this Act, unless the context otherwise requires—

“currency point” has the value assigned to it in Schedule 1 to this Act;

“hide” and “skin” respectively mean a hide and a skin as defined by section 1 of the Hide and Skin Trade Act, and include leather not manufactured into other goods.

---

[152] Repealed by the 2025 amendment.

2. Imposition of levy on raw hides and skins

(1) There shall be charged and collected by the Uganda Revenue Authority a levy at the rate of US$0.80 per kg on any raw hides and skins of animals exported out of Uganda, including hides and skins exported for outward processing; whether the hides and skins are fresh, salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared and whether or not the hides and skins are de-haired or split.

(2) The levy charged under subsection (1) does not apply to imported raw hides and skins of animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not de-haired or split.

(3) **Repealed**.[153]

3. Offences and penalties

Any person who contravenes or fails to comply with any of the provisions of this Act commits an offence and is liable, on conviction, to a fine not exceeding twelve currency points or to imprisonment for a term not exceeding six months, or both.

4. Power to amend Schedules

(1) The Minister responsible for finance may, by statutory instrument, with the approval of Cabinet, amend Schedule 1 to this Act.

(2) **Repealed.**[154]

5. Rules

The Minister may make rules generally for better carrying out the

---

[153] By the 2025 amendment.
[154] By the 2025 amendment.

purposes of this Act.

SCHEDULES

Schedule 1

Sections 1,4(1)

Currency Point

A currency point is equivalent to twenty thousand shillings.

Schedule 2 **Repealed.**[155]

History: Cap. 183 (Revised Edition, 1964); S.I. 196/1965; S.I. 11/1966; S.I. 92/1966; S.I. 118/1966; S.I. 83/1968; S.I. 170/1968; S.I. 85/1969; S.I. 110/1969; S.I. 243/1969; S.I. 39/1970; S.I. 116/1970; S.I. 117/1971; S.I. 107/1972; S.I. 112/1973; S.I. 18/1975; S.I. 74/1975; S.I. 97/1976; Cap. 339 (Revised Edition, 2000); Act 6/2015; Act 17/2023

Cross References

Uganda Wildlife Act, Cap. 315

[155] By the 2025 amendment.

Page intentionally left blank

CHAPTER 339

THE STAMP DUTY ACT

Arrangement of Sections

Section

PART I-INTERPRETATION

1. Interpretation

PART II-STAMP DUTY

Liability of instruments to duty

2. Instruments chargeable with duty
3. Several instruments used in single transaction of sale, mortgage or settlement.
4. Instruments relating to several distinct matters
5. Instruments coming within several descriptions in Schedule 2
6. Marine insurance contract to be expressed in marine policy
7. Persons carrying on insurance business to file returns
8. Stamp duty on capital of companies

Duty by whom payable

9. Expense of providing proper stamp

Stamps and mode of using them

10. Duties, how to be paid
11. Denoting duty
12. Provisions relating to duplicates and counterparts

Time of stamping documents

13. Instruments executed in Uganda
14. Instruments executed outside Uganda

15. Bills and notes drawn outside Uganda

Valuations for duty

16. Conversion of amount expressed in foreign currencies
17. Stock and marketable securities, how to be valued
18. Effect of statement of rate of exchange or average price
19. Instruments reserving interest
20. Certain instruments connected with mortgages of marketable securities to be chargeable as agreements
21. How transfer in consideration of debt or subject to future payment to be charged
22. Valuation in case of annuity
23. Facts affecting duty to be set forth in instrument
24. Direction as to duty in case of certain conveyances
25. Reconstruction or amalgamation of companies
26. Transfers between associated companies
27. Transfers during lifetime of person transferring

PART III-DETERMINATION AS TO STAMPS

28. Determination as to proper stamp
29. Certificate by Uganda Revenue Authority

PART IV-INSTRUMENTS NOT DULY STAMPED

30. Examination and impounding of instruments
31. Instruments not duly stamped inadmissible in evidence
32. Where admission of instrument not to be questioned
33. Instruments impounded, how dealt with
34. Power of Commissioner to stamp instruments impounded
35. Instruments unduly stamped by accident
36. Endorsement of instruments on which duty has been paid
37. Prosecution for offence under Act
38. Persons paying duty or penalty may recover it in certain cases
39. Power of Commissioner to refund penalty or excess duty in certain cases
40. Non-liability for loss of instruments

PART V-ALLOWANCES FOR SPOILED STAMPS IN CERTAIN CASES

41. Allowance for spoiled stamps
42. Allowance in case of printed forms no longer required by corporations
43. Allowance for misused stamps
44. Allowance for spoiled or misused stamps, how to be made
45. Allowance on renewal of certain debentures

PART VI-OBJECTIONS AND APPEALS

46. Objection to decision
47. Appeal to Tribunal
48. Appeal to High Court
49. Appeal to Court of Appeal
50. Burden of proof
51. Duty as debt due to Government
52. Recovery of duty from other persons
53. Collection of duty by distraint
54. Duties of receivers
55. Security on property for unpaid duty

PART VII-CRIMINAL OFFENCES AND PROCEDURE

56. Penalty for executing instrument not duly stamped
57. Penalty for failure to cancel adhesive stamp
58. Penalty for not making out policy, or making one not duly stamped
59. Penalty for not drawing full number of bills or marine policies purporting to be in sets
60. Penalty for postdating bills, and for other devices to defraud Government of revenue
61. Offences in relation to stamps

PART VIII-MISCELLANEOUS

62. Books to be open to inspection
63. Re-characterisation of instruments under Islamic financial business
64. Power to amend Schedules

65. Regulations
66. Saving

SCHEDULES

Schedule 1 Currency Point
Schedule 2 Stamp Duty on instrument
Schedule 3 Expense of Providing Proper Stamp

CHAPTER 339

THE STAMP DUTY ACT

Commencement:1 July, 2014 all sections except items 8 and 63(b) of Schedule 2 which commenced on 24 October,2014

An Act to provide for stamp duty and related matters.

PARTI-INTERPRETATION

1. Interpretation

In this Act, unless the context otherwise requires—

“banker” includes a bank and any person acting as a banker under the Financial Institutions Act;

“bill of exchange” means a bill of exchange as defined by the Bills of Exchange Act;

“bill of exchange payable on demand” includes—

(a) an order for the payment of any sum of money by a bill of exchange or promissory note, or for the delivery of any bill of exchange or promissory note in satisfaction of any sum of money, or for the payment of any sum of money out of any particular fund which may or may not be available, or upon any condition or contingency which may or may not be performed or happen;

(b) an order for the payment of any sum of money; and

(c) a letter of credit;

“bill of lading” includes a “through bill of lading” but does not include a mate’s receipt;

“bond” includes—

(a) an instrument by which a person obliges himself or herself to pay money to another, on condition that the obligation shall be void if a specified act is performed, or is not performed, as the case may be;

(b) an instrument attested by a witness and not payable to order or bearer, by which a person obliges himself or herself to pay money to another; and

(c) an attested instrument by which a person obliges himself or herself to deliver grain or other agricultural produce to another;

“chargeable” means an instrument chargeable under this Act or any other law in force in Uganda when the instrument was executed or, where several persons executed the instrument at different times, first executed

“cheque” means a bill of exchange drawn on a specified banker and payable on demand;

“citizen” means—

(a) a natural person who is a citizen of a Partner State of East African Community;

(b) a company or a body of persons incorporated under the laws of a Partner State of the East African Community in which at least fifty-one percent of the shares are held by a person who is a citizen of a Partner State of East African Community;

“Commissioner General” means the Commissioner General appointed

under the Uganda Revenue Authority Act;

“conveyance” includes a conveyance on sale and every instrument by which movable or immovable property is transferred during the lifetime of the person transferring and which is not otherwise specifically provided for by this Act;

“conveyance on sale” includes every instrument and every decree or order of a court by which any property, or any estate or interest in any property, upon its sale is transferred to or vested in a purchaser, or any other person on behalf of the purchaser or by the direction of the purchaser;

“currency point” has the value assigned to it in Schedule 1;

“debenture” has the meaning assigned to it in the Companies Act;

“deed” includes an instrument which confers a right or passes an interest or gives a title or authority;

“duly stamped” as applied to an instrument, means—

(a) that the instrument bears an impressed stamp of the proper amount and that the stamp has been affixed or used in accordance with the law for the time being in force in Uganda;

(b) stamped in any manner prescribed by the Commissioner;

“executed” and “execution”, used with reference to instruments, mean “signed” and “signature” respectively;

“impressed stamp” includes—

(a) labels affixed and impressed by the officer;

(b) stamps embossed or engraved on stamped paper; and

(c) stamps of any other manner prescribed by the Commissioner;

“instrument” includes a document by which a right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded;

“instrument of partition” means an instrument by which co-owners of any property divide or agree to divide the property in severalty and includes a final order for effecting a partition passed by any court and an award by an arbitrator directing a partition;

“Islamic financial business" means financial business undertaken by a person that conforms to Shari'ah principles and includes—

(a)the business of receiving property into profit sharing investment accounts or of managing such accounts;

(b) any other business of a person which involves or is intended to involve the entry into one or more contracts under Shari'ah or otherwise carried out or purported to be carried out in accordance with Shari'ah principles including—

(i) equity or partnership financing;

(ii) lease-based financing;

(iii) sale-based financing;

(iv) currency exchange contracts; or

(v) fee-based activity;

(c) the purchase of bills of exchange, certificates of Islamic deposit or other negotiable instruments;

(d) the acceptance or guarantee of any liability, obligation or duty of any person; and

(e) the business of providing finance by all means, including through the acquisition, disposal or leasing of assets or through

the provision of services which have similar economic effect and are economically equivalent to any other financial business.

“lease” has the meaning assigned to it under the Registration of Titles Act;

“marketable security” means a security capable of being sold on a stock market;

“mate’s receipt” means a document signed by an officer of a vessel evidencing receipt of a document of a shipment on board the vessel not being a document of title and issued as an interim measure until a proper bill of lading can be issued;

“mortgage deed” includes an instrument by which, for the purpose of securing money advanced, or to be advanced, by way of loan, or an existing or future debt, or the performance of an engagement, one person transfers, or creates, to, or in favour of, another, a right over or in respect of specified property;

“officer” means a person whose right or duty it is to require the performance of, to perform, the acts referred to in this Act;

“policy of insurance” includes—

(a) an instrument by which one person, in consideration of a premium, engages to indemnify another person against loss, damage or liability arising from an unknown or contingent event; or

(b) a life policy, and a policy insuring a person against accident or sickness, and any other personal insurance;

“policy of sea insurance” or “sea policy”—

(a) means any insurance made upon a ship or vessel, or upon the machinery, tackle or furniture of a ship or vessel, or upon

goods, merchandise or property of any description on board of a ship or vessel, or upon the freight of, or any other interest which may be lawfully insured in, or relating to, a ship or vessel;

(b) includes any insurance of goods, merchandise or property for transit which includes, not only a sea risk within the meaning of subparagraph (a), but also any other risk incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance; and

(c) where any person, in consideration of any sum of money paid or to be paid for additional freight or otherwise, agrees to take upon himself or herself any risk attending goods, merchandise or property of any description while on board of any ship or vessel, or engages to indemnify the owner of any such goods, merchandise or property from any risk, loss or damage, the agreement or engagement shall be deemed to be a contract for sea insurance;

“power of attorney” includes an instrument empowering a specified person to act for and in the name of the person executing it;

“promissory note” has the meaning assigned to it in the Bills of Exchange Act;

“receipt” includes a note, memorandum or writing whether the note, memorandum or writing is or is not signed with the name of a person—

(a) by which any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received;

(b) by which any other movable property is acknowledged to have been received in satisfaction of a debt;

(c) by which a debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged; or

(d) which signifies or imports the acknowledgement;

“Revenue Authority” means the Uganda Revenue Authority established under the Uganda Revenue Authority Act;

“settlement” means a non-testamentary disposition in writing of movable or immovable property made—

(a) in consideration of marriage;

(b) for the purpose of distributing property of the settlor among his or her family or those for whom he or she desires to provide, or for the purpose of providing for some person dependent on him or her; or

(c) for any religious or charitable purpose, and includes an agreement in writing to make such a disposition, and where any such disposition has not been made in writing any instrument recording, whether by way of declaration of trust or otherwise, the terms of any such disposition;

“takaful" means insurance business conducted in accordance with Shari'ah principles;

“tribunal” means the Tax Appeals Tribunal established under the Tax Appeals Tribunal Act.

PART II-STAMP DUTY

Liability of instruments to duty

2. Instruments chargeable with duty[156]

(1) Subject to this Act, the following instruments shall be chargeable with duty in accordance with Schedule 2 to this Act—

[156] UAP Old Mutual Insurance Limited v URA, TAT Application No. 105 of 2023. Decided on 14 February 2025.

(a) every instrument mentioned in Schedule 2 to this Act which, not having been previously executed by a person, is executed in Uganda and relates to property situated, or to a matter or thing done or to be done, in Uganda;

(b) a bill of exchange, cheque or promissory note drawn or made outside Uganda and accepted or paid, or presented for acceptance or payment, or endorsed, transferred or otherwise negotiated, in Uganda; and

(c) every instrument, other than a bill of exchange, cheque or promissory note, mentioned in Schedule 2 to this Act, which, not having been previously executed by any person, is executed outside Uganda and relates to property situated, or to a matter or thing done or to be done, in Uganda and is received in Uganda.

(2) Notwithstanding subsection (1), duty is not chargeable in respect of an instrument executed by, or on behalf of, or in favour of, the Government in any case where, but for this exemption, the Government would be liable to pay the duty chargeable in respect of the instrument.

(3) Notwithstanding subsection (1), duty is not chargeable in respect of an instrument executed by, or on behalf of, or in favour of institutions that are listed in Schedule 2 of the Income Tax Act and organisations listed in Schedule 2 of the Value Added Tax Act, in any case where but for this exemption, the institution or organisation would be liable to pay the duty chargeable in respect of the instrument.

3. Several instruments used in single transaction of sale, mortgage or settlement

(1) Where, in the case of a sale, mortgage or settlement, several instruments are employed for completing the transaction—

(a) the principal instrument only shall be chargeable with the duty prescribed in Schedule 2 to this Act for that conveyance, mortgage or settlement; and

(b) each of the other instruments shall be chargeable with a duty specified in Schedule 2 to this Act.

(2) Notwithstanding subsection (1), a power of attorney empowering a person to execute or to register a sale, mortgage or settlement shall be chargeable with the duty prescribed in Schedule 2 to this Act, for the power of attorney.

(3) The parties may determine for themselves which of the instruments for the purposes of subsection (1), shall be considered the principal instruments but only if the duty chargeable on the instrument determined shall be the highest duty which would be chargeable in respect of any of the instruments employed.

(4) An instrument modifying the terms of a mortgage in respect of the reduction of the principal or raising or reducing the rate of interest or varying the terms of repayment of the principal shall be charged duty as an agreement.

4. Instruments relating to several distinct matters

An instrument comprising or relating to several distinct matters shall be chargeable with the total amount of the duties with which the separate instruments, each comprising or relating to one of such matters, would be chargeable under this Act.

5. Instruments coming within several descriptions in Schedule 2

(1) Subject to section 3, an instrument so framed as to come within two or more of the descriptions in Schedule 2 to this Act shall, where the duties chargeable under those descriptions are different, be chargeable only with the highest of the duties.

(2) Notwithstanding subsection (1), this Act shall not render chargeable with the duty prescribed in Schedule 2 to this Act in respect of a counterpart or duplicate of an instrument in respect of which the proper duty has been paid.

6. Marine insurance contract to be expressed in marine policy

A contract for marine insurance shall not be valid unless it is expressed in a marine policy in accordance with the law relating to marine insurance.

7. Persons carrying on insurance business to file returns

(1) A person carrying on the business of insurance shall file monthly returns with the Commissioner of all sums received in respect of premiums and stamp duty paid on the policies of insurance.

(2) Notwithstanding subsection (1), a manager of a takaful business shall file with the Commissioner, monthly returns of all sums received in respect of contributions and stamp duty paid on the policies of takaful on behalf of the participants in each group in the takaful business.

(3) On the basis of the monthly returns filed under subsection (1), the Commissioner shall ascertain that the person has paid the proper duty.

(4) Where a person fails to deliver the returns under this section, the person shall pay simple interest of two percent of the duty payable for every month during which the failure continues.

8. Stamp duty on capital of companies

(1) Where a company is to be incorporated in Uganda with limited liability, or where the nominal share capital of a company incorporated in Uganda is to be increased, there shall be delivered, as the case may be, to the Registrar of Companies—

(a) a statement of the amount which is to form the nominal share capital of the company to be incorporated; or

(b) a statement of the increase of the nominal share capital which may embody the notice of increased capital required by the Companies Act.

(2) The statements referred to in subsection (1) shall be charged with duty as specified in Schedule 2 to this Act.

(3) The statement of the amount of any increase of nominal capital which is required to be delivered under subsection(1)(b) —

(a) shall be delivered to the Registrar of Companies within thirty days after the passing of the resolution authorising the increase; and

(b) in default of delivery, the duty, with simple interest on the duty at the rate of two percent per year from the passing of the resolution, shall be recoverable summarily as a civil debt from the company.

Duty by whom payable

9. Expense of providing stamp

The expense of providing the proper stamp shall be as set out in Schedule 3 to this Act.

Stamps and mode of using them

10. Duties, how to be paid

Except as expressly provided in this Act, all duties with which any instruments are chargeable shall be paid, and the payment shall be evidenced in a manner the Minister may prescribe.

11. Denoting duty

Where the duty with which an instrument is chargeable, or its exemption from duty, depends upon the duty actually paid in respect of another instrument, the payment of the last mentioned duty shall, if application is made in writing to the Commissioner for that purpose, and on production of both the instruments, be denoted upon the first mentioned instrument by endorsement in the prescribed form by the Commissioner.

12. Provisions relating to duplicates and counterparts

The duty on a counterpart of duplicates on an instrument, other than a lease, shall not be taken as paid or exemption granted unless duty has been paid or exemption granted in respect of the original instrument.

Time of stamping documents

13. Instruments executed in Uganda

An instrument chargeable with duty which is executed by a person in Uganda shall be stamped within forty-five days of execution.

14. Instruments executed outside Uganda

(1) An instrument chargeable with duty which is wholly executed outside Uganda shall be stamped within thirty days of being received in Uganda.

(2) Notwithstanding subsection (1), a promissory note or bill of exchange payable on demand or at not more than thirty days from sight or date shall be stamped within seven days of being received in Uganda.

15. Bills and notes drawn outside Uganda

(1) The first holder in Uganda of a bill of exchange or promissory note drawn or made outside Uganda shall, before he or she presents it for acceptance or payment, or endorses, transfers or otherwise negotiates it in Uganda, affix to it the proper stamp and cancel the stamp in the manner prescribed under this Act.

(2) Notwithstanding subsection (1), if at the time the bill of exchange, or note comes into the hands of a holder in Uganda—

(a) the proper stamp is affixed to it and cancelled in the manner prescribed; and

(b) the holder has no reason to believe that the stamp was affixed or cancelled otherwise than by the person and at

the time required by this Act,

the stamp shall, so far as relates to that holder, be taken to have been duly affixed and cancelled.

(3) Subsection (2) does not relieve a person from a penalty incurred by him or her for omitting to affix or cancel a stamp.

Valuations for duty

16. Conversion of amount expressed in foreign currencies

Where an instrument is chargeable with duty in respect of any money expressed in a currency other than that of Uganda, the duty shall be calculated on the value of the money in the currency of Uganda according to the Bank of Uganda exchange rate applying between the currency and the Uganda Shilling on the date of execution of the instrument.

17. Stock and marketable securities, how to be valued

(1) Where an instrument is chargeable with duty in respect of any stock or of any marketable or other security, the duty shall be calculated on the value of the stock or security according to the average price or the value of the stock or security on the date of the instrument.

(2) Notwithstanding subsection (1), where the consideration for a conveyance or transfer of property is stock or any marketable or other security and in the opinion of the Commissioner the consideration is inadequate, having regard to the value of the stock or security calculated as provided in subsection (1), duty shall be charged on the value of the property to be conveyed or transferred.

18. Effect of statement of rate of exchange or average price

Where an instrument contains a statement of the current rate of exchange, or average price, as the case may require, and is stamped in accordance with the statement, it shall, so far as regards the subject matter of the statement, be presumed, until the contrary is proved, to be duly stamped.

19. Instruments reserving interest

Where interest is expressly made payable by the terms of an instrument, the instrument shall not be chargeable with duty higher than that with which it would have been chargeable had no mention of interest been made in the instrument.

20. Certain instruments connected with mortgages of marketable securities to be chargeable as agreements

(1) Where an instrument, other than a promissory note or bill of exchange -

(a) is given upon the occasion of the deposit of a marketable security by way of security for money advanced or to be advanced by way of loan, or for an existing or future debt; or

(b) makes redeemable or qualifies a duly stamped transfer intended as a security, of a marketable security,

it shall be chargeable with duty as if it were an agreement or memorandum of an agreement chargeable with duty under Schedule 2 to this Act.

(2) A release or discharge of an instrument shall be chargeable with the same duty as that of the instrument.

21. How transfer in consideration of debt or subject to future payment to be charged

(1) Where property is transferred to a person in consideration, wholly or in part, of any debt due to the person, or subject either certainly or contingently to the payment or transfer of any money or stock, whether being or constituting a charge or incumbrance upon the property or not, the debt, money or stock is to be taken as the whole or part, as the case may be, of the consideration in respect of which the transfer is chargeable with duty.

(2) Subsection (1) does not apply to a certificate of sale mentioned in Schedule 2 to this Act.

(3) In the case of a sale of property subject to a mortgage or other incumbrance, any unpaid mortgage money or money charged, together with the interest, if any, due on the incumbrance, shall be taken to be part of the consideration for the sale.

(4) Where property subject to a mortgage is transferred to the mortgagee, the mortgagee shall be entitled to deduct from the duty payable on the transfer, the amount of any duty already paid in respect of the mortgage.

22. Valuation in case of annuity

Where an instrument is executed to secure the payment of an annuity or other sum payable periodically, or where the consideration for a conveyance is an annuity or other sum payable periodically, the amount secured by the instrument or the consideration for the conveyance, as the case may be, shall, for the purposes of this Act, be considered to be-

(a) where the sum is payable for a definite period so that the total amount to be paid can be previously ascertained, such total amount;

(b) where the sum is payable in perpetuity or for an indefinite time not terminable with any life in being at the date of the instrument or conveyance, the total amount which, according to the terms of the instrument or conveyance, will or may be payable during the period of twenty years calculated from the date on which the first payment becomes due; and

(c) where the sum is payable for an indefinite time terminable with any life in being at the date of the instrument or conveyance, the maximum amount which will or may be payable as described in paragraph (b) during the period of twelve years calculated from the date on which the first payment becomes due.

23. Facts affecting duty to be set forth in instrument

(1) The consideration, if any, and all other facts and circumstances

affecting the chargeability of an instrument with duty, or the amount of the duty with which it is chargeable, shall be set out in the instrument.

(2) The Commissioner may require a person executing or a person employed or concerned in the preparation of an instrument to give evidence on oath or by affidavit that the facts and circumstances in the instrument are fully and truthfully set out and for that purpose the Commissioner may administer an oath.

(3) A person who, with intent to defraud the Government—

(a) executes an instrument in which all the facts and circumstances required by this section to be set out in the instrument are not fully and truly set out;

(b) being employed or concerned in or about the preparation of any instrument, neglects or omits fully and truly to set out all the facts and circumstances; or

(c) does any other act calculated to deprive the Government of any duty or penalty under this Act,

commits an offence is and liable on conviction to a fine not exceeding one hundred currency points.

24. Direction as to duty in case of certain conveyances

(1) Where any property has been contracted to be sold for one consideration for the whole, and is conveyed to the purchaser in separate parts by different instruments, the consideration shall be apportioned in a manner as the parties think fit.

(2) A distinct consideration for each separate part is set out in the conveyance relating to each part, and each conveyance shall be chargeable with duty in respect of the distinct consideration set out.

(3) Where property contracted—

(a) to be purchased for one consideration for the whole by two or more persons jointly; or

(b) by any person for himself or herself and others, or wholly for others, is conveyed in parts by separate instruments to the persons by or for whom the property was purchased, for distinct parts of the consideration, the conveyance of each separate part shall be chargeable with duty in respect of the distinct part of the consideration specified in the instrument.

(4) Where a person—

(a) having contracted for the purchase of any property but not having obtained a conveyance of the property, contracts to sell it to any other person; and

(b) the property is in consequence conveyed immediately to the sub-purchaser, the conveyance shall be chargeable with duty in respect of the consideration for the sale by the original purchaser to the sub -purchaser.

(5) Where a person contracts for the purchase of property but not having obtained a conveyance of the property, contracts to sell the whole, or any part of it, to any other person and the property is in consequence conveyed by the original seller to different persons in parts, the conveyance of each part sold to a sub-purchaser shall be chargeable with duty in respect only of the consideration paid by that sub-purchaser without regard to the amount or value of the original consideration.

(6) The conveyance of the residue, if any, of the property to the original purchaser shall be chargeable with duty in respect only of the excess of the original consideration over the aggregate of the considerations paid by the sub -purchasers.

(7) Where a sub-purchaser takes an actual conveyance of the interest of the person immediately selling to him or her, which is chargeable with duty in respect of the consideration paid by him or her and is

duly stamped accordingly, any conveyance to be made afterwards to him or her of the same property by the original seller shall be chargeable with a duty equal to that which would be chargeable on a conveyance for the consideration obtained by the original seller.

25. Reconstruction or amalgamation of companies

(1) Where, in connection with a reconstruction of a company or the amalgamation of companies it is shown to the satisfaction of the Commissioner that there exists the conditions mentioned in subsection (4), subject to this section—

(a) the nominal share capital of the transferee company, or the amount by which the capital of the transferee company has been increased, as the case may be, shall, for the purpose of computing the stamp duty chargeable in respect of that capital, be treated as being reduced by either—

(i) an amount equal to the amount of the share capital of the existing company, or, in the case of the acquisition of a part of an undertaking, equal to that proportion of the share capital as the value of that part of the undertaking bears to the whole value of the undertaking; or

(ii) the amount to be credited as paid-up on the shares to be issued as such consideration and on the shares, if any, to be issued to creditors of the existing company in consideration of the release of debts due or accruing due to them from the existing company or of the assignment of the debts to the transferee company, whichever amount is the less; and

(b) stamp duty in Schedule 2 to this Act shall not be chargeable on any instrument made for the purposes of or in connection with the transfer of the undertaking or shares, or on an instrument made for the purpose of or in connection with the assignment to the transferee company of debts, secured or unsecured, of the existing company, nor shall such duty be chargeable on an

instrument vesting, or relating to the vesting of, the undertaking or shares in the transferee company.

(2) An instrument under subsection (1) shall not be considered to be duly stamped unless-

(a) it is stamped with the duty to which it would but for this section be liable; and

(b) in the case of an instrument made for the purposes of or in connection with a transfer to a company within the meaning of the Companies Act, subsection (1)(b) shall not apply unless the instrument is either executed within twelve months from the date of the registration of the transferee company or the date of the resolution for the increase of the nominal share capital of the transferee company, as the case may be; or made for the purpose of effecting a conveyance or transfer in pursuance of an agreement which has been filed, or particulars of which have been filed, with the Registrar of Companies within the period of twelve months.

(3) Subsection (2) shall not, except in the case of a debt due to a bank or to a trade creditor, apply to a debt which was incurred less than two years before the proper time for making a claim for exemption under this section.

(4) The conditions referred to in subsection (1) are—

(a) that a company with a limited liability is to be registered, or that a company has been incorporated by an Act of Parliament, or the nominal share capital of a company has been increased;

(b) that the company, in this section referred to as "the transferee company", is to be registered or has been incorporated or has increased its capital with a view to the acquisition either of the undertaking of, or of not less than ninety percent of the issued share capital of, any particular existing company;

(c) that the consideration for the acquisition, except that part of it

as consists in the transfer to or discharge by the transferee company of liabilities of the existing company, consists of not less than ninety percent where an undertaking is to be acquired, in the issue of shares in the transferee company to the existing company or to holders of shares in the existing company; or where shares are to be acquired, in the issue of shares in the transferee company to the holders of shares in the existing company in exchange for the shares held by them in the existing company.

(5) For the purposes of a claim for exemption under subsection (1)(b), a company which has, in connection with a scheme of reconstruction or amalgamation, issued any unissued share capital shall be treated as if it had increased its nominal share capital.

(6) A company shall not be considered to be a particular existing company within the meaning of this section unless—

(a) it is provided by the memorandum of association of, or an Act of Parliament incorporating the transferee company, that one of the objects for which the company is established is the acquisition of the undertaking of, or shares in, the existing company; or

(b) unless it appears from the resolution, Act of Parliament or other authority for the increase of the capital of the transferee company that the increase is authorised for the purpose of acquiring the undertaking of, or shares in, the existing company.

(7) In a case where the undertakings of, or shares in two or more companies are to be acquired, the amount of the reduction to be allowed under this section in respect of the stamp duty chargeable in respect of the nominal share capital or the increase of the capital of a company shall be computed separately in relation to each of those companies.

(8) In this section, unless the context otherwise requires—

(a) references to the undertaking of an existing company include references to a part of the undertaking of an existing company; and

(b) "shares" includes stock.

26. Transfers between associated companies

(1) Stamp duty under Schedule 2 shall not be chargeable on an instrument to which this section applies.

(2) This section applies to an instrument in respect of which it is shown to the satisfaction of the Commissioner—

(a) that the effect of the instrument is to convey or transfer a beneficial interest in property from one company with limited liability, in this section called “the transferor”, to another company, in this section called “the transferee”;

(b) that either—

(i) one of the companies is the beneficial owner of not less than 90 percent of the issued share capital of the other company; or

(ii) not less than 90 percent of the issued share capital of each of the companies is in the beneficial ownership of a third company with limited liability; and

(c) that the instrument was not executed in furtherance of or in connection with an arrangement under which—

(i) the consideration for the conveyance or transfer was to be provided directly or indirectly by a person other than a company which at the time of the execution of the instrument was associated with either the transferor or the transferee; or

(ii) the beneficial interest in the property was previously

conveyed or transferred directly or indirectly by such a person.

27. Transfers during lifetime of person transferring

(1) A conveyance or transfer operating as a voluntary disposition during the lifetime of the person transferring shall be chargeable with the stamp duty as if it were a conveyance or transfer on sale with the substitution in each case of the value of the property conveyed or transferred for the amount or value of the consideration for the sale.

(2) Where an instrument is chargeable with duty both as a conveyance or transfer under this section and as a settlement under Schedule 2 to this Act, the instrument shall be charged with duty as a conveyance or transfer under this section but not as a settlement.

(3) A conveyance or transfer, not being a disposition made in favour of a purchaser or incumbrancer or other person in good faith and for valuable consideration, shall for the purpose of this section be taken to be a conveyance or transfer operating as a voluntary disposition during the lifetime of the person transferring.

PART III-DETERMINATION AS TO STAMPS

28. Determination as to proper stamp

(1) Where an instrument, whether executed or not and whether previously stamped or not, is brought to the officer, and the person bringing it applies to have the opinion of that officer as to the duty, if any, with which it is chargeable and pays the prescribed fee the officer shall determine the duty, if any, with which, in his or her judgment, the instrument is chargeable.

(2) For the purposes of subsection (1), the officer may require to be furnished with an abstract of the instrument, an affidavit or other evidence as he or she may consider necessary to prove that all the facts and circumstances affecting the chargeability of the instrument with duty, or the amount of the duty with which it is chargeable, are

fully and truly set out in it.

(3) An officer may refuse to proceed upon an application until the abstract and evidence have been furnished.

(4) Any evidence furnished under this section shall not be used against a person in any civil proceeding, except in an inquiry as to the duty with which the instrument to which it relates is chargeable, and every person by whom any such evidence is furnished shall, on payment of the full duty with which the instrument to which it relates is chargeable, be relieved from any penalty which he or she may have incurred under this Act by reason of the omission to state truly in the instrument any of the facts or circumstances required.

29. Certificate by Uganda Revenue Authority

(1) Where an instrument brought to the officer under section 27 is, in opinion of the officer, one of a description chargeable with duty, and—

(a) that officer determines that the duty is already fully stamped; or

(b) the duty determined by that officer under section 27or such sum as, with the duty already paid in respect of the instrument, is equal to the duty determined, has been paid, that officer shall certify by endorsement on the instrument that the full duty, stating the amount, with which it is chargeable has been paid.

(2) Where the instrument is in opinion of the officer not chargeable with duty the officer shall certify in the manner provided in subsection (1) that the instrument is not chargeable to duty.

(3) An instrument upon which an endorsement has been made under this section—

(a) shall be taken to be duly stamped or not chargeable with duty, as the case may be, and,

(b) if chargeable with duty, shall be receivable in evidence or

otherwise, and may be acted upon and registered as if it had been originally duly stamped.

(4) This section does not authorise the Commissioner to endorse—

(a) an instrument executed or first executed in Uganda and brought to the Commissioner after the expiration of one month from the date of its execution or first execution, as the case may be;

(b) an instrument executed or first executed outside Uganda and brought to him or her after the expiration of three months after it has been first received in Uganda; or

(c) an instrument chargeable with the duty or under or any bill of exchange or promissory note, when brought to him or her, after the drawing or execution, not duly stamped.

PART IV-INSTRUMENTS NOT DULY STAMPED

30. Examination and impounding of instruments

(1) A person—

(a) who by law or consent of the parties has authority to receive evidence; and

(b) a person in charge of a public office, except a police officer, before whom an instrument chargeable, in his or her opinion, with duty, is produced or comes in the performance of his or her functions, shall, if it appears to that person that the instrument is not duly stamped, impound it.

(2) A person mentioned in subsection (1) shall examine every instrument produced or coming before him or her, in order to ascertain whether it is stamped with a stamp of the value and description required by law when the instrument was executed or first executed.

(3) This section shall not—

(a) be taken to require a judge or magistrate of a criminal court to examine or impound, if he or she does not think fit so to do, any instrument coming before him or her in the course of any proceeding; or

(b) be taken to require a magistrate or justice of the peace to examine or impound a document coming before him or her in the course of taking an affidavit or exercising or performing any of the other powers or duties of a notary public or commissioner for oaths.

(4) In the case of a judge of the High Court, the duty of examining and impounding an instrument under this section may be delegated to an officer appointed by the court for the purpose.

(5) For the purposes of this section, in case of doubt, the Minister may determine what offices shall be taken to be public offices, and who shall be taken to be persons in charge of public offices.

31. Instruments not duly stamped inadmissible in evidence

(1) An instrument chargeable with duty shall not—

(a) be admitted in evidence for any purpose by a person who has by law or consent of the parties' authority to receive evidence; or

(b) be acted upon, registered or authenticated by a person, or by a public officer,

unless the instrument is duly stamped.

(2) An instrument other than a cheque, or a bill of exchange, presented for acceptance, accepted or payable outside Uganda, or a promissory note, shall subject to all just exceptions be admitted in evidence on payment of the duty with which the instrument is chargeable, or, in the ease of an instrument which is insufficiently

stamped, of the amount required to make up the duty, together with the prescribed penalty, but—

(a) where a person from whom a stamped receipt could have been demanded has given an unstamped receipt, and that receipt, if stamped, would be admissible in evidence against him or her, then the receipt shall be admitted in evidence against him or her on payment of the prescribed penalty by the person tendering it:

(b) where a contract or agreement of any kind is effected by correspondence consisting of two or more letters and any of the letters bears the proper stamp, the contract or agreement shall be taken to be duly stamped;

(c) this section shall not prevent the admission of an instrument in evidence in any proceeding in a criminal court;

(d) this section shall not prevent the admission of an instrument in of the Government, or where it bears the authentic certificate of the Uganda Revenue Authority as provided by this Act.

32. Where admission of instrument not to be questioned

Where an instrument has been admitted in evidence, the admission shall not, except as otherwise provided in this Act, be called in question at any stage of the same suit or proceeding on the ground that the instrument has not been duly stamped.

33. Instruments impounded, how dealt with

(1) When the person impounding an instrument under this Act has by law or consent of the parties—

(a) authority to receive evidence and admits the instrument in evidence upon payment of the duty with which the instrument is chargeable; or

(b) in the case of an instrument insufficiently stamped, of the amount required to make up such duty together with the

prescribed penalty, that person shall send to the Commissioner an authenticated copy of the instrument, together with a certificate in writing, stating the amount of duty and penalty levied in respect of the instrument, and shall send the amount to the Commissioner, or to the person appointed by the Commissioner for the purpose.

(2) In every other case, the person impounding an instrument shall send it in the original form to the Commissioner.

34. Power of Commissioner to stamp instruments impounded

(1) Where the Commissioner impounds an instrument under this Act or receives an instrument sent to him or her, not being an instrument chargeable with a duty, or a bill of exchange or promissory note, the Commissioner shall adopt the following procedure—

(a) if the Commissioner is of opinion that the instrument is duly stamped, or is not chargeable with duty, he or she shall certify by endorsement on it that it is duly stamped, or that it is not chargeable to duty; or

(b) if the Commissioner is of opinion that the instrument is chargeable with duty and is not duly stamped, he or she shall require the payment of the proper duty or the amount required to make up that duty, together with the prescribed penalty.

(2) Notwithstanding subsection (1), where an instrument has been impounded only because it has been written in contravention of a provision of this Act, the Commissioner may remit the whole penalty prescribed by this Act.

(3) A certificate under this section is, for the purposes of this Act, conclusive evidence of the matters stated in the certificate.

35. Instruments unduly stamped by accident

Where an instrument chargeable with duty is not duly stamped, or a bill of exchange or promissory note, is produced by a person of his or her own motion before the Commissioner within one year from the date of its

execution or first execution, and that person brings to the notice of the Commissioner the fact that the instrument is not duly stamped and offers to pay to the Commissioner the amount of the proper duty, or the amount required to make up that duty, and the Commissioner is satisfied that the omission duly to stamp the instrument has been occasioned by accident, mistake or urgent necessity, the Commissioner may waive the penalty due.

36. Endorsement of instruments on which duty has been paid

(1) Where the duty and penalty, if any, leviable in respect of an instrument has been paid under this Act, the person admitting the instrument in evidence or the Commissioner—

(a) shall certify by endorsement on the instrument that the proper duty or, as the case may be, the penalty, stating the amount of each, has or have been levied in respect of the instrument; and

(b) the name and residence of the person making payment.

(2) An instrument endorsed under subsection (1) —

(a) shall be admissible in evidence, and may be registered and acted upon and authenticated as if it had been duly stamped; and

(b) shall be delivered on his or her application to the person from whose possession it came into the hands of the officer impounding it, or as that person may direct.

(3) Notwithstanding anything in this section, an instrument which has not been admitted in evidence shall not, upon payment of duty, be delivered before the expiration of one month from the date of its impounding, or if the Uganda Revenue Authority has certified that its further detention is necessary and has not cancelled the certificate.

37. Prosecution for offence under Act

(1) The taking of proceedings or the payment of a penalty under this Act in respect of an instrument shall not bar the prosecution of a person who appears to have committed an offence under this Act in respect of the instrument.

(2) Notwithstanding subsection (1), a prosecution shall not be instituted in the case of an instrument in respect of which a penalty has been paid, unless it appears to the Commissioner that the offence was committed with an intention of evading payment of the proper duty.

38. Persons paying duty or penalty may recover it in certain cases

(1) Where a duty or penalty has been paid under this Act by a person in respect of an instrument, and, by agreement or any other enactment in force at the time the instrument was executed, some other person was bound to bear the expense of providing the proper stamp for the instrument, the first mentioned person shall be entitled to recover from that other person the amount of the duty or penalty paid.

(2) For the purpose of the recovery, a certificate granted in respect of the instrument under this Act shall be conclusive evidence of the matters certified in it.

(3) A person may claim a refund of duty paid in error on an instrument which is not dutiable within one year after the date the duty was paid.

(4) The amount referred to in subsection (1) may, if the court deems fit, be included in an order as to costs in any suit or proceeding to which the persons are parties and in which the instrument has been tendered in evidence but if the court does not include the amount in the order, no further proceedings for the recovery of the amount shall be maintainable.

39. Power of Commissioner to refund penalty or excess duty in certain cases

(1) A person may apply to the Commissioner for a refund of stamp duty paid in excess of the proper duty payable on an instrument.

(2) An application for a refund under this section shall be made to the Commissioner within three months from the date of the payment of the stamp duty.

(3) Where, in the opinion of the Commissioner, stamp duty in excess of that which is legally chargeable has been charged and paid, the Commissioner may—

(a) apply the excess in reduction of any other tax due from the person;

(b) apply the balance of the excess, if any, in reduction of any outstanding of the person to pay any other taxes not in dispute; and

(c) refund the remainder, if any, to the person.

(4) The Commissioner shall, within thirty days of making a decision under this section, serve the person applying for a refund, a notice of the decision, in writing.

(5) A person dissatisfied with a decision of the Commissioner under this section may challenge the decision under the objection and appeals procedure set out in this Act.

40. Non-liability for loss of instruments

(1) Where an instrument sent to the Commissioner under this Act is lost, destroyed or damaged during transmission, the person sending it shall not be liable for the loss, destruction or damage.

(2) Where an instrument is about to be sent, the person from whose possession it came into the hands of the person impounding it, the

person at the expense of the first mentioned person and authenticated by the person impounding the instrument.

PART V-ALLOWANCES FOR SPOILED STAMPS IN CERTAIN CASES

41. Allowance for spoiled stamps

The Commissioner may, on application in the prescribed form make allowance for stamps spoiled in the following cases—

(a) the stamp on any paper inadvertently and undersigned spoiled, obliterated or by error in writing or any other means rendered unfit for the purpose intended before an instrument written on the paper is executed by any person;

(b) the stamp on a document which is written out wholly or in part, but which is not signed or executed by a party to the document;

(c) in the case of bills of exchange, cheques or promissory notes—

(i) the stamp on a bill of exchange or cheque signed by or on behalf of the drawer which has not been accepted or made use of in a manner or delivered out of the drawers' hands for any purpose other than by way of tender for acceptance, if the paper on which that stamp is impressed does not bear a signature intended as or for the acceptance of a bill of exchange or cheque to be written on it afterwards;

(ii) the stamp on a promissory note signed by or on behalf of the maker which has not been made use of in any manner or delivered out of the makers' hands;

(iii) the stamp used or intended to be used for a bill of exchange, cheque or promissory note signed by, or on behalf of, its drawer, but which from any omission or error has been spoiled or rendered useless, although in the case of a bill of exchange or cheque, it may have been presented for acceptance or accepted or endorsed, or, being a promissory note, may have been delivered to the

payee, if another completed and duly stamped bill of exchange, cheque or promissory note is produced identical in every particular, except in the correction of the omission or error, with the spoiled bill, cheque or promissory note;

(d) the stamp used for an instrument, executed by a party to it, which—

(i) is afterwards found to be void;

(ii) is afterwards found unfit by reason of an error or mistake in it, or the purpose originally intended;

(iii) by reason of the death of a person by whom it is necessary that it should be executed without having executed it, or of the refusal of the person to execute it, cannot be completed so as to effect the intended transaction in the form proposed;

(iv) for want of its execution by some material party, and his or her inability or refusal to sign it, is in fact incomplete and insufficient for the purpose for which it was intended;

(v) by reason of the refusal of a person to act under the instrument, or to advance any money intended to be secured by it, or by the refusal or not of any office granted by it, totally fails for the intended purpose;

(vi) becomes useless in consequence of the transaction intended to be effected by it being effected by some other instrument between the same parties and bearing a stamp of not less value;

(vii) is deficient in value and the transaction intended to be effected by the instrument has been effected by some other instrument between the same parties and bearing a stamp of not less value; or

(viii) is inadvertently and undesignedly spoiled, and instead of

which another instrument made between the same parties and for the same purpose is executed and duly stamped, if in the case of an executed instrument, no legal proceeding has been commenced in which the instrument could or would have been given or offered in evidence, and if the instrument is given up to be cancelled.

42. Allowance in case of printed forms no longer required by corporations

The Commissioner may make allowance for stamped papers used for printed forms of instruments by a banker or by an incorporated company or other body corporate, if for any sufficient reason the forms have ceased to be required by the banker, company or body corporate, if the Commissioner is satisfied that the duty in respect of the stamped papers has been duly paid.

43. Allowance for misused stamps

Where—

(a) a person has inadvertently used for an instrument chargeable with duty, a stamp of a description other than that prescribed for the instrument by this Act, or a stamp of greater value than was necessary, or has inadvertently used a stamp for an instrument not chargeable with duty; or

(b) a stamp used for an instrument is inadvertently rendered useless because that instrument is written in contravention of this Act,

the Commissioner may, on application made within six months after the date of the instrument, or, if it is not dated, within six months after its execution by the person by whom it was first or alone executed, and upon the instrument, if chargeable with duty, being re-stamped with the proper duty, cancel and allow as spoiled the stamp misused or rendered useless.

44. Allowance for spoiled or misused stamps, how to be made

Where allowance is made for spoiled or misused stamps, the Commissioner may give in place of the spoiled or misused stamp, other stamps of the same description and value or if the Commissioner thinks fit, stamps of any other description to the same amount in value or at the discretion of the Commissioner, the same value in money.

45. Allowance on renewal of certain debentures

(1) Where a duly stamped debenture is renewed by the issue of a new debenture in the same terms, the Commissioner shall, upon application made within one month after the renewal, repay to the person issuing the debenture the value of the stamp on the original or on the new debenture, whichever is the less, if the original debenture is produced before the Commissioner and cancelled by him or her in the manner determined by the Commissioner.

(2) A debenture shall be taken to be renewed in the same terms within the meaning of this section notwithstanding the following changes—

(a) the issue of two or more debentures in place of one original debenture where the total amount secured is the same;

(b) debentures, where the total amount secured is the same;

(c) the substitution of the name of the holder at the time of renewal for the name of the original holder; or

(d) the alteration of the rate of interest or the dates of payment of the debenture.

PART VI-OBJECTIONS AND APPEALS

46. Objection to decision

(1) Where a person liable to pay duty is dissatisfied with a decision made under this Act, that person may, within forty-five days after service of the notice of the decision, lodge with the Commissioner an objection to the decision.

(2) An objection to a decision shall be in writing and state precisely the grounds upon which it is made.

(3) Where a person fails to lodge an objection within the period stated in subsection (1), the Commissioner may, upon application in writing by the person liable to pay duty, extend the time for lodging an objection.

(4) An application under subsection (3) shall only be granted where the Commissioner is satisfied that the failure of the person to lodge an objection was due to absence from Uganda, sickness or other reasonable cause.

(5) Where the Commissioner refuses to grant an extension of time under subsection (3), the person liable to pay duty may, within thirty days after service of notice of the decision, apply to the Tribunal for a review of the decision.

(6) After consideration of the objection to the decision, the Commissioner may allow the objection in whole or in part and amend the decision accordingly, or disallow the objection.

(7) The decision of the Commissioner under subsection (6) shall be referred to as an “objection decision”.

(8) Where an objection decision has not been made by the Commissioner within thirty days after the person lodged the objection with the Commissioner, the person may, by notice in writing to the Commissioner, elect to treat the Commissioner as having made a decision to allow the objection.[157]

(9) A person shall be taken to have served the Commissioner with the notice of the election under subsection (8) on the date the notice of the person’s election is lodged with the Commissioner.

---

[157] Standard Chartered Bank Limited v URA, TAT Application No. 152 of 2022. Decided on 08 May 2025.

47. Appeal to Tribunal

(1) A person dissatisfied with an objection decision may, within thirty days after being served with notice of the objection decision, lodge an application with the Tribunal for review of the objection decision and shall serve a copy of the application on the Commissioner.

(2) An appeal lodged under subsection (1) shall be conducted in accordance with the Tax Appeals Tribunals Act.

(3) A person shall, before lodging an application with the Tribunal, pay to the Commissioner, thirty percent of the duty in dispute or that part of the duty assessed which is not in dispute, whichever is the greater.

48. Appeal to High Court

(1) A party who is dissatisfied with the decision of the tribunal may, within thirty days after being notified of the decision, lodge a notice of appeal with the Registrar of the High Court and the party appealing shall serve a copy of the notice of appeal on the other party to the proceedings before the tribunal.

(2) An appeal to the High Court shall be made on a question of law only and the notice of the appeal shall state the question or questions of law that are to be raised on the appeal.

(3) An appeal under subsection (1) to the High Court shall be made by lodging a notice of appeal with the registrar of the High Court within forty-five days after service of notice of the objection decision.

(4) A person who has lodged a notice of appeal with the registrar of the High Court shall, within five working days after doing so, serve a copy of the notice of appeal on the Commissioner.

49. Appeal to Court of Appeal

A party to a proceeding before the High Court who is dissatisfied with the decision of the High Court may, with leave of the Court of Appeal, appeal against the decision to the Court of Appeal.

50. Burden of proof

The burden of proof in a review of an objection decision is on the person liable to pay duty, on the balance of probabilities as to the extent to which the objection decision made by the Commissioner is excessive or erroneous, whichever is the case in dispute.

51. Duty as debt due to Government

(1) Duty, when it becomes due and payable, is a debt to the Government of Uganda and is payable to the Commissioner in the manner and at the place prescribed.

(2) Duty that has not been paid when it is due and payable may be sued for and recovered in a court of competent jurisdiction by the Commissioner acting in the Commissioners' official name, subject to the general directions of the Attorney General.

(3) In a suit under this section, the production of a certificate signed by the Commissioner stating the name and address of the person liable and the amount of the duty due and payable by the person shall be sufficient evidence of the amount of the duty due and payable by that person.

52. Recovery of duty from other persons

(1) Where a person fails to pay duty on the date on which the duty is payable, and the duty is not the subject of a dispute the Commissioner may, by notice in writing, require a person who—

(a) owes money to the person liable to pay duty;

(b) holds, money for, or on account of, the person liable to pay

duty;

(c) holds money on account of some other person for payment to the person liable to pay duty; or

(d) has authority from some other person to pay money to the person liable to pay duty, to pay that money to the Commissioner on the date stated in the notice, up to the amount of the duty due.

(2) The date stated in the notice under subsection (1) must not be a date before the money becomes due to the person liable to pay duty, or is held on behalf of the person liable to pay duty.

(3) At the same time that notice is served under subsection (1), the Commissioner shall also serve a copy of the notice on the person liable to pay duty.

(4) Where a person served with a notice under subsection (1) is unable to comply with the notice by reason of lack of moneys owing to, or held for, the person liable to duty, the person shall, as soon as is practicable and in any case before the payment date stated in the notice, notify the Commissioner in writing setting out the reasons for the inability to comply.

(5) Where a notice is served on the Commissioner under subsection (4), the Commissioner may, by notice in writing accept the notification and cancel or amend the notice issued under subsection (1) or reject the notification.

(6) A person who makes a payment in accordance with a notice under subsection (1) is taken to have acted under the authority of the person liable to pay duty and of all other persons concerned and is indemnified in respect of the payment against all proceedings, civil or criminal, and all processes, judicial or extrajudicial, notwithstanding any provisions to the contrary in any written law, contract, or agreement.

(7) An amount due under this section is treated for all purposes of this Act as if it were duty due.

53. Collection of duty by distraint

(1) The Commissioner may recover any unpaid duty by distress proceedings against the movable property of a person liable to pay duty, in this section referred to as the "person liable".

(2) In accordance with subsection (1), the Commissioner shall issue an order in writing specifying the person against whose property the proceedings are authorised, the location of the property and the duty liability to which the proceedings relate, and may require a police officer to be present while distress is being executed.

(3) For the purposes of executing distress under subsection (1), the Commissioner may, at any time, enter any house or premises described in the order authorising the distress proceedings.

(4) The property upon which distress is levied under this section, other than perishable goods, shall be kept for not more than fourteen days either at the premises where the distress was levied or at any other place that the Commissioner may consider appropriate, at the cost of the person liable.

(5) Where the person liable does not pay the duty due, together with the costs of the distress-

(a) in the case of perishable goods, within a period that the Commissioner considers reasonable having regard to the condition of the goods; or

(b) in any other case, within fourteen days after the distress is levied,

the property distrained may be sold by public auction or otherwise dealt with in any other manner as the Commissioner may direct.

(6) The proceeds of a disposal under subsection (5) shall be applied by the auctioneer or seller towards the cost of taking, keeping and

selling the property distrained upon, and towards the payment of the duty due.

(7) The remainder of the proceeds under subsection (5), if any, shall be given to the person liable.

(8) This section shall not preclude the Commissioner from proceeding with respect to the balance owed if the proceeds of the distress are not sufficient to meet the costs of the distress and the duty due.

(9) All costs incurred by the Commissioner in respect of any distress may be recovered by the Commissioner from the person liable, and the provisions of this Act relating to the collection and recovery of duty shall apply as if the costs were duty due under this Act.

54. Duties of receivers

(1) A receiver shall, in writing, notify the Commissioner within fourteen days of being appointed to the position of receiver or of taking possession of an asset in Uganda, whichever occurs first.

(2) The Commissioner may, in writing, notify a receiver of the amount which appears to the Commissioner to be sufficient to provide for any duty which is or will become payable by the person whose assets are in the possession of the receiver.

(3) A receiver shall not part with an asset in Uganda which is held by the receiver in the capacity as receiver without the prior written permission of the Commissioner.

(4) A receiver—

(a) shall set aside, out of the proceeds of sale of an asset, the amount notified by the Commissioner under subsection (2), or such lesser amount as is subsequently agreed on by the Commissioner;

(b) is liable to the extent of the amount set aside for the duty of the person who owned the asset; and

(c) may pay any debt that has priority over the duty referred to in this section notwithstanding any provision of this section.

(5) Where the receiver fails to comply with this section, the receiver is personally liable for the amount required to be set aside.

(6) In this section, “receiver” includes a person who, in respect to an asset in Uganda, is—

(a) a liquidator of a company;

(b) a receiver appointed out of court or by a court;

(c) a trustee for a bankrupt;

(d) a mortgagee in possession;

(e) an executor of a deceased’s estate; or

(f) any other person conducting the business of a person legally incapacitated.

55. Security on property for unpaid duty

(1) Where a person who is the owner of land or buildings situated in Uganda fails to pay duty, the Commissioner may, by notice in writing, notify the person of the intention to apply to the Registrar of Titles that that land or buildings be the subject of security for the duty as specified in the notice.

(2) Where, within thirty days after the date of service of the notice under subsection (1), a person on whom a notice has been served fails to make payment of the whole of the amount of the duty specified in the notice, the Commissioner may, by notice in writing, in this section referred to as a "notice of direction", direct the Registrar of Titles that the land or buildings of the person, to the extent of the interest of the person in the land or buildings, be the subject of security for unpaid duty in the amount specified in the notice.

(3) Where a notice of direction is served on the Registrar of Titles under subsection (2), the Registrar of Titles shall, without fee, register the direction as if it were an instrument or mortgage over, or charge on, the land or buildings.

(4) Upon registration of the direction under subsection (3), the registration shall, subject to any prior mortgage or charge, operate as a legal mortgage over or charge on the land or buildings to secure the amount of the unpaid duty.

(5) Upon receipt of the whole of the amount of duty secured under subsection (4), the Commissioner shall serve notice on the Registrar of Titles cancelling the direction made under subsection (2) and the Registrar of Titles shall, without fee, record the cancellation and thereupon the direction shall cease to exist.

PART VII-CRIMINAL OFFENCES AND PROCEDURE

56. Penalty for executing instrument not duly stamped

(1) Any person who—

(a) draws, makes, issues, endorses or transfers or signs, otherwise than as a witness, or presents for acceptance or payment, or accepts, pays or receives payment of, or in any manner negotiates a bill of exchange, cheque or promissory note without it being duly stamped;

(b) executes or signs, otherwise than as a witness, any other instrument chargeable with duty without it being duly stamped; or

(c) votes or attempts to vote under a proxy not duly stamped,

commits an offence and is liable, on conviction, to a fine not exceeding one hundred currency points or to imprisonment for a term not exceeding six months, or both.

(2) Where a share warrant is issued without being duly stamped, the company issuing it, and every person who, at the time when it is issued, is the managing director or secretary or other principal

officer of the company, commits an offence and is liable, on conviction, to a fine not exceeding one hundred currency points.

57. Penalty for failure to cancel adhesive stamp

Any person required to cancel an adhesive stamp who fails to cancel the stamp in the manner prescribed commits an offence and is liable, on conviction, to a fine not exceeding one hundred currency points or to imprisonment for a term not exceeding six months, or both.

58. Penalty for not making out policy, or making one not duly stamped

(1) Any person who—

(a) receives, or takes credit for, a premium or consideration for a contract of insurance and does not, within one month after receiving, or taking credit for, the premium or consideration, make out and execute a duly stamped policy of insurance; or

(b) makes, executes or delivers out a policy which is not duly stamped, or pays or allows in account, or agrees to pay or allow in account, any money upon, or in respect of, that policy,

commits an offence and is liable, on conviction, to a fine not exceeding one hundred currency points or to imprisonment for a term not exceeding six months, or both.

(2) Subsection (1) shall not apply to policies of insurance against accident in respect of which an agreement for the composition of stamp duty has been entered into under this Act.

59. Penalty for not drawing full number of bills or marine policies purporting to be in sets

Any person who draws or executes a policy of marine insurance purporting to be drawn or executed in a set of two or more, and not at the same time drawing or executing on paper duly stamped the whole number of policies of which that policy purports the set to consist, commits an offence and is liable, on conviction, to a fine not exceeding

one hundred currency points or to imprisonment for a term not exceeding six months, or both.

60. Penalty for postdating bills, and for other devices to defraud Government of revenue

Any person who, with intent to defraud the Government of duty, draws, makes or issues a bill of exchange or promissory note, bearing a date subsequent to that on which the bill or note is actually drawn or made and knowing that the bill or note has been so postdated, endorses, transfers, presents for acceptance or payment, or accepts, pays or receives payment of, the bill or note, or in any manner negotiates it or with the like intent, practices or is concerned in any act, contrivance or device not specially provided for by this Act or any other law, commits an offence and is liable, on conviction, to a fine not exceeding one hundred currency points or to imprisonment for a term not exceeding six months, or both.

61. Offences in relation to stamps

Any person—

(a) appointed to sell stamps, who contravenes any provision of this Act;

(b) not authorised to sell stamps, who sells stamps;

(c) authorised to sell stamps, who sells unauthorised stamps; or

(d) who forges a stamp,

commits an offence and is liable, on conviction, to a fine not exceeding one hundred currency points or to imprisonment for a term not exceeding six months, or both.

PART VIII-MISCELLANEOUS

62. Books to be open to inspection

A person who has in his or her custody any registers, books, records, papers, documents or proceedings, the inspection of which may tend to secure any duty or to prove or lead to the discovery of any fraud or omission in relation to any duty, shall at all reasonable times permit a person authorised in writing by the Commissioner to inspect for such purpose the registers, books, papers, documents and proceedings, and to take such notes and extracts as he or she may deem necessary, without fee or charge.

63. Re-characterisation of instruments under Islamic financial business

(1) For purposes of determining whether an instrument is chargeable with duty under this Act, the Commissioner may re-characterise an instrument under Islamic financial business not provided for under this Act to the equivalent instrument under conventional financial services for purposes of reflecting the equivalent economic substance, rather than the form.

(2) The Commissioner shall comply with Sharia' h principles in re-characterising an instrument under Islamic financial business that is not provided for under this Act.

64. Power to amend Schedules

(1) The Minister may, by statutory instrument, with the approval of Cabinet, amend Schedule 1 to this Act.

(2) An instrument made under subsection (1) shall as soon as practicable after publication in the *Gazette* be laid before Parliament and Parliament may within twenty-one sitting days, by resolution, annul the instrument.

65. Regulations

(1) The Minister may, by statutory instrument, make regulations generally to give effect to this Act.

(2) Without limiting the general effect of subsection (1), the Minister may make regulations relating to—

(a) the supply and sale of stamps and stamped papers;

(b) the persons authorised to sell stamps and all matters relating to the sale of stamps;

(c) the reduction, remission or compounding duties;

(d) the manner of using stamps on instruments chargeable with the duty including the description of stamps which may be used, the number of stamps which may be used, the size of the paper on which the stamps are written;

(e) the admission in evidence of improperly stamped instruments;

(f) the issue of stamps certificates including the manner of delegating the authority to issue those certificates;

(g) the form and manner of making returns.

(3) Regulations made under this section may—

(a) prescribe for the contravention of any of the regulations a fine not exceeding one hundred currency points;

(b) prescribe a higher penalty for a second or a subsequent contravention;

(c) prescribe an extra penalty for any day for which the contravention continues;

(d) require that anything used in connection with the contravention shall be ordered by the court to be forfeited to the State.

66. Saving

(1) A statutory instrument made under the Stamps Act, Cap. 342(Revised Edition, 2000) and in force at the commencement of

this Act shall continue in force until repealed under this Act.

(2) This Act shall not affect the duties chargeable under any other law for the time being in force relating to court fees.

(3) Until regulations are made under this Act to the contrary, any stamps which might lawfully be used immediately before the commencement of this Act for the payment of duties with which instruments were charged may be used for the purposes of this Act.

SCHEDULES

Schedule 1

Sections 1, 64(1)

Currency Point

A currency point is equivalent to twenty thousand shillings.

Schedule 2

Stamp Duty on Instruments

Sections 2(1),3(1), (2),5,8(2),20(1), 21(2),25(1),26(1),27(2),64

Description of instrument Stamp duty		Stamp duty
1.	ACKNOWLEDGEMENT of a debt exceeding shs 100,000	Nil
2.	(a) ADMNISTRATION BOND	15,000/=
	(b) CUSTOMS BONDS – of the total value	0.05%
3.	ADOPTION DEED	15,000/=
4.	AFFIDAVIT including an affirmation or declaration	15,000/=
5.	**Agreement or memorandum of an agreement**	**Nil**[158]
6.	AGREEMENT relating to deposit of title—deeds, pawn/pledge-of the total value	Nil
7.	APPOINTMENT IN EXECUTION of a power, whether of trustees or of property	15,000/=
8.	APPRAISEMENT OR VALUATION made otherwise than under an order of court-of the total value	Nil
9.	APPRENTICESHIP DEED	15,000/=
10.	ARTICLES OF ASSOCIATION OF A COMPANY except the articles of association of a special purpose vehicle incorporated for the purpose of issuing or purchasing an Islamic bond.	15,000/=
11.	ASSENT TO BEQUEST WHETHER UNDER HAND OR SEAL	15,000/=
12.	AWARD by arbitrator or umpire	15,000/=
13.	BILL OF EXCHANGE not being a bond, bank note or currency note	15,000/=
14.	BILL OF LADING (including a thorough bill of lading	Nil
15.	BILL OF SALE	15,000/=
16.	BOND (not being a debenture)	15,000/=
17.	CANCELLATION—instrument of	15,000/=
18.	CAPITAL DUTY	Nil
	(a) on nominal share capital or any increase of it of any company incorporated in Uganda with	0.5%

[158] Amended by the 2025 amendment.

	limited liability *but does not include shares acquired by investors in a private equity or venture capital fund regulated under the Capital Markets Authority Act, Cap.84 [now Cap 64], or shares acquired by a private equity or venture capital fund regulated under the Capital Markets Authority Act, Cap. 84 [now Cap 64]*[159]— of the total value	
	(b) on increase of share capital of any company when the increase is a condition precedent for disbursement of loan funds for a development project	Nil
	(c) on becoming public through the operation of the stock exchange	Nil
	(d) on nominal share capital or any increase of it of a special purpose vehicle incorporated for the purposes of issuing or purchasing an Islamic bond.	Nil
	(e) on nominal share capital or any increase of share, acquired by an investor in a private equity or venture capital fund regulated under the Capital Markets Authority Act, Cap. 84 [now Cap 64], or by a private equity or venture capital fund regulated under the Capital Markets Authority Act, Cap. 84. [now Cap 64][160]	Nil
19.	CAVEAT (under the Registration of Titles Act or any other law relating to the registration of title to land)	15,000/=
20.	CERTIFICATE OF SALE (in respect of each property put up as a separate lot and sold)	15,000/=
21.	CHARTER PARTY (instrument for charter hire or vessel or part of it)	15,000/=
22.	CHEQUE	Nil

[159] 2024 amendment.
[160] Inserted by 2024 amendment.

23.	COMPOSITION DEED (instrument of conveyance of property by a debtor for the benefit of his creditors)—of the total value	1%
24.	CONVEYANCE (not being transfer)—of the total value	15,000/=
25.	COPY OF EXTRACT	15,000/=
26.	COUNTERFEIT OR DUPLICATE of an instrument chargeable with duty and in respect of which the property duty has been paid	15,000/=
27.	DEBENTURE—whether a mortgage debenture or not, being of a marketable security-of the total value	Nil
28.	DEED; except a deed for the establishment of a special purpose vehicle as a partnership or trust for the purposes of issuing or purchasing an Islamic bond.	15,000/=
29.	DIVORCE— (any instrument by which any person effects the dissolution of marriage)	15,000/=
30.	EQUITABLEMORTGAGE—of the total value	Nil
31.	EXCHANGE OF PROPERTY—of the total value	2%
32.	EXTRACT	15,000/=
33.	FURTHER CHARGE—any instrument imposing a further charge on mortgaged property—of the total value	Nil
34.	GIFT— Instrument of not being a settlement or will or transfer—of the total value	1%
35.	HIRE PURCHASE AGREEMENT—of the total value	1%
36.	Bank guarantees, insurance performance bonds, indemnity bonds and similar debt instruments	100,000/=
37.	INSTRUMENT – for any loan	Nil
38.	LEASE—of the total value	1%
39.	LETTER OF CREDIT—an instrument by which one person authorises another to give credit to the person in whose favour it is drawn	15,000/=
40.	LETTER OF LICENCE—any agreement between a debtor and his creditors that the latter shall for a specified time, suspend their claims and allow the	15,000/=

	debtor to carry on business at his own discretion	
41.	MEMORANDUM OF ASSOCIATION OF A COMPANY; except the memorandum of association of a special purpose vehicle incorporated for the purposes of issuing or purchasing an Islamic bond.	15,000/=
42	(a) Mortgage deed— of the total value. A MORTGAGOR who gives a power of attorney to collect rents or a lease of the property mortgaged is deemed to give possession within the meaning of this item.	**Nil**[161]
	(b) Where a collateral or auxiliary or additional or substituted security is given by way of further assurance where the principal or primary security is duly stamped.	**Nil**[162]
43.	MORTGAGE OF A CROP—including an instrument endorsement, note, attestation, certificate or entry not being PROTEST OF A BILL OF NOTE, made or signed by a Notary Public in the execution of the duties of his or her office or by any other person lawfully acting as a Notary Public.	**Nil**[163]
44.	NOTARIAL ACT—made or signed by a Notary Public in the Execution of the duties of his office, or by any other person lawfully acting as a Notary Public	15,000/=
45.	NOTE OR MEMORANDUM—sent by a broker or agent to his principal intimating the purchase or sale on account of such principal of any goods stock or marketable security.	15,000/=
46.	PARTITION	15,000/=
47.	(a) PARTNERSHIP; except a partnership of a	15,000/=

[161] Amended by the 2025 amendment.
[162] Amended by the 2025 amendment.
[163] Amended by the 2025 amendment.

	special purpose vehicle incorporated for the purposes of issuing or purchasing an Islamic bond.	
	(b) DISSOLUTION OF PARTNERSHIP; except a partnership of a special purpose vehicle incorporated for the purposes of issuing or purchasing an Islamic bond.	15,000/=
48.	(a) POLICY OF INSURANCE; including a policy of takaful	35,000/=
	(b) Life Insurance; including family takaful	Nil
	(c) Repealed	
	(d) Agricultural Insurance Policy	Nil
49.	POWER OF ATTORNEY	15,000/=
50.	PROMISSORY NOTE	15,000/=
51.	PROTEST OF BILL OR NOTE—any declaration in writing made by a Notary Public, attesting the dishonour of a bill of exchange or promissory note	15,000/=
52.	RECEIPT—as defined by section 2 for any money or other property the amount of value exceeds Shs. 50,000/=	15,000/=
53.	RECONVEYANCE OF MORTGAGED PROPERTY—of the total value	15,000/=
54.	RELEASE—Any instrument not being such a release as is provided for by section 26(2) by which a person renounces a claim upon another person or against any specified property	15,000/=
55.	RESPONDENTIA BOND—any instrument securing a loan on the cargo laden on board a ship and making repayment contingent on the arrival of the cargo at the port of entry;	15,000/=
56.	SECURITY BOND OR MORTGAGE DEED—executed by way of security for the due execution of an office, or to account for money or other property received by virtue of security bond or mortgage deed executed by surety to secure a loan or credit facility-of entry total value.	Nil
57.	INSTRUMENT OF SETTLEMENT or an instrument	15,000/=

	revoking the settlement, including a deed of dower; except an instrument of settlement from a person licenced to carry on Islamic financial business to a customer under equity or partnership financing;	
58.	SHAREWARRANTS—to bearer issued under the Companies Act—of the total value	1%
59.	SHIPPING ORDER—for or relating to the conveyance of goods on board any vessel	15,000/=
60.	SOLEMN OR STATUTORY DECLARATION	15,000/=
61.	A STRATEGIC INVESTMENT PROJECTS The stamp duty chargeable in respect of an instrument executed by, or on behalf of a company or Government for the sole purpose of implementing the following strategic investment projects— (a) developers of an industrial park or free zone whose investment capital is at least fifty million United States Dollars (i) debenture; whether a mortgage debenture or not, being of a marketable security- of the total value; (ii) further charge; any instrument imposing a further charge on a mortgaged property- of the total value; (iii) lease of land- of the total value; (iv) increase of share capital; (v) transfer of land; (vi) an agreement to provide services on conducting a feasibility study or developing a design for construction; (b) an operator within an industrial park or free zone or an operator of a single factory or other business outside the industrial park who meets the following requirements—	Nil

		(i) a minimum investment capital of ten million United States Dollars in the case of a foreigner or three hundred thousand United States Dollars in the case of a citizen; or one hundred fifty thousand United States Dollars, for a citizen whose investment is placed up country; (ii) carries on business in agro processing, food processing, medical appliances, building materials, light industry, automobile manufacturing and assembly, household appliances, furniture, logistics and warehousing, information technology or commercial farming, tyres, footwear, mattresses or toothpaste; *(iii) capacity to use at least eighty percent of the locally produced raw materials, subject to availability;*[164] (iv) *employs at least eighty percent of its employees being citizens earning an aggregate wage of at least eighty percent of the total wage bill;*[165] and (v) provides for substitution of thirty percent of the value of imported products— (aa) debenture; whether a mortgage debenture or not, being of a marketable security - of the total value; (bb) further charge; any instrument	

[164] 2024 Amendment.
[165] 2024 Amendment.

	imposing a further charge on a mortgaged property- of the total value; (cc) lease of land— of the total value; (dd) increase of share capital; (ee) transfer of land; (c) hotel or tourism facility whose investment capital is eight million United States Dollars with a room capacity exceeding one hundred guests— (i) debenture; whether a mortgage debenture or not, being of a marketable security - of the total value; (ii) further charge; any instrument imposing a further charge on a mortgaged property- of the total value; (iii) lease of land- of the total value; (iv) increase of share capital; (v) transfer of land; (vi) an agreement to provide services on conducting a feasibility study or developing a design for construction; (d) hospital facility developer whose investment capital is at least five million United States Dollars and who develops a hospital with capacity to provide specialised medical care— (i) debenture; whether a mortgage debenture or not, being of a marketable security - of the total value; (ii) further charge; any instrument imposing a further charge on a mortgaged property- of the total value; (iii) lease of land- of the total value;	

	(iv) increase of share capital; (v) transfer of land; (vi) an agreement to provide services on conducting a feasibility study or developing a design for construction. (e) technical or vocational institute operator whose investment capital is at least ten million United States Dollars in the case of a foreigner or one million United States Dollars in the case of a citizen— (i) debenture; whether a mortgage debenture or not, being of a marketable security - of total value; (ii) further charge; any instrument imposing a further charge on a mortgaged property- of total value; (iii) lease of land - of total value; (iv) increase of share capital; (v) transfer of land; (vi) an agreement to provide services on conducting a feasibility study or developing a design for construction; (f) a manufacturer, other than a manufacturer referred to in item 61 (b)— (i) in case of a new manufacturer who, subject to availability, has capacity to use at least seventy percent of the locally produced raw materials, and employs at least seventy percent citizens with an aggregate wage of at least seventy percent of the total wage bill of the new manufacturer and whose investment capital is, at least thirty-five million United States Dollars; or	

		(ii) in the case of an existing manufacturer who, subject to availability, has capacity to use at least seventy percent of the locally produced raw materials, and employs at least seventy percent citizens with an aggregate wage of at least seventy percent of the total wage bill of the existing manufacturer from the date on which the manufacturer makes an additional investment equivalent to thirty-five million United States Dollars— (A) debenture; whether a mortgage debenture or not, being of a marketable security – of total value; (B) further charge; any instrument imposing a further charge on a mortgaged property – of total value; (C) lease of land – of total value; (D) increase of share capital; (E) transfer of land; (F) an agreement to provide services on conducting a feasibility study or developing a design for construction. *(g) manufacturer of an electric vehicle, electric battery or electric vehicle charging equipment or fabricator of the frame and body of an electric vehicle who meets the following requirements-*[166]	

[166] Paragraph (g) inserted by the 2024 Amendment.

	(i) a minimum investment capital of ten million United States Dollars in case of a foreigner, or three hundred thousand United States Dollars in case of a citizen or one hundred fifty thousand United States Dollars in case of a citizen who invests up country; *(ii) capacity to use at least eighty percent of the locally produced raw materials, subject to availability;* *(iii) employs at least eighty percent of its employees being citizens earning an aggregate wage of at least eighty percent of the total wage bill; and* *(iv) provides for substitution of at least thirty percent of the value of imported products-* *(aa) debenture; whether a mortgage debenture or not, being of a marketable security-of the total value;* *(ab) further charge; any instrument imposing a further charge on a mortgaged property-of the total value;* *(ac) leasehold of land-of the total value;* *(ad) increase of share capital;* *(ae) transfer of land;*	
62.	SURRENDER OF LEASE	15,000/=

63.	TRANSFER— (a) of the total value	1.5%
	(b) transfer of shares in an incorporated company listed on the stock exchange, arising from the trading of those shares on the stock exchange	0.5%
	(c) of assets to special purpose vehicles for the purpose of issuing asset backed securities	Nil
	(d) of an asset or land from the vendor to a person licensed to carry on Islamic financial business or to a borrower, in the case of sale-based financing, lease-based agreement or currency exchange contract for purposes of facilitating Islamic financial business;	Nil
	(e) of an asset or land from a special purpose vehicle for the purpose of an Islamic bond to a beneficiary in the case of sale-based financing or lease-based agreement for the purpose of facilitating Islamic financial business.	Nil
	(f) of shares or other securities, to or by an investor in a private equity or venture capital fund regulated under the Capital Markets Authority Act, Cap. 84 [now 64], or of shares or other securities to or by a private equity or venture capital fund regulated under the Capital Markets Authority Act, Cap. 84 [now 64][167]	*Nil*
64.	TRUST—concerning any property made by any writing including a transfer from a holder of letters of administration or probate to a beneficiary	15,000/=
65.	Professional licence or certificate	100,000/=
66.	Any other instrument not specifically mentioned	15,000/=

[167] Inserted by the 2024 Amendment.

Schedule 3

Section 9

Expense of Providing Proper Stamp

(1) In the absence of an agreement to the contrary, the expense of providing the proper stamp shall be borne, in the case of an instrument described in Schedule 2 to this Act, by the person drawing, making or executing the instrument.

(2) Without prejudice to paragraph (1), the expense of providing the proper stamp shall be borne—

(a) in the case of a policy of insurance other than a fir insurance, by the person effecting the insurance;

(b) in the case of a policy of fire insurance, by the person effecting the insurance;

(c) in the case of a conveyance, including a reconveyance of mortgaged property, by the grantee;

(d) in the case of a lease or agreement to lease, by the lessee or intended lessee;

(e) in the case of a counterpart of a lease, by the lessor;

(f) in the case of an instrument of exchange, by the parties in equal shares;

(g) in the case of a certificate of sale, by the purchaser of the property to which the certificate relates;

(h) in the case of an instrument of partition, by the parties to it in proportion to their respective shares in the whole property partitioned, or, when the partition is made in execution of an order passed by a civil court or arbitrator, in such proportion as

the court or arbitrator directs;

(i) in the case of a transfer of shares in an incorporated company or other body corporate, by the purchaser or transferee;

(j) in the case of a transfer of debentures, being marketable securities, whether the debenture is liable to duty or not, by the purchaser or transferee; and

(k) in the case of a transfer of any interest secured by bond, mortgage, deed or policy of insurance, by the purchaser or transferee.

History: Act 13/2014; Act 15/2016; Act 6/2018; Act 10/2019; Act 25/2020; Act 9/2021; Act 10/2022; Act 21/2023

Cross References

Bills of Exchange Act, Cap. 281

Companies Act, Cap. 106

Financial Institutions Act, Cap. 57

Income Tax Act, Cap. 338

Registration of Titles Act, Cap. 240

Tax Appeals Tribunals Act, Cap. 341

Uganda Revenue Authority Act, Cap. 218

Value Added Tax Act, Cap. 344

THE STAMPS ACT- Statutory Instrument 342—1.

THE STAMPS RULES.
ARRANGEMENTS OF RULES.

Rule

1. Citation.

2. Interpretation.

3. Indication of payment of duty.

4. Type and design of impressed stamps.

5. Method of impressing stamps.

6. Stamping counterparts.

7. Payment of duty by impressed stamps.

8. Printed cheques and receipt forms.

9. Carriage charges.

10. Bills of exchange and promissory notes.

11. Sale of stamps.

12. Licence to sell stamps.

13. Register of stamp vendors.

14. Ex officio vendors.

15. Revocation of licences.

16. Supplies to licensed vendors.

17. Persons who may sell stamps.

18. Place of sale.

19. Price of stamps.

20. Powers of licensed vendors.

21. Restriction on purchase of stamps by licensed vendors.

22. Use of impressed sheets.

23. Single impressed sheets.

24. Production of licence.

25. Return of stamps.

26. Remuneration of vendors.

Schedule

Schedule Licence to sell stamps.

THE STAMPS ACT.

Statutory Instrument 342—1.

The Stamps Rules.

(Under sections 81 and 82 of the Act.)

1. Citation.

These Rules may be cited as the Stamps Rules.

2. Interpretation.

In these Rules, unless the context otherwise requires—

(a) “ex officio vendor” means any person authorised by rule 11(1) of these Rules to sell stamps;

(b) “licensed vendor” means a person to whom a licence has been granted under rule 11(3) of these Rules;

(c) “proper officer” means any officer empowered under rule 5 of these Rules to supervise the impressure of stamps;

(d) “stamp” includes any paper on which a stamp has been embossed or impressed;

(e) “vendor” means an ex officio vendor, a licensed vendor or a person authorised under subrule 11(2) of these Rules to sell stamps.

3. Indication of payment of duty.

All duties with which any instrument (other than a bill of exchange or promissory note) is chargeable under the Act shall be paid and the payment shall be indicated on the instrument either—

(a) by impressed stamps; or

(b) by adhesive postage stamps of Kenya, Uganda and Tanzania surcharged with the words “Uganda Revenue” printed on them by a printer approved for the purpose by the Secretary to the Treasury.

4. Type and design of impressed stamps.

Impressed stamps shall be of such denominations and design and shall be impressed at such places as the Secretary to the Treasury shall prescribe.

5. Method of impressing stamps.

The impressing shall be carried out by or under the supervision of the Secretary to the Treasury or such officer as may from time to time be authorised in writing by him or her.

6. Stamping counterparts.

When an instrument is stamped as a counterpart, the amount of the duty paid on the original may be denoted on the counterpart by an impressed stamp of such design as the Secretary to the Treasury shall determine or by a certificate under the hand of the Secretary to the Treasury or the commissioner of lands and surveys.

7. Payment of duty by impressed stamps.

Any person desiring to pay the duty on an instrument by means of impressed stamps may forward the instrument to any place prescribed under rule 4 of these Rules together with a sum equivalent to the value of the stamp desired; but the stamping shall not be regarded as an assessment of the duty payable on the instrument.

8. Printed cheques and receipt forms.

Printed cheques and receipt forms in blank and paper on which instruments are intended to be written may be forwarded to any place prescribed under rule 4 of these Rules for impressure.

9. Carriage charges.

The person forwarding any instrument for impressure shall be required to defray the cost of any carriage on it.

10. Bills of exchange and promissory notes.

Bills of exchange and promissory notes shall be written—

(a) on paper supplied for sale by the Government on which the necessary stamp has been impressed prior to the sale of the paper; or

(b) on paper on which the necessary stamp has been impressed by or under the supervision of the proper officer prior to the date of execution of the bill of exchange or promissory note.

11. Sale of stamps.

(1) The following persons are authorised to sell stamps—

(a) the treasury officer of accounts;

(b) any officer in charge of a branch office of the Treasury;

(c) any resident district commissioner.

(2) The following persons are also authorised to sell stamps—

(a) any postmaster or his or her representative in charge of a post office and any postal agent approved in each case by the Secretary to the Treasury for the sale of stamps;

(b) any officer of the Government appointed for that purpose by the Secretary to the Treasury.

(3) Subject to these Rules, the Secretary to the Treasury or such officer of the Treasury as may be authorised by him or her may grant to any person a licence for the sale of any stamps of any value or description named in the licence; except that no licence shall be granted to a person employed in any department of the public service.

(4) The Secretary to the Treasury may refuse the granting of a licence to any applicant without assigning any reason.

12. Licence to sell stamps.

(1) A licence for the sale of stamps shall be as set forth in the Schedule to these Rules.

(2) A licence shall specify the person licensed, the kind of the stamps he or she is licensed to sell and the place at, or area within, which he or she is licensed to sell.

(3) A licence so granted shall expire on the 31st December in every

year.

(4) The annual fee for the licence shall be two shillings.

13. Register of stamp vendors.

(1) The Secretary to the Treasury shall keep a register of vendors licensed under these Rules

(2) The register shall contain the following particulars—

(a) the date of granting the licence;

(b) the serial number for the year of the licence;

(c) the name, description and residence of the person licensed;

(d) the place or area for which the licence is granted;

(e) the description of stamps (kinds and value) covered by the licence.

(3) A list of licensed vendors shall from time to time be published in the Gazette.

14. Ex officio vendors.

Ex officio vendors shall supply stamps to the public and to licensed vendors, and shall allow discount to the latter at the rates and under the conditions hereafter prescribed.

15. Revocation of licences.

Any licence granted under these Rules may be revoked at any time by the treasury officer of accounts without reason assigned, and on that revocation the licence shall be surrendered to the treasury officer of accounts and cancelled by him or her.

16. Supplies to licensed vendors.

Licensed vendors shall obtain stamps from ex officio vendors on payment of ready money less the discount prescribed in these Rules.

17. Persons who may sell stamps.

No person other than a vendor as defined by these Rules shall sell stamps, except as provided in section 81 of the Act.

18. Place of sale.

A licensed vendor shall not sell stamps at any place or within any area other than that specified in his or her licence.

19. Price of stamps.

Every vendor shall sell stamps in accordance with these Rules for the value expressed upon them, and for no more.

20. Powers of licensed vendors.

Every licensed vendor may, subject to the conditions of his or her licence and the requirements of these Rules, purchase from an ex officio vendor and sell to any person stamps of any kind or value covered by his or her licence.

21. Restriction on purchase of stamps by licensed vendors.

Subject to the Act, no licensed vendor shall obtain by purchase, exchange or otherwise any unused stamps from any person other than an ex officio vendor.

22. Use of impressed sheets.

If the duty on any document has to be denoted in the form of impressed sheets, it shall be so denoted by the smallest number of impressed sheets available by which the duty required can be made up.

23. Single impressed sheets.

If the amount of the stamp duty to be denoted is such that it can be denoted by a single impressed sheet and such impressed sheet is available, it shall be supplied.

24. Production of licence.

Every licensed vendor shall produce his or her licence on the demand of any ex officio vendor or police officer of or above the rank of inspector.

25. Return of stamps.

(1) When stamps are returned by a licensed vendor to any ex officio vendor on—

(a) the resignation of the licensee; or

(b) the revocation of the licence on the ground that the holder has been convicted of an offence involving dishonesty or fraud or a breach of any of these Rules,

the stamps shall be taken back at their full value less a deduction of ten cents in the shilling.

(2) When stamps are returned on—

(a) the application of the licensee for leave to replace any stamps;

(b) the death of the licensee;

(c) the expiration of the licence; or

(d) the revocation of the licence for any cause other than that mentioned in subrule (1)(b) of this rule,

the stamps shall be taken back at the full value less only any discount allowed on their sale to the licensed vendor.

26. Remuneration of vendors.

Licensed vendors shall be entitled to discount on the value of stamps purchased by them for cash from an ex officio vendor at the following rates—

(a) if purchased for resale at any place where stamps are sold by the Government, 3 percent;

(b) if purchased for resale at any other place, 5 percent.

Schedule.

Licence to Sell Stamps.

rule 12.

Licence is granted to _____ of _____ to sell at_____ within the district of _____stamps of the following description, viz.-_____ subject to the Stamps Rules.

The infringement of any of those provisions shall render the holder liable to cancellation of his or her licence and to the penalties prescribed in section 76 of the Stamps Act, namely imprisonment for a period which may extend to six months or fine which may extend to one thousand shillings or both.

This licence may be revoked at any time by or at the direction of the officer by whom it is issued.

This licence expires on the 31st December, 20 _____

Date _____

_____

Signature and Title of Issuing Officer

History: S.I. 172-5; Constitution of 1995, art. 203.

_____

THE STAMPS ACT.

Statutory Instrument 342—2.

The Stamps (Compounding of Duty) Rules.

Arrangement of Rules.

Rule

1. Citation.

2. Interpretation.

3. Compounding of duty.

4. Mode of compounding.

5. When duty due and payable.

6. Returns.

7. Duty payable.

8. Refund of duty on compounded spoilt cheques.

9. Persons exempted from duty.

10. Keeping of records.

11. Inspection of books and records.

12. Auditor's certificate.

13. Offences and penalties.

14. Transitional arrangements.

Schedules

First Schedule Return in respect of cheques subject to compounding of duty.

Second Schedule Application for refund of compounded duty on cheques.

THE STAMPS ACT.

Statutory Instrument 342—2.

The Stamps (Compounding of Duty) Rules.

Arrangement of Rules.

(Under section 8 of the Act.)

1. Citation.

These Rules may be cited as the Stamps (Compounding of Duty) Rules.

2. Interpretation.

In these Rules, unless the context otherwise requires—

(a) "bank" has the same meaning as in the Financial Institutions Act;

(b) "commissioner" means the commissioner/treasury officer of

accounts.

3. Compounding of duty.

(1) Every bank shall compound duty on all bank cheques issued by it from the date of commencement of these Rules.

(2) Subrule (1) of this rule shall not apply to cheques specially printed for specific customers, travellers cheques, drafts or any other commercial paper which is required by law to bear a revenue stamp.

4. Mode of compounding.

Every compounded cheque shall have the expression “Stamp duty paid” prominently printed and encircled at the top right-hand corner of the cheque.

5. When duty due and payable.

(1) Duty on cheques subject to compounding shall become due and payable on the issue of cheques at the time of issue to customers.

(2) Notwithstanding subrule (1) of this rule, the commissioner may permit the payment of duty to be deferred to a date not later than the fifteenth day of the month next following the month on which it became due.

(3) Notwithstanding subrules (1) and (2) of this rule, the commissioner may require the head office of each bank to deposit a sum of money which in his or her opinion would be sufficient to cover the duty payable under these Rules by the bank and its branches during the ensuing six months.

6. Returns.

(1) Every bank shall submit to the commissioner, so as to reach him or her by the fifteenth day of each month, a return in the form prescribed in the First Schedule to these Rules, giving details of the receipt, issue and duty payable in respect of cheques compounded

during the previous month.

(2) Cheques subject to compounding of duty under these Rules which become spoilt or unusable prior to issue must be shown separately in the return submitted under this rule, and those cheques must be attached to that return.

7. Duty payable.

(1) Where a deposit has been made in accordance with rule 5(3) of these Rules, the commissioner shall, on receipt of the return referred to in rule 6 of these Rules, charge that deposit account with the amount of duty payable.

(2) The commissioner shall notify the head office of each bank of the total amount charged to that bank's deposit account each month in respect of duty payable by that bank and its branches.

8. Refund of duty on compounded spoilt cheques.

(1) Any bank may submit an application to the commissioner in the form prescribed in the Second Schedule to these Rules for the refund of compounded duty on cheques issued to customers which have become spoilt or unusable.

(2) Applications made under subrule (1) of this rule must be submitted so as to reach the commissioner within twelve months of the date on which the duty on the cheques became due and payable.

(3) No refund shall be granted under this rule if the amount of refund claimed at any one time is less than fifty shillings.

(4) All refunds made under this rule shall be subject to section 60 of the Act.

9. Persons exempted from duty.

A bank shall not issue cheques subject to compounding of duty to any person exempted from the payment of stamp duty on cheques, but that

person shall be issued with cheques specially printed for exempted persons.

10. Keeping of records.

Every bank shall keep the following records relating to cheques subject to compounding of duty—

(a) an inventory suitably analysed to facilitate reconciliation with physical stocks containing particulars as to—

(i) the date of receipt of cheque books;

(ii) the quantity received and the serial numbers of the cheque books;

(iii) the date, quantity and serial numbers of cheques issued; and

(iv) the balance of unissued quantity of cheques;

(b) a suitable daily record showing issues of cheques to customers and the charges made for them;

(c) a separate ledger account in which all charges made to customers for cheques issued must be entered; and

(d) any other records which the commissioner may from time to time, in writing, require.

11. Inspection of books and records.

The commissioner, or an officer authorised by him or her in writing, may, from time to time, inspect any bank's books and records and may require officials of the bank to give him or her any information or explanation he or she may require in the performance of his or her duties.

12. Auditor's certificate.

Within one month after the end of its accounting year, every bank shall submit to the commissioner an auditor's certificate certifying that all the records and returns required under these Rules have been properly kept or accurately submitted, as the case may be.

13. Offences and penalties.

Any bank which—

(a) fails to pay duty or deposit a sum of money on account of duty, as the case may be, on due dates as provided under these Rules;

(b) fails or refuses to produce any information, document, account or return required under these Rules or, as the case may be, produces the document, account or return later than the time specified in these Rules or later than the date specified in a written notice from the commissioner;

(c) pays any cheque on which duty has not been paid or exempted;

(d) commits an act in order to evade payment of duty payable on cheques issued by it; or

(e) contravenes any of the provisions of these Rules,

commits an offence and is liable to a fine not exceeding one thousand shillings.

14. Transitional arrangements.

(1) Stocks of unembossed cheques held by any bank at the date of commencement of these Rules and which do not conform to rule 4 of these Rules shall continue to be embossed by the commissioner as at present until exhausted.

(2) Every bank shall notify the commissioner on each occasion unembossed cheques referred to in this rule are submitted for embossing and must give the following particulars—

(a) total number of unembossed cheques submitted for embossing;

(b) serial numbers of those cheques; and

(c) receipt number for the amount of duty paid in respect of those cheques.

SCHEDULES

_____

FIRST SCHEDULE

rule 6.

Return in Respect of Cheques Subject to Compounding of Duty for the Month of _____, 20____

The Stamps (Compounding of Duty) Rules.

To: The Commissioner/Treasury Officer of Accounts

From: ……Kampala (name and address of bank)

We submit herewith a return in respect of bank cheques subject to compounding of duty for the month of……., 20……. We declare that to the best of our knowledge and belief the particulars contained in this return are true and accurate.

(a) Balance of unissued cheques at the beginning of the month

(b) Cheques received during the month

(c) Total of (a) and (b)

(d) Less: (i) Unissued cheques spoilt during the month (attached)

(ii) Balance of unissued cheques at the end of the month

(iii) Total of (i) and (ii)

(e) Number of cheques on which duty is due and payable

(f) Amount of duty payable on (e) at the rate of 30 cts. Per cheque: ……..shillings

(g) Cheques for …… shillings attached to this return. (N.B.—No cheque should be sent where the head office of the bank has been required to pay a deposit under rule 5(3)).

Date……..,20…….

……

Signature of Bank Manager and Official Stamp

SECOND SCHEDULE

rule 8.

Application for Refund of Compounded Duty on Cheques.

The Stamps (Compounding of Duty) Rules.

From:…….(name and address of bank)

To: The Commissioner/Treasury Officer of Accounts, Kampala

Application is made for refund of duty which was compounded on…….(*quantity*) cheques (*attached*) which have become spoilt or unusable, the particulars of which are as follows—

Serial No	Date duty became due and payable		Serial No	Date duty became due and payable

_____

_____

__

Date

Signature of Bank Manager and Official Stamp

For Official Use	
Checked and verified by _____ Amount of refund payable: shs.	Refund authorised by _____ Date: _____

_____	

History: S.I. 58/1970.

Cross Reference

Financial Institutions Act, Cap. 54.

Page intentionally left blank

CHAPTER 334

THE LOTTERIES AND GAMING ACT

ARRANGEMENT OF SECTIONS

Section

PART I—PRELIMINARY

1. Interpretation.

PART II—NATIONAL LOTTERIES AND GAMING REGULATORY BOARD

The National Lotteries and Gaming Regulatory Board.

2. Establishment of the National Lotteries and Gaming Regulatory Board.
3. Objective of the Board.
4. Functions of the Board.
5. Powers of the Board.
6. Composition of the Board.
7. Tenure of office of members of the Board.
8. Meetings of the Board.
9. Remuneration of members of the Board.

Staff of the Board

10. Secretariat of the Board.
11. Chief Executive Officer.
12. Functions of the Chief Executive officer.
13. Tenure of office and remuneration of Chief Executive officer.
14. Exemption from personal liability.

PART III—FINANCES OF THE BOARD

15. Funds of the Board.
16. Power to open bank accounts.
17. Borrowing powers.

18. Estimates of income and expenditure.
19. Financial year of the Board.
20. Accounts.
21. Audit of accounts.
22. Annual report.

PART IV—LICENSING AND REGULATION OF LOTTERIES.

National lottery

23. Licence to conduct the national lottery.

Public lotteries

24. Licence to conduct a public lottery.

Regulation of lotteries

25. Lottery rules.

PART V—CASINO, GAMING AND BETTING LICENCES
26. Casino, gaming and betting licence.
27. Board to issue licences.
28. Licence to operate a casino.
29. Suitability of premises
30. Specific licence conditions.
31. Licensing of certain casino employees
32. Casino games and rules.
33. Gaming and betting and betting equipment within the casino.

PART VI—SPECIFIC PROVISIONS ON GAMING AND BETTING MACHINES.
34. Specific conditions for gaming and betting machines licence.
35. Registration of gaming and betting machines or devices.
36. National register of gaming and betting machines and devices.
37. Technical standards for gaming and betting machines.
38. Gaming and betting software standards.

PART VII—GENERAL PROVISIONS ON LICENCING

39. Minimum capital requirements
40. Bond
41. Application for a licence.
42. Processing of application by the Board
43. General licence conditions.
44. Form of licence.
45. Duration of licence.
46. Suspension and revocation of licence.
47. Renewal of licence

PART VIII—TAXATION OF CASINOS, GAMING AND BETTING ACTIVITIES

48. Tax on casinos, gaming and betting.
49. Interest on unpaid tax.
50. Returns.
51. Assessment.
52. Objection to assessment.
53. Remission of tax.
54. Recovery of unpaid tax and interest.
55. Penal tax.
56. Commissioner to collect tax.

PART IX—MISCELLANEOUS

Restrictions on minors

57. Licensee or agent not to accept entry or payment from minors.
58. Adults not to enter or subscribe to public lottery on behalf of minors.
59. Display of notice prohibiting minors from entering lottery.
60. Prohibited items.

Electronic monitoring system

61. National central electronic monitoring system.
62. Display of licence.

Appeals

63. Appeals

Offences and penalties

64. Conducting a lottery or related competition without a licence.
65. Promoting or advertising unlicensed lottery.
66. Forging tickets or selling forged tickets
67. Offences relating to casinos, gaming and betting.
68. Offences relating to tax
69. Amendment of Schedules
70. Regulations

Repeal and savings

71. Repeal of Cap 191 and Cap. 292

Schedules

Schedule 1—Currency point.

Schedule 2—Meetings of the Board and related matters.

Schedule 3—Matters to be provided for by lottery rules.

Schedule 4—Rate of tax.

Schedule 5—Prohibited items.

THE LOTTERIES AND GAMING ACT, 2016.

An Act to reform the law relating to the conduct of lotteries, gaming, betting and casinos; to establish the National Lotteries and Gaming Regulatory Board; to provide for licensing and regulation of lotteries, gaming and betting; to provide for taxation of casinos, gaming and betting activities; to repeal the National Lotteries Act, Cap. 191 and the Gaming and Pool Betting (Control and Taxation) Act, Cap. 292; and for related matters.

DATE OF ASSENT: 28th December, 2015.

Date of Commencement: 8th April, 2016.

BE IT ENACTED by Parliament as follows:

PART I—PRELIMINARY

1. Interpretation.

In this Act, unless the context otherwise requires—

“agent of a licensee” means an agent appointed or approved in accordance with the conditions of the licence held by the licensee;

“betting” means making or accepting a bet on—

(a) the outcome of a race, competition or other event or process;

(b) the likelihood of anything occurring or not occurring; or

(c) whether anything is or is not true.

“betting intermediary” means a person who provides a service designed to enable any other person to make or accept bets;

“Board” means the National Lotteries and Gaming Regulatory Board;

“casino” means a private club, or a room in a club, hotel, or other establishment, where gambling takes place or place where people gamble by playing card games, roulette, or slot machines which has been issued with a licence under this Act;

“Commissioner” means the Commissioner General appointed under the Uganda Revenue Authority Act, Cap 196;

“conducting a public lottery” includes promoting, organising and operating a public lottery;

“currency point” has the value assigned to it in Schedule 1;

“gaming” means the playing of a game of chance for winnings in money or money’s worth and for the avoidance of doubt, includes gambling;

“gaming and betting machine or device” means any equipment or mechanical, electromechanical or electronic contrivance, component or machine; or software used remotely or directly in connection with gaming and betting or any game which affects the result of a wager by determining a win or loss;

“licence” means a licence issued under this Act;

“licensee” means the holder of a licence;

“lottery” includes any game, scheme or arrangement, system, plan, promotional competition or device for distributing prizes or property by lot or chance, whether by throwing or casting of dice, tickets, cards, lots, numbers or figures;

“Minister” means the Minister responsible for finance;

“minor” means a person below twenty-five years;

“National lottery” means lottery conducted by or on behalf of the Minister responsible for finance with the view of raising funds for a purpose defined by the Minister;

“numbers” include—

(a) symbols;

(b) a single number or symbol;

(c) a group or groups of numbers or of symbols or of numbers and symbols;

(d) a combination or combinations of numbers or of symbols or of numbers and symbols; or

(e) a distribution or distributions of numbers or of symbols or of numbers and symbols; and a person chooses numbers if the person chooses the numbers personally or if the numbers are chosen for the person;

“pool” means any competition organized for gain, in which for monetary or other material regard, the public is invited to forecast or tell the result of any game, race, or event and includes a pool operated on the system known as fixed odds betting on the results of that game, race or event;

“pool bet” means any stake or wager in a pool, whether in money or money’s worth and includes any portion of that stake or wager;

“prize” means the prize awarded to the winner of a lottery;

“promotional competition” means a lottery, game or contest conducted for the purpose of promoting the sale or use of any goods or services;

“public lottery” means a lottery conducted in the public interest and for no private gain for a period determined by the Board; (2018 amendment)

“wager” means a sum of money or representative of value that is risked on an occurrence for which the outcome is uncertain.

PART II—NATIONAL LOTTERIES AND GAMING REGULATORY BOARD

The National Lotteries and Gaming Regulatory Board

2. Establishment of the National Lotteries and Gaming Regulatory Board

3. Objective of the Board

4. Functions of the Board

5. Powers of the Board

6. Composition of the Board

7. Tenure of office of members of the Board

8. Meetings of the Board

9. Remuneration of members of the Board

Staff of the Board

10. Secretariat of the Board

11. Chief Executive Officer

12. Functions of the Chief Executive Officer

13. Tenure of office of Chief Executive Officer

14. Exemption from personal liability

PART III—FINANCES OF THE BOARD

15. Funds of the Board.

(1) The funds of the Board shall be appropriated by Parliament for the purposes of the Board.

(2) The Board shall collect—

(a) the proceeds from the national lottery after deducting the expense of conducting the lottery.

(b) licence, application fees and any other fees.

(3) The monies collected in subsection (2) shall be remitted to the Consolidated Fund in accordance with the Public Finance Management Act, 2015.

16. Power to open bank accounts
17. Borrowing powers
18. Estimates of income and expenditure
19. Financial year of the Board
20. Accounts
21. Audit of accounts
22. Annual reports

PART IV—LICENSING AND REGULATION OF LOTTERIES.

National lottery

23. Licence to conduct the national lottery

Public lotteries

24. Licence to conduct a public lottery

Regulation of lotteries

25. Lottery rules

PART V—CASINO, GAMING AND BETTING LICENCES
26. Casino, gaming and betting licence
27. Board to issue licences
28. Licence to operate a casino
29. Suitability of premises
30. Specific licence conditions
31. Licensing of certain casino employees

32. Casino games and rules
33. Gaming and betting equipment within the casino

PART VI—SPECIFIC PROVISIONS RELATING TO GAMING OR BETTING MACHINES.
34. Specific conditions for gaming or betting machines licence
35. Registration of gaming and betting machines or devices
36. National register of gaming or betting machines and devices
37. Technical standards for gaming or betting machines
38. Gaming or betting software standards

PART VII—GENERAL PROVISIONS ON LICENCING
39. Minimum capital requirements
40. Bond
41. Application for a licence
42. Processing of application by the Board
43. General licence conditions
44. Form of licence
45. Duration of licence
46. Suspension and revocation of licence
47. Renewal of licence

PART VIII—TAXATION OF CASINOS, GAMING AND BETTING ACTIVITIES

48. Tax on casinos, gaming or betting.

(1) An operator of a casino, gaming or betting activity issued with a licence under this Act shall, in addition to taxes prescribed by law, pay a gaming tax at the rate prescribed in Schedule 4 to this Act.

(2) The amount of tax levied under subsection (1), the intervals and the time within which it shall be paid shall be determined by the Minister.

49. Interest on unpaid tax.

(1) Any person who does not pay tax due on the due date shall, in addition to the tax, pay interest equal to two per cent of the

outstanding amount for each week or part of the week that the tax remains unpaid.

(2) Any interest due and payable under subsection (1), which exceeds the aggregate of the principal tax and penal tax is waived.

50. Returns.

(1) A taxable person shall lodge a tax return with the Commissioner for each tax determined under section 48 by the 15th day of the following month.

(2) The tax return shall be in a form prescribed by the Commissioner.

51. Assessment.

(1) A tax return submitted by a promoter, a principal or a person licenced under this Act shall be treated as a self-assessment issued by the Commissioner.

(2) The Commissioner may make an assessment of the tax payable where—

(a) a tax payer defaults in furnishing a return under this Act;

(b) the Commissioner is not satisfied by a return made by a promoter or principal or a person licenced under this Act.

(3) Where the Commissioner makes an assessment under subsection (2) (b), the Commissioner shall state the reasons why the Commissioner is not satisfied.

52. Objection to assessment.

(1) A person may object to an assessment within forty-five days from the date the assessment is served on that person.

(2) The objection shall be addressed to the Commissioner and shall state the grounds on which the objection is based.

(3) The Commissioner shall consider the objection and may—

(a) allow the objection and amend the assessment;

(b) reject the objection and maintain the assessment.

(4) Where a person objects to an assessment in part, the person shall pay the tax which is not in dispute or a lesser amount determined by the Commissioner, until the objection is determined.

53. Remission of tax.

(1) The Commissioner may refer a taxpayer's case to the Minister, where the Commissioner is of the opinion that the tax due or any part of it cannot be effectively recovered due to hardship, impossibility, undue difficulty or the excessive cost of recovery.

(2) Where the Minister is satisfied that the tax due in respect of the case referred by the Commissioner cannot be effectively recovered, the Minister may remit or write off the tax.

54. Recovery of unpaid tax and interest.

(1) Tax due and any interest in respect of the tax is a debt due to the Government and may be recovered as a civil debt.

(2) Without prejudice to subsection (1), the Commissioner may recover tax due and any interest by—

(a) sealing the premises used by the principal, agent or a person licensed under this Act for the purposes of a casino or gaming and betting;

(b) an agency notice requiring any person owing or holding money for or on behalf of the taxpayer (principal or agent) to pay the money to the Commissioner;

(c) distress proceedings on the financial, movable or immovable property of the taxpayer.

(3) For the purposes of subsection (2) (c), a person making a payment to the Commissioner in accordance with a notice issued by the Commissioner shall be taken as acting under the authority of the person liable to pay the tax and is absolved in respect of the amount paid.

(4) The Commissioner may at any time enter any premises or house specified in the distress order.

55. Penal tax.

(1) A person who fails to lodge a tax return within the time specified under this Act is liable to a penal tax of ten currency points.

(2) A person who fails to maintain proper records in accordance with regulations made under this Act is liable to a penal tax equal to double the amount of the tax payable.

(3) Where a person pays a penal tax under this section and the tax to which it relates is refunded, the penal tax or the part which relates to the tax refunded shall be refunded.

56. Commissioner to collect tax.

The Commissioner shall collect all the tax required to be paid under this Act.

PART IX—GENERAL

Restrictions on minors

57. Licensee or agent not to accept entry or payment from minor

58. Adults not to enter or subscribe to public lottery on behalf of minor

59. Display of notice prohibiting minors from entering lottery

60. Prohibited items

Electronic monitoring system

61. National central electronic monitoring system

62. Display of licence

Appeals

63. Appeals.

(1) A person aggrieved by a decision relating to tax under Part VIII of this Act may, within thirty days after notice of the decision, appeal to the Tax Appeals Tribunal.

(2) A person aggrieved by a decision made under this Act, other than a decision made under section 42(5) and Part VIII may, within thirty days after notice of the decision, appeal to the High Court.

(3) A person who intends to appeal against a decision under this Act shall serve a copy of the notice of appeal on the Board and the Minister.

Offences and penalties

64. Conducting a lottery or related competition without a licence

65. Promoting or advertising unlicensed lottery

66. Forging tickets or selling forged tickets

67. Offences relating to casinos, gaming and betting

68. Offences relating to tax

A person who knowingly or recklessly—

(a) does not make a return as required by this Act;

(b) makes a statement or declaration which is false or misleading, to the Commissioner or a person authorized by the

Commissioner;

(c) omits from a statement or declaration any matter or thing without which, the statement or declaration is misleading and the tax payable by the person exceeds the tax assessed,

commits an offence and is liable on conviction to a fine not exceeding forty-eight currency points or imprisonment not exceeding two years or both.

69. Amendment of Schedules.

(1) The Minister may, with the approval of Cabinet, by statutory instrument, amend Schedule 1 of this Act.

(2) The Minister may, with the approval of Parliament by statutory instrument, amend Schedule 2 and 3 of this Act.

70. Regulations.

(1) The Minister may, on the recommendation of the Board by statutory instrument, make regulations to give effect to this Act.

(2) Without prejudice to sub section (1) the Minister may make regulations for—

(a) the keeping of records in respect of gaming and betting machines, including the form, transfer and inspection of the records;

(b) the fees required to be prescribed or for the services rendered by the Board;

(c) the transfer or movement of gaming and betting machines and equipment;

(d) advertising of casinos and gaming and betting;

(e) the facilities and amenities to be made available to patrons in

a casino or gaming and betting premises;

(f) the form of applications for a licence under this Act;

(g) the power and manner of inspection and investigation persons licensed under this Act;

(h) the provision of assistance to persons who are or may be affected by problems related to gambling;

(i) establishing the identity of users of a casino or gaming and betting facilities;

(j) recording the identity of users of a casino or gaming and betting facilities;

(k) restricting gaming and betting facilities to persons registered in respect of the facilities in advance;

(l) the handling of complaints and determination of disputes under this Act;

(m) the disposal of unclaimed prizes;

(n) regulating the appointment and use of agents by a person licensed to conduct a lottery;

(o) regulating the holding of a draw for a lottery;

(p) the mode and time of payment of fees or money payable under this Act;

(q) requiring licence holders to restrict access of premises to children including—

(i) taking specified steps to ensure that a child does not enter the premises;

(ii) ensuring that each entrance to the premises is supervised

by a person whose responsibilities include ensuring that a child does not access the premises; and

(iii) requiring evidence of age to be produced by any person seeking admission to the premises,

(r) any other matter that is necessary or incidental to giving effect to this Act.

(3) Regulations made under this section may prescribe in respect of a contravention of the regulations, a fine not exceeding forty eight currency points or imprisonment not exceeding two years.

SCHEDULE 1

Section 1, 69

Currency point

One currency point is equivalent to twenty thousand shillings.

SCHEDULE 2

Section 8

MEETINGS OF THE BOARD AND RELATED MATTERS

1. Meetings of the Board.

2. Quorum.

3. Minutes of meetings.

4. Power to co-opt.

5. Validity of proceedings not affected by vacancy.

6. Disclosure of interest of members.

7. Official seal of the Board.

8. Board may regulate its procedure.

SCHEDULE 3

Section 25

Matters to be provided for by lottery rules

1. The amount payable for subscription, entry or acceptance of entries into the lottery;

2. Restrictions on persons below eighteen years participating in the lottery;

3. The form and manner of entering the lottery;

4. The minimum or maximum number of entries that may be made in the lottery;

5. The amount payable in respect of each entry;

6. The amount of money prizes and the nature of other prizes;

7. The number of tickets issued under the lottery;

8. Verification of tickets relating to the lottery;

9. Claiming prizes by participants;

10. Any other matter prescribed by the Minister.

SCHEDULE 4

Section 48

Rate of tax

1. Twenty percent of the total amount of money staked less the pay outs (winnings) for the period of filing returns for a betting activity.

2. Thirty percent of the total amount of money staked less the payouts (winnings) for the period of filing returns for the gaming activity.

SCHEDULE 5

Section 60

Prohibited Items

1. Guns, shotguns and machine guns

2. Saline

3. Explosives, knives and chloroform, acid.

Page intentionally left blank

CHAPTER 343

THE TAX PROCEDURES CODE ACT

Arrangement of Sections

Section

PART I-PRELIMINARY

1. Application of Act
2. Interpretation

PART II-REGISTRATION OF TAXPAYERS

3. Registration
4. Tax Identification Number
5. De-registration

PART III-TAX AGENTS AND TAX REPRESENTATIVES

Registration of tax agents

6. Tax Agents Registration Committee
7. Tax agents
8. Registration of tax agents
9. Renewal of registration
10. Registration of additional or substituted tax agents
11. Notice of change in registered particulars
12. Cancellation of registration of tax agent

Tax representatives

13. Liabilities and obligations of tax representative
14. Recovery of tax from successor and duty to notify discontinuance of business

PART IV-RECORD KEEPING
15. Accounts and records

PART V-TAX RETURNS
16. Furnishing of tax returns
17. Certification of tax return by tax agent
18. Power of Commissioner General to require tax returns in certain cases
19. Extension of time to furnish tax return

PART VI-TAX STAMPS

20. Tax stamps
21. Penal tax relating to tax stamps

PART VII-TAX ASSESSMENTS
22. Self-assessment
23. Default assessment
24. Advance assessment
25. Additional assessment

PART VIII-OBJECTIONS AND APPEALS
26. Objection to tax decision
27. Review of objection decision
28. Burden of proof

PART IX-COLLECTION AND RECOVERY OF TAX

Tax collection
29. Payment of tax
30. Tax liability of statutory corporations
31. Extension of time to pay tax
32. Tax as debt due to Government of Uganda

Enforced tax collection

33. Collection of tax from persons leaving Uganda permanently

34. Recovery of tax through persons owing money to taxpayer 35. Distress proceedings
36. Temporary closure of business
37. Charge over immovable property
38. Seizure of goods
39. Security for unpaid tax
40. Priority of withholding tax and value added tax
41. Order of payment

Interest on late payments

42. Recovery of interest on unpaid tax

PART X-REMISSION OF TAX

43. Remission of tax
44. Tax due and payable by Government
45. Deferment of payment of tax
46. Waiver of interest and penalty
47. Waiver of interest and penalty on payment of principal tax
47B. Waiver of interest and penalty on payment of principal tax

PART XI-INVESTIGATIONS

48. Access to premises, records and data storage devices
49. Notice to obtain information or evidence

PART XII-CERTIFICATES

50. Tax clearance certificate
51. Uganda Revenue Authority to issue certificates of origin

PART XIII-PRACTICE NOTES AND RULINGS

Practice notes

52. Practice notes

Private rulings

53. Private rulings

PART XIV-TAX OFFICERS

54. Delegation
55. Confidentiality

PART XV-PENAL TAX

56. Penal tax for default in furnishing tax return
57. Penal tax for failing to maintain proper records
58. Penal tax for failure to provide information
59. Penal tax for making false or misleading statements
60. Penal tax for understating provisional tax estimates
61. Penalty for failing to apply for registration
62. Recovery of penal tax

PART XVI-OFFENCES

63. Failing to furnish tax return
64. Failure to comply with obligations under Act
65. Failure to maintain proper records
66. Use of false Tax Identification Number
67. Making false or misleading statements
68. Obstructing tax officer
69. Aiding and abetting tax offence
70. Offences relating to recovery of tax
71. Offences relating to registration
72. Offence relating to acting as tax agent without registration
73. Failure to affix or activate tax stamps
74. Printing over or defacing of tax stamps
75. Forgery of tax stamps
76. Failure to use electronic receipting or invoicing
77. Forgery of electronic receipt or invoice

78. Interference with electronic fiscal device and electronic dispensing control device
79. Offences relating to automatic exchange of information
80. Fixing tax stamp on wrong goods, brand or volume 81. Offences in relation to tax officers
82. Offences by bodies of persons
83. Tax officer may appear on behalf of Commissioner General 84. Compounding of offences
85. Tax charged to be paid despite prosecution

PART XVII-MISCELLANEOUS

86. Validity of tax decision
87. Rectification of mistake
88. Forms, notices, and authentication of documents
89. Approved or prescribed form
90. Manner of furnishing documents or service of notices
91. Electronic returns and notices
92. Electronic receipting and electronic invoicing
93. Penal tax relating to electronic receipting and electronic invoicing
93A. Gaming and betting centralised payments gateway system
93B. Penal tax relating to gaming and betting centralised payments gateway system
93C. Failure to comply with requirements for tax exemption
94. Payment of informers
95. Regulations
96. Power to amend Schedules
97. Transitional provisions

SCHEDULES

Schedule 1 Currency Point

Schedule 2 Tax Laws
Schedule 3 Tax Returns Filed with Commissioner General
Schedule 4 Amount of Turnover in Respect of which Audited Financial Statements are Required

CHAPTER 343

THE TAX PROCEDURES CODE ACT

Commencement: 1 July, 2016

An Act to provide for a Code to regulate the procedures for the administration of specified tax laws in Uganda and for related matters.

PARTI-PRELIMINARY

1 Application of Act

This Act shall apply to every tax law specified in Schedule 2 to this Act.

2 Interpretation

In this Act, unless the context otherwise requires-

“additional assessment” means an additional assessment made by the Commissioner General under section 25;

“advance assessment” means an advance assessment made by the Commissioner General under section 24;

"Authority" means the Uganda Revenue Authority established by the Uganda Revenue Authority Act;

"business information return" means a return required to be furnished under section 147 of the Income Tax Act;

"Commissioner General" means the Commissioner General appointed under the Uganda Revenue Authority Act;

"Committee" means the Tax Agents Registration Committee established under section 6;

"Competent Authority" means the department of transport regulation and safety in the Ministry responsible for transport referred to in the Traffic and Road Safety Act;

"currency point" has the value assigned to it in Schedule 1 to this Act;

"default assessment" means a default assessment made by the Commissioner General under section 23;

"due date" means the date by which a tax obligation must be fulfilled under this Act;

"listed institution" has a meaning assigned to it in the Income Tax Act;

"Minister" means Minister responsible for finance;

"objection decision" means a decision within the meaning of section 26;

"occupier” in relation to premises or a place means the owner, manager, or any other person lawfully in the premises or place;

“penal tax” means a tax imposed as a penalty for failure to perform an act required by or under a tax law;

“person” has the same meaning as in the Income Tax Act;

"record” includes—

(a) a book of account, document, paper, register, bank statement, receipt, invoice, voucher, contract and agreement, or customs declaration; or

(b) any information or data stored on a mechanical or electronic data storage device;

“registration threshold" has the meaning in section 7(2) of the Value Added Tax Act;

"self-assessment" means an assessment treated as having been made by a taxpayer under section 22;

“self-assessment return" means a return made in accordance with sections 16 and 22;

“statutory rate”, in relation to a period, means the Bank of Uganda discount rate at the commencement of that period;

“tax” means a tax imposed under a tax law and includes withholding tax and provisional tax;

“tax assessment” means a self-assessment, default assessment, advance assessment, or additional assessment;

“tax agent” means a person registered as a tax agent under this Act;

“tax decision” means—

(a) a tax assessment; or

(b) a decision on any matter left to the discretion, judgment direction, opinon, approval, satisfaction or determination of the Commissioner General other than—

(i) a decision made in relation to a tax assessment;

(ii) a decision to refuse, issue or revoke a practice note or an omission to issue or revoke a practice note;

(iii) a decision or omission that affects a tax officer or employee or agent of the Authority;

(iv) the compoundment of an offence under any tax law; or

(v) a decision to refuse, issue or revoke a private ruling or an omission to issue or revoke a private ruling;

“tax law" means a law specified in Schedule 2 to this Act;

“tax obligation" means any duty expected of a taxpayer under a tax law

“tax officer" means the Commissioner General and an officer of the

Authority appointed under the Uganda Revenue Authority Act;

“taxpayer" means a person liable for tax under a tax law and includes—

(a) for the income tax, a person who has zero chargeable income or an assessed loss for a year of income; or

(b) for the value added tax, a taxable person whose total input tax credits for a tax period are equal to or exceed the persons' total output tax for the period;

“tax period” means-

a) in the case of the income tax-

(i) for the purposes of withholding tax, the period to which the withholding relates;

(ii) for the purposes of provisional tax, the period to which the provisional tax relates; or

(ii) for any other purposes, the year of income;

(b) in the case of value added tax, the tax period under the Value Added Tax Act; or

(c) in any other case, the period for which the tax is reported;

“tax representative" means-

(a) for an individual under a legal disability, the guardian or manager who receives or is entitled to receive income on behalf, or for the benefit of that natural person;

(b) for a company, the chief executive officer, managing director, or any director of the company;

(c) for a partnership, a partner in the partnership;

(d) in the case of a trust, a trustee of the trust;

(e) in the case of the Government or local government in Uganda, the individual responsible for accounting for the receipt or payment of moneys or funds on behalf of the Government or local government;

(f) in case of a foreign government, political subdivision of a foreign government, or a listed institution, any natural person responsible for accounting for the receipt or payment of moneys or funds in Uganda on behalf of the government, political subdivision of the government, or listed institution; and

(g) in the case of a non-resident person, the individual controlling the affairs of the person in Uganda, including a manager of a business of that person or any representative appointed by the person in Uganda;

“tax return” means a return or other document listed in Schedule 3to this Act;

"transaction information" means information relating to a transaction in respect of which a record is made;

"TIN" means the Tax Identification Number issued to a registered taxpayer;

“Tribunal” means a Tax Appeals Tribunal established by the Tax Appeals Tribunals Act;

“unpaid tax” means tax that has not been paid by the due date, but does not include tax that is the subject of an objection and that is not required to be paid until the objection is finally decided;

“VAT” means value added tax;

“withholding tax" means any tax that a withholding agent is required to deduct from a payment to a payee.

PART II-REGISTRATION OF TAXPAYERS

3 Registration

(1) A person liable to pay tax under a tax law shall apply to the Commissioner General for registration in the prescribed manner.

(2) The application shall be accompanied by the prescribed evidence of the identity of the person.

(3) The Commissioner General shall register a person who has applied for registration if satisfied that the person meets the requirements for registration.

(4) Where the Commissioner General refuses to register a person who has applied for registration, the Commissioner General shall serve that person with written notice of the refusal within fourteen days after the refusal, stating the reasons for refusal.

(5) Where a person applies for registration as required under a tax law, the Commissioner General may use the information provided for the registration for the purposes of this Act without requiring the person to furnish the same particulars under this Act.

(6) Notwithstanding subsection (5), the Commissioner General may request a person to provide any further information necessary to complete registration of the person under this Act.

4 Tax Identification Number[168]

(1) For tax purposes, the following shall be used as tax identification numbers—

a. a national identification number issued by the National Identification Registration Authority under the Registration of Persons Act, in the case of an individual;

b. a registration number issued by the Uganda Registration Services Bureau, in the case of a person who is a non-individual; and

c. a tax identification number issued by a foreign tax authority with whom Uganda has a tax treaty or agreement for the exchange of information.

(2) The Uganda Registration Services Bureau shall establish and maintain a centralised register of all non-individuals registered, incorporated or carrying on business in Uganda.

(3) A person shall state his or her national identification number in the case of an individual, or registration number in the case of a non-individual, or tax identification number issued by a foreign tax authority with whom Uganda has a tax treaty or agreement for the exchange of information, on any return, notice, communication or other document furnished, lodged or used for purposes of a tax law.

(4) A local authority, Government institution or regulatory body shall not issue a licence or any form of authorisation necessary for purposes of conducting any business in Uganda to any person who does not have a national identification number, in the case of an individual, or registration number in the case of a non-individual, or a tax identification number issued by a foreign tax authority with whom Uganda has a tax treaty or agreement for the exchange of

---

[168] Section 4 of the principal Act was amended by substitution by section 2 of the Tax Procedures Code (Amendment) Act 2025.

information.

(5) A local authority, Government institution or regulatory body shall not register an instrument required to pay stamp duty under the Stamp Duty Act, unless the person lodging the instrument for registration has a national identification number, in the case of an individual, or registration number, in the case of a non-individual or a tax identification number issued by a foreign tax authority with whom Uganda has a tax treaty or agreement for the exchange of information.

(6) The Minister shall, by regulations, prescribe the procedure and requirements for registering and issuing registration numbers to non-individuals.

5. De-registration

(1) A person who is no longer required to be registered for the purposes of a tax law may, in the prescribed manner, apply to the Commissioner General to be de-registered.

(2) The Commissioner General shall, by notice in writing, de-register a person if—

(a) that person has applied for de-registration and the Commissioner General is satisfied that the person is no longer required to be registered; or

(b) that person has not applied for de-registration but the Commissioner General is satisfied that the person is eligible for de-registration.

(3) De-registration takes effect from the date specified in the notice of de-registration.

(4) A person who is de-registered shall comply with any requirements relating to deregistration as specified under the tax law to which the registration relates.

PART III-TAX AGENTS AND TAX REPRESENTATIVES

Registration of tax agents

6. Tax Agents Registration Committee

(1) There shall be a Tax Agents Registration Committee to handle registration, renewal of registrations and cancellation of tax agents' registration.

(2) The Committee shall comprise of the following members—

(a) the Commissioner General, or his or her representative for purposes of this Act, who shall be the chairperson;

(b) one representative from the accountancy profession nominated by the Institute of Certified Public Accountants of Uganda;

(c) a representative from the legal profession nominated by the Uganda Law Society; and

(d) two members from the private sector with expertise or relevant experience in economics, finance or taxation who shall be appointed by the Board of the Authority.

(3) The Commissioner General shall receive and maintain a register of all registered tax agents.

(4) In exercise of its functions under this Act, the Committee shall make rules to govern its own procedure.

7. Tax agents

(1) An individual, partnership, or company may apply to the Committee for registration as a tax agent.

(2) An application for registration as a tax agent under subsection (1) shall be in the prescribed form and shall be accompanied by the prescribed fee.

(3) For purposes of this Act, a tax agent is a person engaged—

(a) in the preparation, certification, and filing tax returns,

information returns or other statements or reports required by the Authority;

(b) in the preparation of requests for ruling, petitions for re-investigation, protests, objections, requests for refund or tax certificates, compromise settlements or abatement of tax liabilities or both compromise settlements and abatement of tax liabilities and other official papers and correspondences with the Authority; or

(c) in meetings and hearings on behalf of the taxpayer in all matters relating to the rights, privileges or liabilities of the taxpayer under the laws or regulations administered by the Authority.

8. Registration of tax agents

(1) In the case of an application by a natural person, the Committee shall register the applicant if satisfied that the applicant is a fit and proper person to prepare tax returns and transact business with the Committee under the tax laws on behalf of taxpayers.

(2) In the case of an application by a partnership or a company, the Committee shall register the applicant if satisfied that—

(a) the partner or employee specified in the application as the nominee of the partnership or company respectively is a fit and proper person to prepare tax returns and transact business with the Commissioner General under a tax law on behalf of a taxpayer; and

(b) a partner in the partnership or a director, manager or other executive officer of the company is of high integrity and good character.

(3) An individual applying for registration as a tax agent, or in the case of an application by a partnership or company, the partner or employee specified as the nominee of the partnership or company respectively, shall meet the following requirements—

(a) have been awarded a degree or a post-graduate award from an approved tertiary institution in the discipline relevant for the provision of tax agent services;

(b) have successfully completed a course in taxation recognised by the tax registration committee; or

(c) was engaged in the equivalent of twenty-four months of full time tax practice within a period of five years preceding the 1st day of July,2016.

(4) The registration of a tax agent shall remain in force from the date of issue of the certificate of registration to the 31st day of December of the year of issue.

(5) The Commissioner General shall notify the applicant of the decision on the application.

(6) A person who is not registered as a tax agent under this section shall not act as a tax agent.

(7) This section does not apply to an advocate acting as an advocate to a taxpayer under section 7(3)(b) and(c).

9. Renewal of registration

(1) A tax agent may apply to the Committee for the renewal of the tax agents' registration.

(2) An application under subsection (1) shall be in the prescribed form and shall be accompanied by the prescribed fee.

(3) The application shall be submitted to the Committee within twenty-one days before the date of expiry of the registration of the tax agent or a later date allowed by the Committee.

(4) The Committee shall renew the registration of a tax agent who has applied under subsection (1) if the tax agent still meets the requirements for registration.

(5) The Committee shall in writing notify the applicant of the decision on

the application to renew registration.

10. Registration of additional or substituted tax agents

(1) A partnership or company registered as a tax agent may apply to fee, to register a partner of the partnership or an employee of the company as an additional or substituted tax agent.

(2) The Committee shall register the person nominated under tax returns and transact business with the Committee under a tax law on behalf of a taxpayer.

(3) The Committee shall in writing notify an applicant under this section of the decision of the Committee on the application.

11. Notice of change in registered particulars

(1) A partnership that is registered as a tax agent shall notify the Committee, in writing, if—

(a) there is a change in the composition of the partnership, within seven days after the change in composition; or

(b) the partnership is going to be dissolved, within seven days before the dissolution of the partnership.

(2) A company that is registered as a tax agent shall notify the Committee, in writing, if—

(a) a registered nominee ceases to be an employee of the company or a person becomes a director, manager, or other executive officer of the company, within seven days after the employee ceases to be employed, or the person becomes a director, manager or other executive officer; or

(b) the company is going into liquidation, within seven days before the company goes into liquidation.

12. Cancellation of registration of tax agent

(1) A tax agent that ceases to carry on business as a tax agent shall notify the Committee, in writing, within seven days after ceasing to carry on business as a tax agent.

(2) A tax agent may apply to the Committee, in the prescribed form to cancel the registration of the agent where the agent no longer wishes to be registered as a tax agent.

(3) The Committee may cancel the registration of a tax agent if the Committee is satisfied that-

(a) proper person to prepare tax returns and transact business with

(b) in the case of a partnership, the additional or nominated partner applied to the Committee to cancel the registration of the partner;

(c) be employed by the company or the company has applied to the Committee to cancel the registration of the employee;

(d) a tax return prepared and delivered by the tax agent is false in any material particular, unless the tax agent establishes to the satisfaction of the Committee that it was not due to any wilful or negligent conduct of the tax agent;

(e) the tax agent has ceased to meet the requirements for registration as a tax agent; or

(f) the tax agent has ceased to carry on business as a tax agent.

(4) The Committee shall give notice, in writing, to a tax agent of a decision to cancel the registration of the tax agent or a nominee of the tax agent.

(5) The cancellation shall take effect from the date specified in the notice.

Tax representatives

13. Liabilities and obligations of tax representative

(1) A tax representative is responsible for performing any duty or obligation imposed by a tax law on a taxpayer, including the submission of tax returns and payment of tax.

(2) If there are two or more tax representatives of a taxpayer, the obligations referred to in this section apply jointly and severally to the tax representatives but may be discharged by any of them.

(3) A tax representative making a payment of tax on behalf of a taxpayer is to be treated as acting under the authority of the taxpayer.

(4) A tax that is payable by the tax representative of a tax payer by extent of the assets of the taxpayer that are in the possession or under the control of the tax representative.

(5) Subject to subsection (6), a tax representative is personally liable for the payment of any tax due by the tax representative in that capacity if, while the amount remains unpaid, the tax representative—

(a) alienates, charges, or disposes of any money received or accrued in respect of which the tax is payable; or

(b) disposes of or parts with any money or funds belonging to the taxpayer that are in the possession of the tax representative or which come to the tax representative after the tax is payable,

if tax could legally have been paid from or out of the money or funds.

(6) A tax representative is not personally liable for tax if—

(a) the money was paid by the tax representative on behalf of a taxpayer and the amount paid has priority, in law or equity, over the tax payable by the taxpayer; or

(b) at the time the money was paid, the tax representative had no knowledge, and could not reasonably be expected to know, of

the taxpayers' tax or duty liability.

(7) An amount that a tax representative is personally liable for under subsection (5) shall be collected and recovered in accordance with this Act.

(8) Nothing in this section relieves a taxpayer from performing any obligation imposed on the taxpayer under a tax law that the tax representative of the taxpayer has failed to perform.

(9) A reference in this section to a tax liability includes any interest payable in respect of the liability.

14. Recovery of tax from successor and duty to notify discontinuance of business

(1) Where a person carrying on any business liable to duty, levy or tax has been succeeded by another person, and where the duty, levy or tax due and payable by the person succeeded cannot be recovered from that person, it shall be payable by and recoverable from the person succeeding that person.

(2) If the person succeeding fails to pay the duty, levy or tax on the date fixed by the Commissioner General, then the provisions of the law relating to collection and recovery of duty, levy or tax shall apply to the collection and recovery of the amount due as if it were the duty, levy or tax due and payable by the person succeeding.

(3) Any person intending to discontinue any business liable to the Commissioner General thirty days before the date of discontinuance, Commissioner General may direct that a sum not exceeding ten currency points be recovered from that person by way of penalty.

PART IV-RECORD KEEPING

15. Accounts and records

(1) Subject to subsections (2) and (4), every taxpayer shall, for the purposes of a tax obligation—

(a) maintain, in the English language, records including in electronic format, as may be required to determine the taxpayers' tax liability under a tax law;

(b) maintain the record so as to enable the taxpayers' tax liability under the tax law to be readily ascertained; and

(c) retain the record for five years after the end of the tax period to which it relates or other period as specified in the tax law.

(2) Where, at the end of the time specified in subsection (1)(c), a record is necessary for a proceeding commenced before the end of the five-year period, the person shall retain the document until all proceedings have been completed.

(3) A mode of record keeping shall contain sufficient transaction information and, in the case of a record in electronic format shall be capable of being retrieved and converted to a standard record format equivalent to that contained in an acceptable paper record.

(4) The Commissioner General may, on the application of a taxpayer who wishes to keep records in a language other than English or in a currency other than Uganda Shillings, allow the taxpayer to keep records in a different language or currency.

(5) An application under subsection (4) shall clearly state the reasons of the applicant for wishing to keep records in a different language or currency.

(6) Where a record referred to in subsection (1) is not in English, the Commissioner General may, by notice in writing, require the person keeping the record to provide, at the persons' expense, a translation into English by a translator approved by the Commissioner General.

(7) A taxpayer granted permission to keep records in a language other than English shall file a tax return or provide other correspondence with the Commissioner General in English.

PART V-TAX RETURNS

16. Furnishing of tax returns

(1) A person required to furnish a tax return under a tax law shall submit the return in the prescribed form and in the manner determined by the Commissioner General.

(2) Where a person does not furnish a tax return under subsection (1), the Commissioner General may at the persons' cost, by notice in writing, appoint another person to prepare and furnish the return on behalf of that person.

(3) A return furnished under subsection (2) shall be treated, for all the purposes of the tax law under which the return is required to be furnished, to be the return of the person required to furnish the return.

(4) Where the Commissioner General is not satisfied with a tax return furnished by a person, other than a self-assessment return, the Commissioner General may, by notice in writing, require the person who has furnished the return to provide a fuller or further tax return.

(5) A taxpayer with an annual turnover of the amount prescribed in Schedule 4 to this Act shall furnish with the taxpayer’s return of income audited financial statements prepared by an accountant registered by the Institute of Certified Public Accountants of Uganda.

(6) A tax return purporting to be made by or on behalf of a person is treated as having been made by the person or with the authority of the person unless the contrary is proved.

(7) The following are tax returns for the purposes of this Act—

(a) a return of income;

(b) a return of rental income;

(c) a provisional tax estimate;

(d) a business information return;

(e) a return required to be furnished under the Value Added Tax Act;

(f) an excise duty return;

(g) any other return required to be furnished under a tax law; and

(h) any form required to be furnished under a tax law containing information relating to an assessment of tax.

(8) For purposes of subsection (7), the applicable time frame for lodging a return shall be as follows—

(a) in the case of a return of income, every taxpayer shall furnish a return of income for each year of income of the taxpayer not later than six months after the end of that year;

(b) in the case of a return of rental income, every taxpayer shall furnish a return of rental income for each year of income of the taxpayer not later than six months after the end of that year;

(c) a provisional taxpayers' estimate shall be in the form prescribed by the Commissioner General and shall be furnished to the Commissioner General by the due date for the payment of the first instalment of provisional tax for the year of income;

(d) in the case of a business information return, a person who is required to furnish a business information return with the Commissioner General shall do so within sixty days after the end of the year of income in which the payment was made;

(e) lodge a value added tax return with the Commissioner General for each tax period within fifteen days after the end of the tax period;

(f) in the case of an excise duty return, a person who is required to furnish an excise duty return with the Commissioner General shall do so by the fifteenth day of the following month;

(g) in the case of the Lotteries and Gaming Act a licensed person shall furnish returns with the Commissioner General as follows—

(i) a weekly return, by Wednesday of the following week; and

(ii) a monthly return, by the fifteenth day of the following month;

(h) in case of any other return required to be furnished under a tax law, a person is required to furnish such return with the Commissioner General in the period specified under the tax law to which the return relates;

(i) in case of any form required to be furnished under a tax law containing information relating to an assessment of tax, a person is required to furnish such a form with the Commissioner General in the period specified by the Commissioner General.

17. Certification of tax return by tax agent

(1) A tax agent who prepares or assists in the preparation of a tax return of a taxpayer shall provide the taxpayer with a signed certificate in the prescribed form-

(a) stating the sources available to the tax agent for the preparation of the return; and

(b) certifying that the tax agent has examined the documents of the taxpayer and that, to the best of the tax agents' knowledge, the return together with any supporting documentation, reflects

the correct data and transactions to which it relates.

(2) A tax agent who does not provide the certificate referred to in subsection (1) shall in writing specify to the taxpayer the reasons for not providing the certificate.

(3) A tax agent who prepares or assists in the preparation of a tax return of a taxpayer shall make a declaration in the taxpayers' return stating whether a certificate under subsection (1) or a statement under subsection (2) has been provided to the taxpayer.

(4) A tax agent shall when required to do so by notice in writing from the Commissioner General, produce to the Commissioner General a copy of the certificate under subsection (1) or the statement provided to the taxpayer under subsection (2).

(5) A tax agent shall keep copies of certificates provided to taxpayers under subsection (1) and statements provided to taxpayers under subsection (2) for five years from the date that the tax return to which the certificate or statement relates is furnished.

18 Power of Commissioner General to require tax returns in certain cases

(1) This section applies where, during a tax period—

(a) a taxpayer has died;

(b) a taxpayer becomes bankrupt, wound up, or goes into liquidation;

(c) a taxpayer is about to leave Uganda permanently; or

(d) the Commissioner General otherwise considers it appropriate.

(2) The Commissioner General may, by notice in writing and at any time during the tax period, require—

(a) the taxpayer or the taxpayers' representative to furnish a tax return for the tax period by the date specified in the notice being

a date that may be before the date that the return for the tax period would otherwise be due; and

(b) the taxpayer or taxpayers' representative to pay any tax due under the return.

(3) Where a taxpayer is subject to more than one tax, this section applies to each tax separately.

18A. Destruction of goods[169]

(1) A taxpayer who intends to claim a deduction of or credit for the goods destroyed as a result of –

(a) Damage of trading stock;

(b) Expiry of trading stock;

(c) damage of manufactured stock;

(d) expiry of manufactured stock; or

(e) obsolete stock,

shall inform the Commissioner, in writing, using the form prescribed under section 70[170] of this Act, before destroying the goods.

(2) A taxpayer who fails to inform the Commissioner in accordance with subsection (1), shall not claim a deduction of or credit for the destroyed goods.

19 Extension of time to furnish tax return

(1) A person required to furnish a tax return may apply in writing to the Commissioner General for an extension of time to furnish the return.

(2) An application under subsection (1) shall be made by the date on

---

[169] Introduced under the 2024 amendment.
[170] In the revised edition of the Laws of Uganda 2023, section 70 (of the old TPCA) should be read to mean section 88 on forms.

which the return is required to be furnished or made.

(3) Where an application has been made under subsection (1) and the Commissioner General is satisfied that the person is unable to furnish the tax return by the due date because of any reasonable cause, the Commissioner General may, by notice in writing, granted the person an extension of time to furnish the return.

(4) The extension of time granted under subsection (3) shall not exceed an aggregate period of ninety days.

(5) An extension of time granted under this section does not change the date for payment of the tax due as specified in the tax law under which the tax return is required to be furnished and interest remains payable on the unpaid tax from the date the tax was originally due.

(6) The Commissioner General may allow an application for the extension of time after the expiry of the due date if the Commissioner General is satisfied that the failure to furnish a tax return was due to exceptional circumstances.

PART VI-TAX STAMPS

20. Tax stamps

(1) A person dealing in goods, whether locally manufactured or imported, shall affix a tax stamp on any goods locally manufactured or imported as may be prescribed by the Minister under subsection (3).

(2) The Commissioner General shall prescribe the manner in which a tax stamp is to be affixed to goods.

(3) The Minister shall, by statutory instrument, prescribe the locally manufactured or imported goods on which tax stamps shall be affixed.

21. Penal tax relating to tax stamps

(1) A taxpayer who fails to affix a tax stamp on goods prescribed under section 20(3) or to activate tax stamps is liable to pay a penal tax

equivalent to double the tax due on the goods or two thousand five hundred currency points, whichever is higher.

(2) Any person who prints over or defaces a tax stamp affixed on goods prescribed under section 20(3) is liable to pay a penal tax equivalent to double the tax due on the goods or one thousand currency points, whichever is higher.

(3) Any person found in possession of goods prescribed under equivalent to double the tax due on the goods or two thousand five hundred currency points, whichever is higher.

(4) Any person who attempts to acquire or who acquires or sells a tax stamp without the authority of the Commissioner General commits an offence and is liable, on conviction, to a penalty equivalent to double the tax due on the goods or five hundred currency points, whichever is higher.

(5) Where the offender under subsection (4) attempts to acquire or acquires or sells a tax stamp without goods, the offender is liable, on conviction, to a fine not exceeding five hundred currency points or to imprisonment for a term not exceeding five years, or both.

(6) Any person, who acquires tax stamps with the authority of the Commissioner General and affixes the tax stamps on goods other than the goods approved by the Commissioner General, commits an offence is liable, on conviction, to double the tax due on the goods or five hundred currency points, whichever is higher.

(7) Any person who makes an unauthorised interference to or tampers with a digital tax stamps machine commits an offence and is liable, on conviction, to pay the amount of tax lost as a result of the tampering and, a fine not exceeding five thousand currency points, or to imprisonment for a term not exceeding ten years, or both.

(8) For purposes of this section, “tax” means tax imposed under the Excise Duty Act.

PART VII-TAX ASSESSMENTS

22. Self-assessment

(1) A taxpayer who has submitted a self-assessment return in the prescribed form for a tax period is treated as having made an assessment of the amount of tax payable, including a nil amount, for that period being the amount set out in the return.

(2) Where a taxpayer liable to income tax has submitted a self-assessment return in the prescribed form for a year of income and the taxpayer has an assessed loss for the year, the taxpayer is treated, as having made an assessment of the amount of the loss for that year being that amount set out in the return.

(3) Where a taxable person has submitted a self-assessment return in the prescribed form for a tax period and the taxable person has an excess input tax credit carried forward for that tax period, the taxable person is treated, as having made an assessment of the amount of the excess input tax credit carried forward for that tax period being that amount set out in the return.

(4) Where a taxpayer electronically completes and submits a prescribed form for a tax return that tax return is a self-assessment return despite the form having prefilled information provided by the Commissioner General.

(5) The following are self-assessment returns for the purposes of this Act—

(a) a return of income;

(b) a return of rental income;

(c) a return required to be furnished under the Value Added Tax Act;

(d) a return required to be furnished under the Excise Duty Act; and

(e) a return specified as a self-assessment return under a tax law.

23. Default assessment[171]

(1) Where a taxpayer fails to furnish a self-assessment return for a tax period as required under a tax law, the Commissioner General may, at any time, make an assessment as follows—

(a) in the case of an assessed loss under the Income Tax Act, the amount of the assessed loss of the taxpayer for the period;

(b) in the case of an excess input tax credit under the Value Added Tax Act, the amount of the excess input tax credit of the taxpayer for the period; or

(c) in any other case, the tax payable by the taxpayer for the tax period.

(2) The Commissioner General shall serve a taxpayer assessed under subsection (1) with notice, in writing, of the assessment specifying—

(a) the amount of tax assessed, assessed loss, or excess input tax credit, as the case may be;

(b) the amount of penal tax and interest, if any, payable in respect of the amount assessed;

(c) the tax period to which the assessment relates;

(d) the due date for payment of the tax, penal tax and interest; and

(e) the manner of objecting to the assessment.

(3) The service of a notice of an assessment under this section does not change the due date for payment of the tax payable under the assessment as determined under the tax law imposing the tax, and penal tax and interest remain payable based on the original due date.

---

[171] Richard Omongole Anguria v URA, TAT Application No. 83 of 2023. Decided on 25 October 2024.

24. Advance assessment

(1) This section applies to a taxpayer specified in section 18 and where the Commissioner General is satisfied that there is a risk that a taxpayer may delay, obstruct, prevent, or render ineffective payment or collection of tax that has not yet become due.

(2) Subject to subsection (3), the Commissioner General may make an assessment for a tax period in relation to a taxpayer to whom section 18 applies—

(a) in the case of an assessed loss under the Income Tax Act, of the amount of the assessed loss of the taxpayer for the period;

(b) in the case of an excess input tax credit under the Value Added Tax Act, of the amount of the excess input tax credit of the taxpayer for the period; or

(c) in any other case, of the tax payable by the taxpayer for the period.

(3) Subsection (2) applies only if the taxpayer has not submitted a return as required by section18.

(4) An assessment made under subsection (2) —

(a) may be made before the date on which the taxpayers' tax return for the period is due; and

(b) shall be made in accordance with the tax law in force at the date the assessment was made.

(5) The Commissioner General shall serve a taxpayer assessed under subsection (2) with notice, in writing, of the assessment specifying—

(a) the amount of tax assessed;

(b) the amount of penal tax and interest, if any, payable in respect of the tax assessed;

(c) the tax period to which the assessment relates;

(d) the due date for payment of the tax, penal tax and interest; and

(e) the manner of objecting to the assessment.

(6) An assessment made under subsection (2) may be amended under section 25 so that the taxpayer is assessed in respect of the whole of the tax period to which the assessment relates.

(7) Nothing in this section relieves a taxpayer from being required to furnish the tax return to which the assessment served under this section relates.

25. Additional assessment

(1) The Commissioner General may make an additional assessment amending a tax assessment made for a tax period to ensure that—

(a) for an assessed loss under the Income Tax Act, the taxpayer is assessed in respect of the correct amount of the assessed loss for the period;

(b) for an excess input tax credit under the Value Added Tax Act, the taxpayer is assessed in respect of the correct amount of the excess input tax credit for the period; or

(c) in any other case, the taxpayer is liable for the correct amount of tax payable in respect of the period.

(2) An additional assessment under subsection (1) may be made—

(a) at any time, if fraud or any gross or wilful neglect has been committed by, or on behalf of the taxpayer, or new information has been discovered in relation to the tax payable by the taxpayer for a tax period;

(b) in the case of an additional assessment, within three years from the date of service of the notice of the additional assessment; or

(c) in any other case, within three years after the date—
(i) the taxpayer furnished the self-assessment return to

which the original assessment relates; or

(ii) the Commissioner served notice of the original assessment on the taxpayer.

(3) Subject to subsection (1), a taxpayer who has furnished a self-assessment return, other than a taxpayer whose return is being investigated, may upon discovering an error within three years after the date of furnishing the return, apply to the Commissioner for leave to make an additional assessment.

(4) The Commissioner shall within thirty days after receiving the application, in writing notify the taxpayer of the decision.

(5) For the purposes of subsection (2) (b) the additional assessment shall be limited to amending the alterations and additions made in the additional assessment.

(6) Where the Commissioner has made an additional assessment under this section, the Commissioner shall serve the taxpayer with notice, in writing, of the additional assessment specifying—

(a) the amount assessed as tax, assessed loss, or excess input tax credit, as the case may be;

(b) the amount of penal tax and interest, if any, payable in respect of the amount assessed as a result of subsection (2) (a);

(c) the tax period to which the assessment relates;

(d) the date for payment of any tax, penal tax and interest being a date that is not less than forty five days from the date of service of the notice; and

(e) the manner of objecting to the assessment.

(7) The service of a notice of an additional assessment under this section does not change the due date for payment of the tax payable

under the assessment as determined under the tax law imposing the tax, and penal tax and interest shall remain payable based on the original due date.

(8) Subsection (6) shall not apply to where the circumstances leading to the additional assessment are occasioned by an error on the part the Commissioner.

PART VIII-OBJECTIONS AND APPEALS

26. Objection to tax decision

(1) A person who is dissatisfied with a tax decision may lodge an objection with the Commissioner General within forty five days after receiving notice of the tax decision.

(2) An objection shall be in the prescribed form and shall state the grounds upon which it is made and contain sufficient evidence to support the objection.

(3) Where a taxpayer has lodged an objection to a tax assessment for a tax period, the Commissioner General may consider the objection if the taxpayer—

(a) has furnished the return to which the assessment relates in the case of a default or advance assessment;

(b) has paid the tax due under the return to which the assessment relates together with any penalty or interest due.

(4) A person may apply in writing to the Commissioner General for an extension of time to lodge an objection and the Commissioner may, if satisfied with the grounds upon which the application is made, grant an extension for such period as the Commissioner determines.

(5) The Commissioner General may make a decision on an objection—

(a) to a tax assessment, affirming, reducing, increasing, or otherwise varying the assessment to which the objection relates; or

(b) to any other tax decision, affirming, varying, or setting aside the decision.

(6) The Commissioner shall serve notice of an objection decision on the person objecting within ninety days from the date of receipt of the objection.

(7) Subject to subsection (9), where an objection decision has not been served within the time specified under subsection (6), the person objecting may, by notice in writing to the Commissioner, elect to treat the Commissioner General as having made a decision to allow the objection.

(8) Where a person makes an election under subsection (7), the person is treated as having been served with notice of the objection decision on the date the person's election is lodged with the Commissioner General.

(9) The time limit for making an objection decision is waived where a review of a taxpayer's records is necessary for settlement of the objection and the taxpayer is notified.

(10) Where the Commissioner General reviews the taxpayer records under subsection (9), the Commissioner General shall within the time specified in subsection (6) notify the taxpayer of the review.

(11) A tax payer who is dissatisfied with a decision of the Commissioner General may apply to the Commissioner General to resolve the dispute using alternative dispute resolution procedure, as may be prescribed.

(12) For the purposes of subsection (11), the Minister may make regulations to provide for alternative dispute resolution for tax purposes.

27. Review of objection decision

(1) A person dissatisfied with an objection decision may, within thirty days after being served with a notice of the objection decision, lodge an application with the Tribunal for review of the objection decision.

(2) A person dissatisfied with a decision of the Tribunal may, within thirty days after being served with a notice of the decision, lodge an application with the High Court for review of the decision.

28. Burden of proof

In any proceeding under this Act—

(a) for a tax assessment, the burden is on the taxpayer to prove that the assessment is incorrect; or

(b) for any other tax decision, the burden is on the person objecting to the decision to prove that the decision should not have been made or should have been made differently.

PART IX-COLLECTION AND RECOVERY OF TAX

Tax collection

29. Payment of tax

(1) The tax owing by a taxpayer for a tax period is payable on the date specified in the tax law under which the tax is payable.

(2) An amount that is treated as tax for the purposes of this Act shall be collected by the Commissioner General serving a notice of demand on the person liable for the amount.

(3) The amount is payable on the date specified in the notice being a

date that is not less than twenty-eight days from the date of service of the notice.

(4) The Commissioner General may waive the amount or accept a lesser amount than is required to be paid under section 26(3) where an objection has reasonably been made to a tax assessment.

30. Tax liability of statutory corporations

(1) No statutory corporation shall gain exemption from any tax imposed generally by any written law, whether the tax is expressed as a tax, levy, duty or otherwise unless the corporation is expressed in or under the law as exempt from the tax or entitled to such remission as may be granted under the law; except that in respect of income tax any exemption purported to have been granted otherwise than in accordance with this section shall be deemed to be of no effect.

(2) Any provision of any written law which is inconsistent with subsection (1) shall be deemed to be amended to the extent of the inconsistency.

(3) In granting an exemption or remission under subsection (1), the authority empowered in that behalf shall distinguish between statutory corporations which are business enterprises and which shall, as far as possible, be treated as private persons, and statutory corporations which provide utility services and which shall in principle be exempt or entitled to remission.

31. Extension of time to pay tax

(1) A taxpayer may apply, in writing, to the Commissioner General for an extension of time within which to pay tax that is due.

(2) An application for an extension of time to pay tax shall be made by the due date for payment of the tax to which the application refers.

(3) Where an application has been made under this section, the Commissioner General may, having regard to the circumstances of the case and by notice in writing—

(a) grant the taxpayer an extension of time for payment of the tax; or

(b) require the taxpayer to pay the tax in such instalments as the Commissioner General may determine.

(4) Where tax is permitted to be paid by instalments and there is default in payment of any instalment, the whole balance of the outstanding tax becomes payable immediately.

(5) Notwithstanding the grant of an extension of time or permission to pay tax by instalments, the liability for interest arises from the original due date for payment of the tax.

32. Tax as debt due to Government of Uganda

(1) The tax payable under a tax law is a debt due to the Government of Uganda and is payable to the Commissioner General in the manner and at the place determined by the Commissioner General.

(2) The Commissioner General may sue for and recover unpaid tax in a court of competent jurisdiction in Uganda.

(3) In any suit under this section, the production of a certificate signed the amount of tax payable is conclusive evidence of the amount of tax payable by the taxpayer unless the contrary is proved.

Enforced tax collection

33. Collection of tax from persons leaving Uganda permanently

(1) If the Commissioner General has reasonable grounds to believe that a taxpayer may leave Uganda permanently without paying tax that is due, the Commissioner General may issue a certificate containing the particulars of the tax payable to the officer responsible for immigration control and request the Director for immigration to prevent that person from leaving Uganda until that person—

(a) makes payment of the tax in full; or

(b) executes a financial bond guaranteeing payment of the tax.

(2) A copy of a certificate issued under subsection (1) shall be served on the taxpayer named in the certificate if it is practicable to do so.

(3) The payment of the tax specified in the certificate to a customs or immigration officer or the production of a certificate signed by the Commissioner General stating that the tax has been paid or secured is sufficient authority for allowing the taxpayer to leave Uganda.

34. Recovery of tax through persons owing money to taxpayer[172]

(1) This section applies where a person is, or will become liable to pay tax and—

(a) the tax is unpaid; or

(b) the Commissioner General has reasonable grounds to believe that the taxpayer will not pay the tax by the due date for payment.

(2) Where this section applies to a taxpayer, the Commissioner General may, by notice in writing, require a person who—

(a) owes or may subsequently owe money to the taxpayer;

(b) holds or may subsequently hold money, for or on account of, the taxpayer;

(c) holds money on account of some other person for payment to the taxpayer; or

(d) has authority from some other person to pay money to the taxpayer,

to pay the amount specified in the notice to the Commissioner

[172] See Wananchi Group Uganda Limited v URA, HCMA No. 1024 of 2025. Decided on 31 May 2025.

General, being an amount that shall not exceed the amount of the unpaid tax or the amount that the Commissioner General believes will not be paid by the taxpayer by the due date.

(3) A person to whom a notice is served under subsection (2) shall pay the amount specified in the notice under subsection (2) by the date specified in the notice, being a date that is not before the date that the amount owed by the payer to the taxpayer becomes due to the taxpayer or held on the taxpayer's behalf.

(4) If a notice served under subsection (2) requires a person to deduct amounts from salary, wages, or other similar remuneration payable at fixed intervals to the taxpayer, the amount required to be deducted by the person from each payment shall not exceed twenty percent of the amount of each payment of the pension, salary, wages, or other remuneration.

(5) Where a person served with a notice under subsection (2) is unable to comply with the notice by reason of lack of moneys owing to, or held for the taxpayer, the person shall, as soon as is practicable and in any case before the payment date specified in the notice, notify the Commissioner General accordingly.

(6) If a notice is served on the Commissioner General under subsection (5), the Commissioner General shall, by notice in writing—

(a) accept the notification and cancel or amend the notice issued under subsection (2); or

(b) reject the notification.

(7) The Commissioner General shall, by notice in writing to a person under this section, revoke or amend a notice served under subsection (2) if the taxpayer has paid the whole or part of the tax payable or has made an arrangement satisfactory to the Commissioner General for payment of the tax.

(8) A copy of a notice served on a person under this section shall also be served on the taxpayer.

(9) A person making a payment in accordance with a notice under subsection (2) is treated as acting under the authority of the taxpayer and of all other persons concerned and is indemnified in respect of the payment despite any provisions to the contrary in any written law, contract, or agreement.

(10) The Commissioner General must credit any amount paid by a person under this section against the tax owing by the taxpayer.

(11) A person who does not comply with a notice issued under this section is personally liable for the amount specified in the notice which shall be treated and collected as unpaid tax under this Act.

35. Distress proceedings

(1) The Commissioner General or an officer authorised by the Commissioner General in writing may issue an order, in writing, for the recovery of unpaid tax by distress and sale of the movable property of a taxpayer.

(2) An order issued under subsection (1) shall specify—

(a) the taxpayer against whose property the order is issued;

(b) the amount of the unpaid tax liability;

(c) the property against which distress is to be executed and location of the property; and

(d) the tax liability to which the order relates.

(3) For the purposes of executing distress under subsection (1), the Commissioner General or an officer authorised by the Commissioner General may—

(a) at any time, enter any premises described in the order for distress proceedings; and

(b) require a police officer to be present while the distress is being executed.

(4) Any property subject to distress proceedings under this section shall be—

(a) identified by the attaching of a notice stating “PROPERTY IMPOUNDED FOR NOT COMPLYING WITH TAXOBLIGATIONS BYORDER OF THE COMMISSIONER GENERAL OF THE UGANDA REVENUE AUTHORITY UNDER SECTION 37 OF THE TAX PROCEDURES CODE ACT”; and

(b) kept at the premises where the distress is executed or at any other place that the Commissioner General or authorised officer may consider appropriate, at the cost of the taxpayer.

(5) If the taxpayer does not pay the tax due and specified in the order under subsection (1), together with the costs of the distress—

(a) in the case of perishable goods, within a period that the Commissioner General or authorized officer considers reasonable having regard to the condition of the goods; or

(b) in any other case, within ten days after the distress is executed, the property subject to the distress proceedings may be disposed of by sale by public auction or in such other manner as the Commissioner General or authorised officer may direct.

(6) The proceeds of a disposal under subsection (5) shall be applied by the Commissioner General in the following order—

(a) towards the cost of taking, keeping, and selling the property subject to distress proceedings;

(b) towards the payment of any tax, penalty, or interest owing by the taxpayer; and

(c) the remainder of the proceeds, if any, are to be paid to the taxpayer.

(7) Where the proceeds of disposal are less than the sum of the costs of the distress and the tax payable, the Commissioner General or authorised officer may recover the shortfall in accordance with this Part.

36. Temporary closure of business

(1) The Commissioner General or an officer authorised in writing by the Commissioner General for the purposes of this section may notify a person in writing of the intention to close down part or the whole of the person's business premises for default in paying a tax that is due and payable or for failure to comply with the requirements of electronic receipting and invoicing or tax stamps within fifteen days from the date of the notice.

(2) Where a taxpayer does not pay the tax due or fails to comply with the requirements of electronic receipting and invoicing or tax stamps after service of a notice under subsection (1), the Commissioner General or authorised officer may issue an order to close down part or the whole of the business premises of the taxpayer for a period not exceeding fifteen days.

(3) The Commissioner General or authorised officer may, at any time, enter any premises described in an order issued under subsection (2) for the purposes of executing the order and may require a police officer to be present while the order is being executed.

(4) The Commissioner General or an authorised officer shall affix in a conspicuous place at any entrance to the premises that have been closed in accordance with an order issued under subsection (2), a

notice in the following words-

"TEMPORARILY CLOSED FOR FAILURE TO COMPLY WITH A TAX OBLIGATION"

(5) If the taxpayer complies with the tax obligations under subsection (1) during the period of closure, the Commissioner General shall immediately remove the notice referred to in subsection (4).

37. Charge over immovable property

(1) If a taxpayer who is the owner of land or a building in Uganda does not pay tax by the due date, the Commissioner General may, by notice in writing, to the Registrar of Titles, direct the Registrar of Titles that the land or building in the notice is the subject of a security for unpaid tax.

(2) The Commissioner General shall serve a copy of the notice on the taxpayer.

(3) Upon receipt of the notice under subsection (1), the Registrar of Titles shall, without fee, register the directive as if it were an instrument of mortgage or charge on the land or building and that registration, subject to any prior mortgage or charge, operates in all respects as a legal mortgage or charge on that land or building to secure the amount of the unpaid tax.

(4) Where a taxpayer does not pay the tax due within twelve months after receiving the copy of the notice under subsection (2), the Commissioner General may commence distress proceedings against the land or building of the taxpayer.

(5) Upon receipt of the full amount of tax secured under this section, under subsection (3) and the registrar shall, without fee, cancel the entry.

(6) This section does not preclude the Commissioner from registering a caveat on the land or building as an interim measure to stop the

transfer of the land or building.

38. Seizure of goods

(1) The Commissioner General or a tax officer authorised in writing by the Commissioner General may seize any goods in respect of which there are reasonable grounds to believe that the tax payable in respect of the supply, removal or import of the goods has not been paid.

(2) Goods seized under subsection (1) shall be stored in a place approved by the Commissioner General or authorised officer for the storage of seized goods.

(3) Upon seizing the goods, the person seizing the goods shall obtain a written statement from the owner or the person who has custody or control of the goods at the time of the seizure, specifying the quantity and quality of the goods.

(4) Subject to subsection (5), where goods are seized under this section, the Commissioner General or authorised officer shall, within ten days after the seizure, serve on the owner of the goods or the person who has custody or control of the goods immediately before the seizure, a notice—

(a) identifying the goods;

(b) stating that the goods have been seized under this section and the reason for the seizure; and

(c) setting out the terms for the release or disposal of the goods.

(5) Where after making reasonable enquiries, the Commissioner General does not have sufficient information to identify the person on whom a notice under subsection (4) should be served, the Commissioner General or authorised officer may serve the notice on a person claiming the goods, but that person must give sufficient information to enable the notice to be served.

(6) The Commissioner General or authorised officer may authorise a

notice under subsection (4) has been served where that person has paid, or gives security for the payment of the tax assessed as payable or the tax that will become payable in respect of the supply, removal, or import of the goods.

(7) If the proceeds of disposal are less than the sum of the costs of the seizure and the tax payable, the Commissioner General or authorised officer may recover the shortfall in accordance with this Part.

(8) Subject to subsection (6), the Commissioner General shall retain the goods seized under subsection (1) —

(a) in the case of perishable goods, for a period that the Commissioner General or authorised officer considers reasonable having regard to the condition of the goods; or

(b) in any other case, until the later of—

(i) ten days after the seizure of the goods; or

(ii) ten days after the date on which payment of the tax is due in respect of the supply, or import of the goods.

(9) Upon expiry of the period specified in subsection (8), the Commissioner General or an authorised officer may sell the goods in the manner specified in section 35(5) and apply the proceeds of sale as set out in section 35(6).

39. Security for unpaid tax

The Commissioner General may require a taxpayer, by notice in writing, to give security by bond, deposit, or otherwise satisfactory to the Commissioner General, for the payment of tax that may become payable, if there is reason to believe that—

(a) a taxpayer establishing a business in Uganda intends to carry on the business for a limited time only; or

(b) a taxpayer may not pay tax when it becomes payable.

40. Priority of withholding tax and VAT

(1) The following amounts are held in trust for the Government by the person receiving or withholding the amount—

(a) if the person is a taxable person under the Value Added Tax Act, tax credit allowed; and

(b) withholding tax.

(2) Notwithstanding any other enactment, withholding tax withheld or deducted by a person—

(a) shall not be subject to attachment in respect of any debt or liability of the person;

(b) is a first charge on the payment or amount from which the tax is withheld or deducted; and

(c) shall be withheld or deducted prior to any other deduction that the person may be required to make from the payment or amount under an order of any court or any other law.

(3) Where the Commissioner General is satisfied that tax has been overpaid, the Commissioner General shall—

(a) apply the excess in reduction of any other tax due from the taxpayer;

(b) apply the balance of the excess, if any, in reduction of any outstanding liability of the taxpayer to pay other taxes not in dispute or to make provisional tax payments during the year of income in which the refund is to be made; and

(c) refund the remainder, if any, to the taxpayer.

41. Order of payment

When a taxpayer is liable for penal tax and interest in relation to a tax liability and the taxpayer makes a payment that is less than the total amount of tax, penal tax, and interest due, the amount paid is applied in the following order—

(a) in payment of the principal tax;

(b) in payment of penal tax; and

(c) the balance remaining is applied against the interest due.

Interest on late payments

42. Recovery of interest on unpaid tax

(1) The interest payable on unpaid tax under a tax law shall be collected by the Commissioner General in accordance with this Act as if it were unpaid tax.

(2) The interest paid by a person under subsection (1) shall be refunded to the person to the extent that the principal amount to which the interest relates is found not to have been payable.

(3) Interest payable by a person—

(a) in respect of withholding tax payable by the person; or

(b) in respect of an amount referred to in section 14(7) or 31 which is payable by the person,

is borne personally by the person and is not recoverable from any other person.

PART X-REMISSION OF TAX

43. Remission of tax

(1) Where the Commissioner General is of the opinion that the whole or any part of the tax payable under a tax law by a taxpayer cannot be

effectively recovered by reason of hardship, impossibility, undue difficulty or the excessive cost of recovery, the Commissioner General may refer the taxpayers' case to the Minister.

(2) Where a taxpayers' case is referred to the Minister under subsection (1) and the Minister is satisfied that the tax due cannot be effectively recovered, the Minister shall, with the approval of Parliament, remit in whole or part, the tax payable by the taxpayer.

(3) For the purposes of this section, “tax” includes interest and penal tax.

44. Tax due and payable by Government

(1) The Minister shall pay any tax due and payable by Government, or owing from Government as counterpart funding for aid-funded projects.

(2) For the avoidance of doubt, customs duty shall be levied on goods for use by the Government.

45. Deferment of payment of tax

(1) A person registered as a tax payer under section 3(1) of this Act and who was liable to pay tax on or after 1st April, 2020 and before 30th June, 2020 shall have his or her liability to pay the tax deferred until 31st December, 2020.

(2) The deferral referred to under subsection (1) shall apply only to a person who is a registered tax payer involved in the business of education, tourism, manufacturing, horticulture or floriculture.

(3) A person registered as a taxpayer under section 3(1) of this Act and who was liable to withhold tax under section 126 of the Income Tax Act on or after 1st April, 2020 and before 30th June, 2020 shall have his or her liability to pay the tax withheld deferred until 31st December, 2020.

(4) No interest or penalty shall accumulate on the outstanding amount of tax during the period referred to in subsections (1) and (3).

46. Waiver of interest and penalty

Any interest and penalty outstanding as at 30th June, 2020, is waived.

47. Waiver of interest and penalty on payment of principal tax

(1) Any interest and penalty outstanding as at 30th June, 2023, shall be waived where the tax payer pays the principal tax by 31st December 2023.

(2) Where the tax payer pays part of the principal tax outstanding as at 30th June, 2023 by the 31st December, 2023, the payment of interest and penalty shall be waived on a pro-rata basis.

40E. Waiver of interest and penalty on payment of principal tax[173]

(1) Any interest and penalty outstanding as at 30th June, 2023 shall be waived where the taxpayer pays the principal tax by 31st December, 2024.

(2) Where the taxpayer pays part of the principal tax outstanding as at 30th June, 2023 by 31st December, 2024, the payment of interest and penalty shall be waived on a pro rata basis.

47B. Waiver interest and penalty on payment of principal tax.[174]

(1) Any interest and penalty outstanding as at 30th June, 2024, shall be waived where the taxpayer pays the principal tax by 30th June, 2026.

---

[173] Note that section 3 of the TPCA amendment Act 2024 states that, "the principal Act is amended by inserting immediately after section 40D…" Please note that, section 40D of the TPCA was rewritten as section 47 under the Laws of Uganda 2023.

[174] Section 3 of the Tax Procedures Code (Amendment) Act 2025 provides that principal Act is amended by inserting section 47B inserting immediately after "section 47A". However, after the renumbering following the 2023 law reform, there is no section 47A.

(2) Where the taxpayer pays part of the principal tax outstanding as at 30th June, 2024 by 30th June, 2026, the payment of interest and penalty shall be waived on a pro-rata basis.

(3) For avoidance of doubt, subsections (1) and (2) shall apply to the interest that accrues on the principal tax from 1st July 2024 to the date the tax payer pays the principal tax.

PART XI-INVESTIGATIONS

48. Access to premises, records and data storage devices

(1) For the purposes of administering any provision of a tax law, the Commissioner General—

(a) shall have at all times and without prior notice, full and free access to—

(i) any premises or place;

(ii) any record, including a record in electronic format; or

(iii) any data storage device;

(b) may make an extract or copy from any record, including a record in electronic format, of any information relevant to a tax obligation;

(c) may seize any record that, in the opinion of the Commissioner General, affords evidence which may be material in determining the correct tax liability of any person;

(d) may seize a data storage device that may contain data relevant to a tax obligation; and

(e) may retain any record or data storage device seized under this section for as long as it is required for determining a taxpayer's tax obligation and liability, including any proceedings under this

Act.

(2) The Commissioner General may require a police officer to be present for the purposes of exercising powers under this section.

(3) The occupier of the premises or place in which an exercise of power under subsection (1) relates shall provide all reasonable assistance and facilities necessary for the effective exercise of the power including—

(a) answering questions relating to the investigation to which the exercise of power relates orally or in writing; or

(b) providing access to decryption information necessary to decrypt data to which access is sought under this section.

(4) A person whose records or data storage device have been seized and retained under this section may access and examine them, including making copies or extracts from them under supervision as the Commissioner General may determine.

(5) The Commissioner General shall sign for all records or data storage devices seized and retained under this section.

(6) Where any record or data storage device seized and retained under this section is lost or destroyed while in the possession of the Commissioner General, the Commissioner General shall appropriately compensate the owner for the loss or destruction.

(7) This section has effect despite—

(a) any law relating to privilege or the public interest with respect to access to premises or places, or the production of any property or record, including in electronic format; or

(b) any contractual duty of confidentiality.

49. Notice to obtain information or evidence

(1) The Commissioner General may, for the purpose of administering any provision of a tax law, require any person, by notice in writing, whether or not liable for tax—

(a) to furnish, within the time specified in the notice, any information that may be stated in the notice; or

(b) to attend at the time and place designated in the notice for the purpose of being examined by the Commissioner General concerning the tax affairs of that person or any other person, and for that purpose the Commissioner General may require the person to produce any record, including an electronic format, in the control of the person.

(2) If a notice under subsection (1) is unable to be served on a person in accordance with section 90, the notice may be published in any widely circulated newspaper in Uganda and publication in such newspaper is treated as service for the purposes of this section.

(3) The Commissioner General may require the information referred to in subsection (1) to be—

(a) given on oath and, for that purpose, the Commissioner General may administer the oath; or

(b) verified by statutory declaration or otherwise.

(4) Where a tax payer fails to provide the information requested under this section, the tax payer shall not be allowed to provide that information at objection to a tax decision or during alternative dispute resolution procedure proceedings.

(5) Subsection (4) shall not apply to the information requested for by

the Commissioner General where the information is more than three years from the date the document was authored or beyond the past three financial years.

(6) This section has effect despite—

(a) any law relating to privilege or the public interest with respect to the giving of information or the production of any record, including in electronic format; or
(b) any contractual duty of confidentiality.

(7) Notwithstanding the provisions of subsection (1), a person engaged in the construction or extractive industry shall disclose to the Commissioner General, the names of the persons contracted in the course of performance of duties or business within seven days from the date of signing the contract.

(8) A person engaged in the construction or extractive industry, who fails to comply with the provisions of subsection (5),[175] is liable to pay a penalty of one thousand currency points.

PART XII-CERTIFICATES

50. Tax clearance certificate

(1) A tax payer providing a passenger transport service; or a freight transport service with a goods vehicle with a capacity of two tonnes or more, shall if required by the Transport licensing Board, obtain a tax clearance certificate from the Commissioner General as proof of compliance with the taxpayer's obligations.

(2) A tax payer providing ware housing or clearing and forwarding

[175] What was subsection (5) in the previous edition of the Laws of Uganda 2000 is now subsection (7) under the 2023 Laws of Uganda edition. As such, reference to subsection (5) in the revised edition should have been subsection (7).

services shall obtain a tax clearance certificate from the Commissioner General as proof of compliance with the taxpayer's obligations.

(3) A taxpayer supplying goods or services to the Government shall obtain a tax clearance certificate from the Commissioner General as proof of compliance with the taxpayer's tax obligations.

(4) Any person who requires a tax clearance certificate shall apply to the Commissioner General for the certificate as proof of tax compliance.

51. Uganda Revenue Authority to issue certificates of origin

The Uganda Revenue Authority shall be responsible for issuing certificates of origin required under section 111(2) of the East African Community Customs Management Act, 2004.

PART XIII-PRACTICE NOTES AND RULINGS

Practice notes

52. Practice notes

(1) The Commissioner General may issue practice notes setting out the Commissioner Generals' understanding of the application of a provision in a tax law.

(2) The Commissioner General shall issue a practice note by publishing a notice of the practice note in the *Gazette.*

(3) A practice note issued under this Act is binding on the Commissioner General until it is revoked by the Commissioner General.

(4) A practice note applies from the date specified in the notice and if no date is specified, from the date of publication in the *Gazette.*

(5) The Commissioner General may revoke a practice note, in whole or part, by publishing a notice of the revocation in the Gazette or in any widely circulated newspaper.

(6) A practice note that has been revoked in whole or in part shall—

(a) continue to apply to a transaction commenced before the practice note is revoked; and

(b) not apply to a transaction commenced after the practice note is revoked to the extent that the practice note is revoked.

Private rulings

53. Private rulings

(1) Subject to subsection (2), the Commissioner General may, upon application in writing by a taxpayer, issue to the taxpayer a private ruling setting out the position of the Commissioner General regarding the application of a provision in a tax law to a transaction entered into or proposed to be entered into by the taxpayer.

(2) The Commissioner General may reject an application for a private ruling where—

(a) the Commissioner General has already decided the matter that is the subject of the application in a tax assessment;

(b) the Commissioner General is of the opinion that an existing practice note adequately covers the matter that is the subject of the application;

(c) the application relates to a matter that is the subject of a tax audit or an objection;

(d) the application is frivolous or vexatious;

(e) the transaction to which the application relates has not been carried out and there are reasonable grounds to believe that it will not be carried out;

(f) the applicant has not provided the Commissioner General with sufficient information to make a private ruling; or

(g) in the opinion of the Commissioner General, it would be

unreasonable to comply with the application having regard to the resources needed to comply.

(3) Where a taxpayer has made a full and true disclosure of the nature of all aspects of the transaction relevant to the ruling and the transaction has proceeded in all material respects as described in the application of the taxpayer for the ruling, the ruling is binding on the Commissioner General in relation to the taxpayer to whom the ruling has been issued.

(4) A private ruling is not binding on the taxpayer to whom it is issued.

(5) Where a private ruling is inconsistent with an existing practice note, the private ruling has priority to the extent of the inconsistency.

(6) Where the Commissioner General rejects an application for a private ruling, the Commissioner General shall notify the taxpayer in writing.

(7) A private ruling is issued by serving a written notice of the ruling on the applicant and the ruling shall set out the matter ruled on, identifying—

(a) the taxpayer;

(b) the tax law relevant to the ruling;

(c) the tax period to which the ruling applies;

(d) the transaction to which the ruling relates; and

(e) any assumptions on which the ruling is based.

(8) The Commissioner General may revoke a private ruling in whole or in part by written notice served on the taxpayer to whom the ruling is issued.

(9) A private ruling is not a tax decision for the purposes of this Act.

PART XIV-TAX OFFICERS

54. Delegation

(1) Subject to this Act, the Commissioner General may, by written instrument, delegate to a tax officer, an accounting officer of a local government or Kampala Capital City Authority any duty, power, or function conferred or imposed on the Commissioner General under a tax law, other than the power to compound offences under section 84 and the power to delegate conferred by this section.

(2) A reference in a tax law to the Commissioner General includes, in respect of the exercise of a power or performance of a function delegated to a tax officer, a reference to the tax officer.

(3) A delegation under this section is revocable at will and does not prevent the exercise of a power or performance of a function by the Commissioner General.

55. Confidentiality

(1) A tax officer shall regard as secret and confidential all information and documents received in performance of duties as a tax officer.

(2) A person appointed under, or employed in carrying out the provisions of a tax law shall not disclose any information or produce any document which has come into the persons' possession or knowledge in connection with the performance of duties under a tax law except as may be necessary for the purpose of giving effect to the provisions of a tax law.

(3) Nothing in this section prevents the disclosure of information or any document to—

(a) a court or the Tribunal where the disclosure is required for the purposes of a tax law;

(b) the Minister or any other person if the disclosure is necessary for the purposes of a tax law;

(c) a person in the service of the Government in a revenue or statistical department if such disclosure is necessary for the

performance of the persons' official duties;

(d) the Auditor General or any person authorised by the Auditor General if disclosure is necessary for the performance of official duties; or

(e) the competent authority of the Government of another country with which Uganda has entered into an agreement for the avoidance of double taxation or for the exchange of information, to the extent permitted under that agreement.

(4) A person receiving documents and information under subsection (2) or (3) is required to keep them secret under the provisions of this section, except to the minimum extent necessary to achieve the purpose for which the disclosure is necessary.

(5) The documents and information obtained by the Commissioner General in the performance of the duties and exercise of the powers of the Commissioner General under a tax law may be used by the Commissioner General for the purposes of any other tax law.

(6) This section shall continue to apply to a former tax officer or person formerly appointed or employed under a tax law as it applies to a tax officer.

PART XV-PENAL TAX

56. Penal tax for default in furnishing tax return

Any person who fails to furnish a tax return by the due date, or within a pay a penal tax equal to two percent of the tax payable under the return before currency points per month, whichever is higher, for the period the return is outstanding.

57. Penal tax for failing to maintain proper records

Any person who deliberately fails to maintain proper records as required under a tax law for a tax period is liable to pay a penal tax equal to double the amount of tax payable by the person for the period to which the failure

relates.

58. Penal tax for failure to provide information

(1) Any person who, upon request by the Commissioner General, fails to provide records in respect of transfer pricing within thirty days after the request, is liable to a penal tax equivalent to two thousand five hundred currency points.

(2) Any person who fails to provide information other than information referred to in subsection (1), to the Commissioner General upon request, is liable to a penal tax of one thousand currency points.

59. Penal tax for making false or misleading statements

Where a person knowingly or recklessly—

(a) makes a statement to an officer of the Authority that is false or misleading in a material particular; or

(b) omits from a statement made to an officer of the Authority any matter or thing without which the statement is misleading in a material particular, and the tax properly payable by the person exceeds the tax that was assessed as payable based on the false or misleading statement or omission,

that person is liable to pay a penal tax equal to double the amount of the excess.

60. Penal tax for understating provisional tax estimates

(1) A provisional taxpayer, whose estimate or revised estimate of chargeable income for a year of income is less than ninety percent of the taxpayers' actual chargeable income assessed for that year, is liable to penal tax equal to twenty percent of the difference between the tax calculated in respect of the taxpayers' estimate, or as revised, of chargeable income and the tax calculated in respect of ninety percent of the taxpayers' actual chargeable income for the year of income.

(2) A provisional taxpayer whose estimate or revised estimate of gross turnover for a year of income is less than ninety percent of the taxpayers' actual gross turnover for that year is liable to penal tax equal to twenty percent of the difference between the tax calculated in respect of the taxpayers' estimate, or as revised, of gross turnover and the tax calculated in respect of ninety percent of the taxpayers' actual gross turnover for the year of income.

(3) This section does not apply to a taxpayer who is in the business of agricultural, plantation, or horticultural farming.

61. Penalty for failing to apply for registration

(1) Any person who does not apply for registration as required under a tax law is liable to a default penalty equal to the higher of—

(a) double the amount of tax payable during the period commencing on the last day of the application period until the person files an application for registration with the Commissioner General or until the Commissioner General registers the person on the Commissioner Generals' own motion; or

(b) fifty currency points.

(2) The penalty imposed under this section shall be recovered and collected by the Commissioner General as if it were unpaid tax.

62. Recovery of penal tax

(1) Liability for penal tax is calculated separately in respect of each section dealing with penal tax.

(2) A person is liable for penal tax if the Commissioner General serves notice on the person of a demand for the penal tax setting out the amount of penal tax payable and the due date for payment being a date that is not less than twenty eight days from the date of service of the notice.

(3) Penal tax shall not be imposed on a person for an act or omission if

the person has been convicted of an offence for the same act or omission.

(4) Where penal tax has been paid and criminal proceedings are instituted in respect of the same act or omission, the Commissioner General shall refund the amount of penal tax paid.

(5) Where good cause is shown, in writing, by the person liable to pay penal tax, the Minister may, on the advice of the Commissioner General, remit in whole or part, any penal tax payable.

(6) Penal tax is treated as unpaid tax for the purposes of this Act and shall be recovered and collected as unpaid tax.

PART XVI-OFFENCES

63. Falling to furnish tax return

(1) Any person who does not furnish a tax return by the due date, or within such further time as the Commissioner General may allow, commits an offence and is liable, on conviction, to a fine not exceeding fifty currency points.

(2) Where a person convicted of an offence under subsection (1) fails to furnish the return to which the offence relates within the period specified by the court, the person commits another offence and is liable, on conviction, to a fine not exceeding one hundred currency points.

64. Failure to comply with obligations under Act

(1) Any person who does not—

(a) comply with a notice served on the person under section 34;

(b) comply with a notice served on the person under section 18(2);

(c) provide reasonable facilities and assistance as required under section 48;

(d) comply with a notice served on the person under section 49;

(e) get a tax clearance certificate prior to performing an act specified in section 50; or

(f) comply with section 10,12,55 or 90,

commits an offence and is liable, on conviction, to a fine not exceeding one hundred currency points.

(2) A person who notifies the Commissioner General in writing under section 34(5) is considered to be in compliance with any notice served on the person under section 34(2) until the Commissioner General serves the person with a notice under section 34(6) amending the notice served under section 34(2) or rejecting the persons' notice under section 34(5),

65. Failure to maintain proper records

A taxpayer who knowingly or recklessly does not maintain records as required under a tax law commits an offence and is liable, on conviction, to a fine not exceeding one hundred currency points or to imprisonment for a term not exceeding six years, or both.

66. Use of false TIN

(1) Any person who knowingly or recklessly uses a false TIN on a tax return or other document prescribed or used for the purposes of a tax law commits an offence and is liable, on conviction, to a fine not exceeding one hundred fifty currency points or to imprisonment for a term not exceeding six years, or both.

(2) A person who uses a TIN of another person is treated as having used a false TIN, unless the TIN has been used in the circumstances specified in section 4(6).

67. Making false or misleading statements

(1) Any person who knowingly or recklessly—

(a) makes a statement to a tax officer that is false or misleading in a material particular; or

(b) omits from a statement made to a tax officer any mater or thing without which the statement is false or misleading in a material particular,

commits an offence and is liable, on conviction, to a fine not exceeding five thousand five hundred currency points or to imprisonment fora term not exceeding ten years, or both.

(2) Section 59 applies in determining whether a person has made a statement to a tax officer.

68. Obstructing tax officer

Any person who obstructs a tax officer in the performance of duties under exceeding two hundred fifty currency points or to imprisonment for a term not exceeding ten years, or both.

69. Aiding and abetting tax offence

(1) Any person who aids, abets, counsels, or induces another person to commit an offence under a tax law, commits an offence and is liable, on conviction, for the same punishment as imposed for the principal offender.

(2) Where the offender under subsection (1) is a tax agent, the tax agent shall be liable to a fine equal to double the tax evaded or not exceeding two hundred fifty currency points whichever is higher, or to imprisonment for a term not exceeding five years, or both.

70. Offences relating to recovery of tax

Any person who—

(a) rescues any goods that are the subject of an order under section 35 that are in premises which are the subject of an order under section 36, or that have been seized under section 38;

(b) before, during, or after any distress proceedings under section 35or seizure of goods under section 38, staves, breaks or destroys any goods, or documents relating to any goods, to prevent—

(i) the seizure or the securing of the goods; or

(ii) the proof of an offence; or

(c) enters premises which are the subject of an order under section 36 without the permission of the Commissioner General,

commits an offence and is liable, on conviction, to a fine not exceeding two hundred fifty currency points or to imprisonment for a term not exceeding two years.[176]

71. Offences relating to registration

Any person who—

(a) does not apply for registration as required under a tax law;

(b) does not notify the Commissioner General of a change in registration particulars or circumstances as required under a tax law; or

(c) does not apply for cancellation of registration as required under a tax law,

commits an offence and is liable, on conviction—

(i) if the failure or act is done knowingly or recklessly, to a fine not exceeding one hundred fifty currency points or to imprisonment for a term not exceeding six years, or both; or

(ii) in any other case, a fine not exceeding fifty currency

[176] Note the 2021 amendment. A sentence of ten years or both was introduced to replace a sentence of two years.

points or to imprisonment for a term not exceeding two years, or both.

72. Offence relating to acting as tax agent without registration

Any person who is not registered as a tax agent who acts as a tax agent commits an offence and is liable, on conviction, to fine not exceeding twenty-four currency points or to imprisonment for a term not exceeding one year, or both.

73. Failure to affix or activate tax stamps

A taxpayer who fails to affix tax stamps on goods prescribed under section 20(3) or to activate tax stamps commits an offence and is liable, on conviction, to a fine not exceeding one thousand five hundred currency points or to imprisonment for a term not exceeding ten years, or both.

74. Printing over or defacing of tax stamps

Any person who prints over or defaces tax stamps affixed on goods prescribed under section 20(3) commits an offence and is liable, on conviction, to a fine not exceeding one thousand five hundred currency points or to imprisonment for a term not exceeding ten years, or both.

75. Forgery of tax stamps

Any person who forges or is found in possession of a forged tax stamp commits an offence and is liable, on conviction, to a fine exceeding one thousand five hundred currency points or to imprisonment for a term not exceeding ten years, or both.

76. Failure to use electronic receipting or invoicing

A taxpayer specified under section 92 (2) who does not issue an electronic invoice, an electronic receipt or employ an electronic fiscal device in accordance with section 92, commits an offence and is liable, on conviction, to a fine not exceeding one thousand five hundred

currency points or imprisonment not exceeding ten years, or both.

77. Forgery of electronic receipt or invoice

Any person who forges or is found in possession of a forged electronic receipt or invoice commits an offence and is liable, on conviction, to a fine not exceeding one thousand five hundred currency points or to imprisonment for a term not exceeding ten years, or both.

78. Interference with electronic fiscal device and electronic dispensing control device

Any person who makes an unauthorised interference with the software or hardware of an electronic fiscal device or electronic dispensing control device commits an offence and is liable, on conviction, to a fine not exceeding one thousand five hundred currency points or to imprisonment for a term not exceeding ten years, or both.

79. Offences relating to automatic exchange of information

Any person who contrary to the regulations made under section 88(5) of the Income Tax Act—

(a) exchange of information commits an offence and is liable, on currency points for each day of default or to imprisonment for a term not exceeding ten years, or both;

(b) fails to maintain records for purposes of automatic exchange of information commits an offence and is liable, on conviction, to a fine not exceeding two thousand five hundred currency points for each day of default or to imprisonment for a term not exceeding ten years, or both;

(c) makes a false or misleading statement in the information return commits an offence and is liable, on conviction, to a fine not exceeding two thousand five hundred currency points for each day of default or to imprisonment for a term not exceeding ten years, or both; or

(d) omits from a statement made in the information return commits

an offence and is liable, on conviction, to a fine not exceeding two thousand five hundred currency points for each day of default or to imprisonment for a term not exceeding ten years, or both.

80. Fixing tax stamp on wrong goods, brand or volume

A taxpayer who fixes and activates a tax stamp on a wrong good, brand or volume other than a good, brand or volume for that tax stamp commits an offence and is liable, on conviction, to a fine not exceeding five thousand currency points or imprisonment not exceeding ten years, or both.

81. Offences in relation to tax officers

(1) A tax officer who—

(a) directly or indirectly asks for, or takes in connection with any of the tax officers' duties, a payment or reward, whether pecuniary or otherwise, or a promise or security for any payment or reward, not being a payment or reward which the officer is lawfully entitled to receive; or

(b) enters into or acquiesces in any agreement to do any act or thing, abstain from doing any act or thing, permit or connive in the doing of any act or thing, or conceal any act or thing whereby the tax revenue is or may be defrauded or which is contrary to the provisions of a tax law or to the proper execution of the officers' duty,

commits an offence and is liable, on conviction, to a fine not exceeding one hundred fifty currency points or to imprisonment for a term not exceeding six years, or both.

(2) Any person who—

(a) directly or indirectly offers or gives to a tax officer any payment or reward, whether pecuniary or otherwise, or any promise or security for any such payment or reward, not being a payment or reward which the officer is lawfully entitled to receive; or

(b) proposes or enters into any agreement with a tax officer in order to induce the officer to do any act or thing, abstain from doing any act or thing, connive at the doing of any act or thing, or concealing any act or thing by which tax revenue is or may be defrauded or which is contrary to the provisions of a tax law or to the proper execution of the officers' duty,

commits an offence and is liable, on conviction, to a fine not exceeding one hundred fifty currency points or to imprisonment for a term not exceeding six years, or both.

(3) A tax officer who commits an act specified in subsection (1) and who volunteers information to the Commissioner General relating to that act is—

(a) exonerated from prosecution; but

(b) is liable for twenty percent of the fine that would be imposed on a person convicted of an offence under subsection (1).

(4) Any person who commits an act specified in subsection (2), and who volunteers information to the Commissioner General relating to that act is—

(a) exonerated from prosecution; but

(b) is liable for the amount of tax unpaid as a result of the agreement with the tax officer referred to in subsection (2).

(5) A tax officer convicted of an offence under subsection (1) is, in addition to any punishment imposed under that subsection, liable for the amount of tax unpaid as a result of the agreement referred to in subsection (2).

(6) Any person who impersonates a tax officer commits an offence and is liable, on conviction, to a fine not exceeding one hundred currency points or to imprisonment for a term not exceeding six years, or both.

82. Offences by bodies of persons

(1) When an offence under a tax law is committed by a company, the

offence is treated as having been committed by a person who, at the time the offence is committed, is—

(a) the chief executive officer, managing director, a director, company secretary, treasurer, or other similar officer of the company; or

(b) acting or purporting to act in the capacity referred to in paragraph (a).

(2) Where an offence under a tax law is committed by a partnership, every partner at the time of the commission of the offence is treated as having committed the offence.

(3) When an offence under a tax law is committed by an unincorporated association or body of persons, the offence is treated as having been committed by a person who, at the time the offence was committed, was—

(a) involved in the management of the unincorporated association or body of persons; or

(b) acting or purporting to act in the capacity referred to in paragraph (a).

(4) This section does not apply to a person if—

(a) the offence is committed without the consent or knowledge of a person specified under subsection (1), (2) or (3); or

(b) the person specified under subsection (1), (2) or (3) exercised all diligence to prevent the commission of the offence as ought to have been exercised having regard to the nature of the representatives' functions and all other circumstances.

83. Tax officer may appear on behalf of Commissioner General

(1) Notwithstanding anything in any written law, a tax officer duly authorised in writing by the Commissioner General may appear in any court on behalf of the Commissioner General in any civil

proceedings in which the Commissioner General is a party.

(2) Notwithstanding anything in any written law, a tax officer duly authorised in writing by the Commissioner General may conduct any prosecution for an offence under this Act and for that purpose, the officer has all the powers of a public prosecutor appointed under section 42 of the Magistrates Courts Act subject to the powers of the Director of Public Prosecutions under Article 120 of the Constitution.

84. Compounding of offences

(1) If a person has committed an offence under a tax law, other than under section 81, the Commissioner General may, at any time prior to the commencement of court proceedings, enter into an agreement with the offender to compound the offence if the offender agrees to pay to the Commissioner General—

(a) any unpaid tax; and

(b) an amount not exceeding the maximum fine imposed by the tax law for the offence.

(2) Where a person has committed an offence under a tax law, other than under section 81 of this Act and that person voluntarily discloses the commission of the offence to the Commissioner General, at any time prior to the commencement of court proceedings, the Commissioner General may enter into an agreement with the offender to compound the offence if the offender agrees to pay to the Commissioner General the outstanding unpaid tax and that person shall not be required to pay any interest or fine due.

(3) The Commissioner General may compound an offence under this section only if the offender admits, in writing, to committing the offence and requests the Commissioner General to enter into a compounding agreement in relation to the offence.

(4) If the Commissioner General compounds an offence under this section, the compounding agreement in relation to the offence—

(a) shall specify the name of the offender, the offence committed, the sum of money to be paid, and the date for payment;

(b) shall have attached a copy of the written admission referred to in subsection (3);

(c) shall be served on the offender;

(d) is not subject to any appeal;

(e) may be enforced in the same manner as a decree of any court for the payment of the amount stated in the order; and

(f) on production to any court, is treated as proof of the conviction of the offender for the offence specified.

(5) Where the Commissioner General compounds an offence under this section, the offender is not be liable for prosecution or penal tax in respect of the same act or omission that was the subject of the compounded offence.

85. Tax charged to be paid despite prosecution

The amount of any tax due and payable under a tax law by a taxpayer is not abated by reason only of the conviction or punishment of the taxpayer for an offence under any tax law, or for the compounding of such offence under section 84.

PART XVII-MISCELLANEOUS

86. Validity of tax decision

The validity of a tax decision, a notice of a tax decision, or any other document purporting to be made or executed under a tax law is not—

(a) affected by reason that any of the provisions of the tax law under which it is made have not been complied with;

(b) quashed or deemed to be void or voidable for want of form; or

(c) affected by reason of any mistake, defect, omission or commission in it.

87. Rectification of mistake

Where the Commissioner General is satisfied that an order or decision made, or a document or notice issued contains an error which is apparent from the record and that the error does not involve a dispute as to the interpretation of the law or facts of the case, the Commissioner General may, for the purpose of rectifying the error, amend the order, decision, document or notice at any time before the expiry of three years from the date of making or issuing the order, decision, document or notice.

88. Forms, notices, and authentication of documents

(1) Subject to section 55, a form, notice, tax return, statement, table, or any other document required or published by the Commissioner General for the purposes of a tax law shall be in the form determined by the Commissioner General.

(2) The Commissioner General shall make any document referred to in subsection (1) available to the public at the offices of the Authority and at other locations, or by mail or other means, determined by the Commissioner General.

(3) A notice or other document issued, served, or given by the Commissioner General under a tax law is sufficiently authenticated if the name or title of the Commissioner General, or an authorised tax officer, is printed, stamped, or written on the document.

89. Approved or prescribed form

(1) A tax return, notice, or other document required to be furnished or lodged under a tax law is in the approved or prescribed form if—

(a) it is in the form prescribed by the Commissioner General for that type of tax return, notice, or document;

(b) it contains the information, including any attached documents required; and

(c) is signed as required by the form.

(2) The Commissioner General shall publish the prescribed forms in the *Gazette* and a newspaper with wide circulation.

90. Manner of furnishing documents or service of notices

(1) Except as provided in this section, a tax return, application, notice, or other document required to be furnished by a taxpayer under a tax law shall be furnished by—

(a) personally delivering the document to an office of the Authority; or

(b) registered post to an office of the Authority,

and is treated as received by the Commissioner General when acknowledged by stamping or other prescribed method, electronic or otherwise.

(2) Except as otherwise provided in a tax law, a notice or other the purposes of a tax law is treated as sufficiently served on the person if—

(a) personally served on the person;

(b) left at the persons' registered office, place of business, or last known address as stated in any communication with the Commissioner General;

(c) sent by registered post to the persons' registered office, place of business, or last known address as stated in any communication with the Commissioner General; or

(d) an electronic data message is transmitted to the persons' known or registered electronic account.

(3) Where a notice or other document is served by registered post, the notice or document is, in the absence of any proof to the contrary, treated as having been sufficiently served on the fourteenth day after the date of postage and, in proving service, it is sufficient to prove that the envelope containing the notice or other document was properly addressed and was posted.

91. Electronic returns and notices

(1) The Commissioner General may establish and operate a procedure to be known as the electronic notice system, for the electronic furnishing of tax returns or other documents to the Commissioner General and the electronic service of notices and other documents by the Commissioner General.

(2) For the purposes of subsection (1), the Commissioner General may prescribe conditions for—

(a) the registration of taxpayers to participate in the electronic notice system;

(b) the issuing and cancellation of authentication codes to registered users;

(c) the tax returns and other documents that may be transmitted through the electronic notice system, including the format and manner in which they are to be transmitted;

(d) the correction of errors in or amendments to electronic returns or other documents;

(e) the use of the electronic notice system, including the procedure applicable if there is a breakdown or interruption in the system;

(f) the use in any electronic transmission; of symbols, codes, abbreviations, or other notations to represent any particulars or information required under a tax law; and

(g) any other matter for the proper functioning of the electronic notice system.

(3) Where a tax return or other document of a registered user has been transmitted to the Commissioner General through the electronic system using the authentication code assigned to a registered user—

(a) with or without the Authority of the registered user; and

(b) before the registered user applies to the Commissioner General for cancellation of the authentication code,

the return or other document is, for the purposes of the tax law under which it has been furnished, presumed to be furnished by the registered user unless the registered user proves the contrary.

(4) A person who furnishes an electronic tax return or other document on behalf of another person must not divulge or disclose the contents of the return or document, or a copy of it, without the prior written consent of the Commissioner General.

92. Electronic receipting and electronic invoicing

(1) A taxpayer may issue an e-invoice or e-receipt or employ an electronic fiscal device which shall be linked to the centralised invoicing and receipting system or a device authenticated by the Uganda Revenue Authority.

(2) The Commissioner General shall, by notice in the *Gazette,* specify taxpayers for whom it shall be mandatory to issue e-invoices or e-receipts or employ electronic fiscal devices which shall be linked to the centralised invoicing and receipting system or devices authenticated by the Uganda Revenue Authority.

(3) A taxpayer specified by the Commissioner General under subsection (2), shall issue e-invoices or e-receipts or employ an electronic fiscal device in all business transactions.

93. Penal tax relating to electronic receipting and electronic invoicing

(1) A taxpayer specified under section 80(2) who does not use an electronic fiscal device is liable to pay a penal tax equivalent to the double the tax due on the goods or services.[177]

(2) A taxpayer specified under section 80(2) who does not issue an e-invoice or e-receipt for goods or services, or who tampers with an

[177] Amended in 2025.

electronic fiscal device, is liable to pay a penal tax equivalent to the double the tax due on the goods or services.[178]

(3) Any person who attempts to acquire or who acquires an electronic fiscal device that is not linked to the centralised invoicing and receipting system or authenticated by the Uganda Revenue Authority commits an offence and is liable, on conviction, to a fine not exceeding three hundred currency points, or to imprisonment for a term not exceeding three years, or both.

93A. Gaming and betting centralised payments gateway system.[179]

(1) An operator of a casino, gaming or betting activity shall only receive a wager or money staked and only make payouts through the gaming and betting centralised payments gateway system licensed by the Bank of Uganda under the National Payments System Act.

(2) The gaming and betting centralised payments gateway system shall be linked to the Uganda Revenue Authority electronic notice system.

93B. Penal tax relating to gaming and betting centralised payments gateway system.

An operator of a casino, gaming or betting activity who does not use or is not integrated with the gaming and betting centralised payments gateway system is liable to pay a penal tax equivalent to double the gaming or withholding tax due or five thousand five hundred currency points, whichever is higher.

93C. Failure to comply with requirements for tax exemption

(1) A taxpayer exempted from tax under a tax law shall at all times

---

[178] Amended in 2025.
[179] Sections 93A-93C added by the 2025 amendment.

maintain the requirements required for the taxpayer to be granted an exemption under the tax law.

(2) A taxpayer who fails to comply with subsection (1) shall be liable to pay the tax due for the period for which the taxpayer fails to maintain the requirements required for the taxpayer to be granted an exemption under the tax law.

(3) For the purposes of subsection (2), the tax due shall be paid personally by the taxpayer who failed to maintain the exemption requirements.

94. Payment of informers

(1) The Commissioner General shall pay to a person who—

(a) provides information leading to identification of unassessed tax or duty, one percent of the tax or duty assessed or fifteen million shillings, whichever is less; or

(b) provides information leading to recovery of unassessed tax or duty, five percent of the tax or duty recovered or one hundred million shillings whichever is less.

(2) Subsection (1) shall not apply to an officer or a staff of the Authority.

95. Regulations

(1) The Minister may, by statutory instrument, make regulations—

(a) prescribing fees, or other matters required under this Act; or

(b) for the better carrying into effect of the provisions and purposes of this Act.

(2) Without prejudice to the general effect of subsection (1), regulations made under that subsection may—

(a) contain provisions of a saving or transitional nature subsequent to the coming into force of this Act; or

(b) prescribe in respect of a contravention of the regulations—

(i) a penalty not exceeding a fine of one hundred twenty-five currency points or imprisonment for a term not exceeding one year, or both;

(ii) in the case of the second or subsequent offence, a penalty not exceeding a fine of fifty currency points or imprisonment for a term not exceeding two years, or both;

(iii) in the case of a continuing offence, an additional fine not exceeding five currency points in respect of each day on which the offence continues; and

(iv) a requirement that the court must forfeit to the Government anything with which the offence was committed.

96. Power to amend Schedules

(1) The Minister may, by statutory instrument, with the approval of Cabinet, amend Schedule 1 to this Act.

(2) The Minister may, by statutory instrument, with the approval of Parliament, amend Schedules 2 and 4 to this Act.

97. Transitional provisions

(1) A prosecution commenced before the commencement of this Act shall continue and be disposed of as if this Act had not come into force.

(2) Where the period for making any application, appeal, or prosecution has expired before the commencement of this Act, nothing in this Act is to be construed as enabling the application, appeal, or prosecution to be made under this Act by reason only of the fact that a longer period is specified in this Act.

(3) A tax liability that arose before the commencement of this Act may be recovered under this Act, but without prejudice to any action

already taken for the recovery of the tax.

(4) All forms and documents used under the tax laws specified in Schedule 2 to this Act may continue to be used until they are revoked under this Act and all references in those forms and documents to the tax laws under that Schedule are taken to refer to the corresponding provisions in this Act.

SCHEDULES

Schedule 1

Sections 2, 96(1)

Currency Point

A currency point is equivalent to twenty thousand shillings

Schedule 2

Sections 1,2,96(2),97(4)

Tax Laws

For the purposes of this Act, a reference to tax law means-

(a) this Act;

(b) the Income Tax Act;

(c) the Value Added Tax Act;

(d) the Excise Duty Act;

(e) the Lotteries and Gaming Act;

(f) any other Act imposing a tax as the Minister, may by statutory instrument declare in accordance with section 96(2).

Schedule 3

Section 2

Tax Returns Filed with Commissioner General

(a) Value added tax return;
(b) Income tax return;
(c) Withholding tax return;
(d) Excise duty return;
(e) Tax return under section 50 of the Lotteries and Gaming Act; and
(f) Stamp duty return.

Schedule 4

Sections 16(5),96(2)

Amount of Turnover in Respect of Which Audited Financial Statements are Required

Uganda Shillings 500,000,000 or more.

History: Act 14/2014; S.I. 21/2016; Act 9/2017; Act 1/2019; Act 11/2019; Act 22/2020; Act 11/2021; Act 13/2022; Act 17/2023; Act 22/2023

Cross References

Constitution

Excise Duty Act, Cap. 336

East African Community Customs Management Act, 2004

Income Tax Act, Cap.338

Lotteries and Gaming Act, Cap. 334

Magistrates Courts Act, Cap. 19

National Payments Systems Act, Cap. 59.[180]

Registration of Persons Act, Cap. 332.[181]

Stamp Duty Act, Cap. 339

Tax Appeals Tribunals Act, Cap. 341

Traffic and Road Safety Act, Cap. 347

Uganda Revenue Authority Act, Cap. 218

Value Added Tax Act, Cap. 344

STATUTORY INSTRUMENTS
SUPPLEMENT No. 8 18th March, 2016
STATUTORY INSTRUMENTS SUPPLEMENT
to The Uganda Gazette No. 18, Volume CIX, dated 18th March, 2016

---

[180] Added by the 2025 amendment.
[181] Added by the 2025 amendment.

Printed by UPPC, Entebbe, by Order of the Government.
S T A T U T O R Y I N S T R U M E N T S 2016 No. 21.

The Tax Procedures Code (Commencement) Instrument, 2016.

(Under section 1 of the Tax Procedures Code Act, Act No. 14 of 2014)

IN EXERCISE of the powers conferred upon the Minister responsible for finance by section 1 of the Tax Procedures Codes Act, 2014, Act No. 14 of 2014, this instrument is made this 3rd day of March, 2016.

1. Title.

This Instrument may be cited as the Tax Procedures Code (Commencement) Instrument, 2016.

2. Appointment of commencement date for Act No. 14 of 2014.

The 1st day of July, 2016 is appointed as the date on which the Tax Procedures Code Act, 2014 shall come into force.

MATIA KASAIJA, (MP)

Minister of Finance, Planning and Economic Development.

STATUTORY INSTRUMENTS
SUPPLEMENT No. 34 24th December, 2018
STATUTORY INSTRUMENTS SUPPLEMENT
to The Uganda Gazette No. 66, Volume CXI, dated 24th December, 2018
Printed by UPPC, Entebbe, by Order of the Government.
S T A T U T O R Y I N S T R U M E N T 2018 No. 53.

THE TAX PROCEDURES CODE (TAX STAMPS) REGULATIONS, 2018.

ARRANGEMENT OF REGULATIONS

Regulation

PART I – PRELIMINARY.
1. Title
2. Interpretation
PART II—TAX STAMPS.
3. Affixation of tax stamps
4. Procurement of tax stamps
5. Registration
6. Application for tax stamps
7. Tax stamps fee
8. Users of tax stamps
9. Allowance for wastage and damage
PART III—TAX STAMPS MANAGEMENT SYSTEM.
10. Notice of installation
11. Installation and integration of the system
12. Installation of new or modified system
13. Security and operation of system
14. Effective date for use of system
15. Re- installation or removal of system
16. Marking of prescribed goods
PART IV—GENERAL
17. Exemption
18. Verification of stamps
19. Seizure of stamps, equipment and goods
20. Temporary measures
21. Revocation of S.I 8 of 2002

S T A T U T O R Y I N S T R U M E N T

2018 No. 53.

The Tax Procedures Code (Tax Stamps) Regulations, 2018.

(Under section 95[182] of the Tax Procedures Code Act, Act 14 of 2014)

In EXERCISE of the powers conferred upon the Minister by section 95[183] of the Tax Procedures Code Act, 2014, these Regulations are made this 2nd day of October, 2018.

PART I—PRELIMINARY.

1. Title.

These Regulations may be cited as the Tax Procedures Code (Tax Stamps) Regulations, 2018.

2. Interpretation.

In these Regulations, unless the context otherwise requires—

"Act" means the Tax Procedures Code Act, 2014;

"Authority" means the Uganda Revenue Authority established by section 2 of the Uganda Revenue Authority Act;

"authorized officer" means an officer of the Authority authorised by the Commissioner to perform any act or function under these Regulations;

"contractor" means a person appointed by the Commissioner to supply, install, and maintain the system;

"importer" means a person who imports goods prescribed under section 20[184] of the Act;

"manufacturer" means a person who manufactures goods prescribed under section 20[185] of the Act;

"package" means a packet, bottle, sachet, container or similar material

---

[182] The original Regulations referred to section 75 which has since been renumbered in the Laws of Uganda 2023.

[183] The original Regulations referred to section 75which has since been renumbered in the Laws of Uganda 2023.

[184] The original Regulations referred to section 19A which has since been renumbered in the Laws of Uganda 2023.

[185] The original Regulations referred to section 19A which has since been renumbered in the Laws of Uganda 2023.

used for packing prescribed goods;

“printer” means a person contracted by the Commissioner to print and supply tax stamps;

“prescribed goods” means goods prescribed by the Minister under section 20(3)[186] of the Act;

“system” means the tax stamps management system comprising of the equipment, software or hardware that enables tracking, tracing, production of and accounting for prescribed goods; and

“tax stamp” means a paper stamp, digital stamp or mark approved by the Authority to be printed and affixed to the prescribed goods.

PART II—TAX STAMPS

3. Affixation of tax stamps.

(1) Every package of prescribed goods manufactured in or imported into Uganda shall be affixed with a tax stamp.

(2) The Commissioner shall, by notice in the Gazette and in at least two newspapers of national circulation, specify —

(a) the mode of management of the tax stamps by tax payers;

(b) the nature of the tax stamps to be affixed on prescribed goods; and

(c) the manner in which the tax stamps shall be affixed.

(3) The tax stamps shall be affixed—

[186] The original Regulations referred to section 19A which has since been renumbered in the Laws of Uganda 2023.

(a) in the case of locally manufactured goods, in the production facility, immediately after packaging;

(b) in the case of imported goods, in a place designated by the Commissioner within seven days after clearance from Customs; and

(c) in any other case, at a place and time appointed by the Commissioner.

(4) Notwithstanding subregulation (3) (b), the Commissioner may require that tax stamps be affixed on the prescribed goods in the production facility within the exporting country, subject to such conditions as the Commissioner may specify.

(5) A person shall not, except with the approval of the Commissioner, remove goods from the place designated for affixing the tax stamps, unless the goods have been affixed with stamps in accordance with this regulation.

(6) Section 21 (3)[187] of the Act shall apply to a person who contravenes subregulation (5).

4. Procurement.

(1) The Commissioner shall, in accordance with the Public Procurement and Disposal of Public Assets Act, 2013 procure a person to—

(a) print and deliver tax stamps at such a time, place and in such a manner as the Commissioner may prescribe;
(b) develop, install and maintain the system at the premises of the manufacturers, importers and the Authority; and
(c) develop, install and maintain any other related system as the Commissioner may prescribe.

[187] The original Regulations referred to section 19B which has since been renumbered in the Laws of Uganda 2023.

(2) For purposes of subregulation (1)(b) the Commissioner shall define the functional, security and fiscal control requirements to be observed by the contractor in developing, installing and maintaining the system.

(3) A tax stamp shall bear features that can sufficiently—
  (a) deter counterfeiting of the goods;
  (b) facilitate tracking of the goods along the supply chain;
  (c) enable accounting for the production and importation of prescribed goods; and
  (d) enable any person in the supply chain to authenticate the tax stamps and the goods.

(4) The system referred to in subregulation (1)(b) shall be employed for the sale, delivery and activation of stamps before they are affixed on the prescribed goods.

(5) For purposes of determining the quantity of tax stamps to be procured, the Commissioner may require a manufacturer or importer to provide, at least one hundred and twenty days before the beginning of a financial year, a forecast of the quantities of tax stamps which the manufacturer or importer intends to use in the next financial year.

5. Registration.

(1) The Commissioner shall register all importers and manufactures of prescribed goods and may impose such conditions on the importers and manufactures as may be necessary for the purposes of the registration.

(2) A person shall not manufacture or import prescribed goods unless that person is licensed or registered by the Commissioner.

6. Application for tax stamps.

(1) A manufacturer or importer of prescribed goods shall apply to the Commissioner for tax stamps in a form prescribed by the Commissioner.

(2) An application for tax stamps shall be submitted to the Commissioner at least sixty days before the manufacture or importation of the prescribed goods.

(3) A manufacturer or importer of prescribed goods shall pay the stamp fees on the approval of the application by the Commissioner.

(4) The Commissioner may require proof of importation by an importer of prescribed goods before issuing the importer with the tax stamps.

(5) Notwithstanding subregulation (4), the Commissioner may, subject to any conditions as the Commissioner may impose, issue tax stamps to an importer of prescribed goods before importation.

7. Tax stamps fee.

(1) A manufacturer or importer shall purchase tax stamps from the Commissioner at a fee specified by the Commissioner by notice in the Gazette and in a newspaper of wide circulation.

(2) The stamp fees shall be paid to the Commissioner by manufacturers and importers of prescribed goods, based on the quantity of stamps issued to them.

(3) The stamp fees shall be paid before the stamps are issued to the manufacturer or importer.

(4) The Authority shall maintain a bank account in which the revenue from the sale of tax stamps shall be deposited for purposes of paying the printers of the tax stamps supplied and for defraying the expenses of managing the system.

8. Return of tax stamps.

(1) A manufacturer or importer shall return all unused tax stamps to the Commissioner where—

(a) the manufacturer stops manufacturing the prescribed goods;
(a) the tax stamp sheets or reels are defective;
(b) the tax stamps have been declared out of use by the Commissioner; and
(c) the goods are not imported or an importer imports a quantity of goods less than the quantity of tax stamps procured.

(2) The Commissioner shall refund to the manufacturer or the importer, as the case may be, the tax stamp fees paid for tax stamps that are returned under this regulation within ninety days of the return of the stamps.

9. Allowance for wastage and damages.

(1) A tax payer shall, in writing to the Commissioner, account for all the tax stamps received by the tax payer.

(2) The accountability referred to in sub regulation (1) shall—
(a) specify the number of tax stamps used;
(b) specify the number of tax stamps that are not used; and
(c) specify the number of tax stamps returned under regulation 8.

(3) Where the Commissioner is not satisfied with the accountability of the taxpayer, the Commissioner shall communicate to the taxpayer in writing, giving reasons for the dissatisfaction and requiring the taxpayer to show cause within 10 days after receiving the communication, why a tax equivalent to the tax stamps that are not accounted for, should not be computed on the goods.

(4) Where the Commissioner is not satisfied with the explanation of the taxpayer in sub regulation (3), the taxpayer shall be deemed to have manufactured or imported the prescribed goods of the quantity equivalent to the quantity of the tax stamps that are not accounted for, and the Commissioner shall compute the tax payable on the goods as if those tax stamps were affixed to the goods.

(5) An authorized officer shall examine and verify a tax stamp that is

alleged to be damaged, and if satisfied that the tax stamp is damaged, shall off set the damaged tax stamps from the tax stamps supplied.

10. Transfer of tax stamps.

(1) A manufacturer or importer may, with the prior approval of the Commissioner, transfer tax stamps held in stock by the manufacturer or importer to another manufacturing or importing unit owned by the same manufacturer or importer.

(2) A tax payer shall, in writing to the Commissioner, apply for the transfer of tax stamps and shall specify—
   (a) the number of tax stamps to be transferred;
   (b) the manufacturing or importing unit to which the stamps are to be transferred; and
   (c) the location of the manufacturing or importing unit to which the stamps are to be transferred.

(3) The Commissioner shall consider the application and communicate to the importer or manufacturer in writing, the decision on the application and if the application is rejected, the Commissioner shall give reasons for the rejection.

(4) A manufacturer or importer who transfers tax stamps without the prior approval of the Commissioner commits an offence and is liable on conviction, to a penalty equivalent to double the tax due on the goods or ten million shillings, whichever is higher.

PART III—TAX STAMPS MANAGEMENT SYSTEM

11. Installation and integration of system.

(1) The installation, integration, preventive and corrective integration, maintenance procedures of all the equipment comprising the system at the premises of the manufacturer or importer shall be done by a contractor under the supervision of an authorised office.

(2) The system shall be composed of —

(a) tax stamps authentication and validation equipment;
(b) devices for identification and association of each package with a specific tax stamp;
(c) production and accounting equipment;
(d) devices for the control, registration, recording and transmission of data on the particulars of the prescribed goods to the Authority; and
(e) any other system, devices or equipment as the Commissioner may require.

(3) The system shall, in the case of premises for manufacturing, be installed on production lines corresponding to each packaging machine and labelling machine.

(4) During the installation of the system, the manufacturer or importer shall ensure that the production lines are in proper operating condition.

12. Installation of new or modified system.

(1) Where a new or modified system is required, the Commissioner shall notify the manufacturers or importers in writing at least ninety days before the installation and integration of the new or modified System and the notice shall state—

(a) the requirements for the equipment to facilitate use of system;
(b) the adaptive features required on each production line;
(c) the connectivity features and operating environment for the installation and operation of computers and other equipment comprising the system; and
(d) the starting date of installation of the system.

(2) A manufacturer or importer shall be responsible for the cost of tax stamps applicators, adjustments or adaptations of their equipment and premises necessary to install and integrate the new or modified system on each production line.

(3) Where a manufacturer or importer is required to carry out adjustments or provide information required by the Commissioner for the installation of the new or modified system, the manufacturer or importer shall carry out the adjustments or provide the information at least seven days before the date of the installation of the new or modified system.

13. Security and operation of the system.

(1) A manufacturer or importer shall be responsible for the security of the system installed in their premises.

(2) A manufacturer or importer shall report to the Commissioner any production line that is not operating, within twenty four hours of failure of the production lines.

(3) The Commissioner or an authorised officer shall secure the production line that is not operating, using a security seal and shall register the action in the system.

(4) A manufacturer shall not resume operation on the production lines referred to in sub regulation (2) except with the authority of the Commissioner.

14. Effective date for use of system.

The Commissioner shall, by a public notice issued in at least two daily newspapers with national circulation, declare the date when the system shall come into effect.

15. Re-Installation or removal of system.

(1) A manufacturer or importer shall apply to the Commissioner for re-installation or removal of the system, as the case may be, on the occurrence of the following events—
   (a) reactivation of inoperative production lines;
   (b) deactivation of production lines;

(c) maintenance and reallocation of production lines;
(d) installation of new production lines;
(e) acquisition or sale of industrial machinery and equipment; or
(f) change of premises

(2) For purposes of sub regulation (1)(d) a manufacturer or importer shall, in a manner prescribed by the Commissioner, declare to the Commissioner, at least thirty days in advance of the start of production of new brands of goods or of any change in the graphic art of existing ones, together with the corresponding packages and labels.

16. Marking of prescribed goods.

(1) The prescribed goods shall be marked by the system on each product or package and in a visible place, as appropriate for the type of product or package, by coding the product or package with indelible security ink.

(2) For purposes of subregulation (1) the coding shall be such as to enable authentication, accounting for production, tracking and tracing of the prescribed goods.

(3) The material wrapping the product or package shall bear—
(a) in the case of exports, the country of final destination;
(b) in case of prescribed goods for consumption in Uganda the words, “FOR USE IN UGANDA”; or
(c) in case of prescribed goods for sale to duty-free shops, or diplomatic shops the word, “DUTY FREE”.

PART IV—GENERAL PROVISIONS

17. Exemption.

A tax stamp shall not be affixed on—
(a) goods imported into Uganda as samples or by international mail, with no commercial value;
(b) goods destroyed, denatured, or recycled within the manufacturing process, with the approval of the Commissioner; and

(c) any other goods that the Commissioner may specify.

18. Verification of tax stamps.

A manufacturer, importer, distributor, retailer or any other person involved in the supply chain of prescribed goods, shall verify and authenticate the tax stamps and prescribed goods before admitting them in their premises or in any way handling the goods.

19. Seizure of stamps, equipment and goods.

(1) The Commissioner may seize tax stamps, equipment or goods, as the case may be where—

(a) the tax stamps are—
(i) counterfeit;
(ii) subject to return and the manufacturer or importer fails to return them to the Commissioner; or
(iii) found in the possession of a person not being the person to whom the tax stamps were supplied;

(b) the equipment or plant is used in the manufacture of counterfeit tax stamps;

(c) the goods—
(i) bear counterfeited tax stamps;
(ii) bear tax stamps affixed in a manner that is not consistent with these Regulations; or
(iii) do not bear tax stamps as required by these Regulations.

(2) Any goods, stamps or equipment which are seized under these Regulations shall be disposed of in a manner that the Commissioner considers fit.

20. Temporary measures.

Where it is not reasonably practicable to avail tax stamps to

manufacturers or importers, the Commissioner may impose such temporary measures as the Commissioner may deem necessary.

21. Revocation of S.I 8 of 2002

The East African Excise Management (Tax Stamps) Regulations, 2002 are revoked.

HON. KASAIJA MATIA,
Hon. Minister Finance, Planning and Economic Development.

_____

STATUTORY INSTRUMENTS
SUPPLEMENT No. 8 26th February, 2021
STATUTORY INSTRUMENTS SUPPLEMENT
to The Uganda Gazette No. 20, Volume CXIV, dated 26th February, 2021
Printed by UPPC, Entebbe, by Order of the Government.

S T A T U T O R Y I N S T R U M E N T S
2021 No. 13.

The Tax Procedures Code (Prescription of Goods for Affixation of Tax Stamps Instrument, 2021

(Under section 19A (3) of the Tax Procedures Code Act, 2014, Act 14 of 2014)

IN EXERCISE of the powers conferred upon the Minister responsible for finance, by section 19A (3) of the Tax Procedures Code Act, 2014, this Instrument is made this 18th day of February, 2021.

1. Title.

This Instrument may be cited as the Tax Procedures Code (Prescription of Goods for Affixation of Tax Stamps) Instrument, 2021.

2. Goods on which tax stamps shall be fixed.

Tax stamps shall be affixed on the goods specified in the Schedule to this Instrument, whether locally manufactured or imported, in the manner prescribed by regulation 3 of the Tax Procedures Code (Tax Stamps) Regulations, 2018.

3. Revocation of S.I No. 55 of 2019.

The Tax Procedures Code (Prescription of Goods for Affixation of Tax Stamps) Instrument, 2019 is hereby revoked.

SCHEDULE Regulation 2

GOODS FOR AFFIXATION OF TAX STAMPS

Categories of goods for affixation of tax stamps
1. Beer
2. Spirits
3. Wine
4. Soda
5. Mineral water
6. Tobacco products
7. Cement
8. Sugar

MATIA KASAIJA, (MP)
Minister of Finance, Planning and Economic Development.

to The Uganda Gazette No. 38 Volume CXIII, dated 23rd June, 2020
Printed by UPPC, Entebbe, by Order of the Government.
S T A T U T O R Y I N S T R U M E N T S
2020 No. 82.

THE TAX PROCEDURES CODE (E- INVOICING AND E-RECEIPTING) REGULATIONS, 2020

ARRANGEMENT OF REGULATIONS

Regulation

PART I—PRELIMINARY

1. Title
2. Interpretation

PART II—E- INVOICING AND E-RECEPTING

3. Centralised invoicing and receipting system
4. Issuance of fiscal documents
5. Fiscal devices
6. Issuance of manual receipts or invoices
7. Electronic dispenser controller
8. Maintenance of fiscal devices

PART III—GENERAL

9. Obligations of taxpayer
10. Reports

SCHEDULES

Schedule 1—ELECTRONIC INVOICE OR E-RECEIPT
Schedule 2—REPORTS

STATUTORY INSTRUMENTS 2020 No. 82.
The Tax Procedures Code (E-invoicing and E-receipting) Regulations, 2020

(Under section 95[188] of the Tax Procedures Code Act, 2014)

In EXERCISE of the powers conferred upon the Minister by section 95[189]

---

[188] The original Regulations referred to section 75 which has since been renumbered in the Laws of Uganda 2023.

[189] The original Regulations referred to section 75 which has since been renumbered in the Laws of Uganda 2023.

of the Tax Procedures Code Act, these Regulations are made this 22nd day of June, 2020.

PART I—PRELIMINARY

1. Title.

These Regulations may be cited as the Tax Procedures Code (E-invoicing and E-receipting) Regulations, 2020.

2. Interpretation.

In these Regulations, unless the context otherwise requires—

"Act" means the Tax Procedures Code Act, 2014;

"Authority" means the Uganda Revenue Authority established by section 2 of the Uganda Revenue Authority Act, Cap. 196;

"Commissioner" means the Commissioner–General appointed under the Uganda Revenue Authority Act;

"fiscal device" means an Electronic Fiscal Device or Electronic Dispenser Controller authenticated by the Authority and linked to the System, which prints a fiscal document;

"fiscal document" means an e-invoice or e-receipt or payment slip issued from a taxpayer's business or enterprise resource planning system or printed by a fiscal device and acknowledged by the System;

"System" means the centralised invoicing and receipting system referred to in section 92[190] of the Act;

"transaction data" means data relating to a transaction transmitted to the System and stored on a fiscal device.

---

[190] The original Regulations referred to section 73A which has since been renumbered in the Laws of Uganda 2023.

PART II—E-RECEIPTING AND E-INVOICING

3. Centralised invoicing and receipting system

(1) The Commissioner shall cause to be installed at the Authority the centralised invoicing and receipting system referred to in section 92[191] of the Act.

(2) The Commissioner shall use the System to monitor and manage the issuance of fiscal documents for purposes of—

(a) real time transmission and authentication of business transactions and transaction data;
(b) ascertaining accuracy of self assessments;
(c) facilitating the pre-filing of tax returns;
(d) timely processing of tax refunds;
(e) any other purpose necessary for efficient tax administration purposes only.

(3) For purposes of subregulation (2), the System shall be interoperable with the electronic means of issuance of fiscal documents referred to in regulation 4(1) and shall detect and acknowledge that a transaction has occurred and that a fiscal document has been issued.

4. Issuance of fiscal documents.

(1) A taxpayer specified by the Commissioner under section 92 (2)[192] of the Act shall issue a fiscal document through any of the following methods—
(a) the taxpayer's business or enterprise resource planning system;
(b) the use of a web portal established by the Authority;

---

[191] The original Regulations referred to section 73A which has since been renumbered in the Laws of Uganda 2023.
[192] The original Regulations referred to section 73A which has since been renumbered in the Laws of Uganda 2023.

(c) an application for tax administration installed on a computer or any other electronic device;
(d) the use of a USSD quick code provided by the authority; or
(e) use of fiscal devices.

(2) The fiscal document shall be in the form prescribed in the Schedule 1.

5. Fiscal devices.

(1) A taxpayer referred to in regulation 4(1) shall acquire a fiscal device from a manufacturer, systems developer or supplier accredited by the Commissioner.

(2) A taxpayer who elects to issue fiscal documents under regulation 4 (1)(a) and (e) shall, at his or her own cost, integrate the business or enterprise resource planning system or the fiscal device, as the case may be, with the System.

(3) For purposes of subregulation (2), a taxpayer shall ensure that the business or enterprise resource planning system or the fiscal device is—

(a) identifiable by the System, as belonging to a particular taxpayer;
(b) designed with a secure fiscal memory to manage and control sales data;
(c) capable of communicating with the System to enable fiscalisation of transactional data and generate e-invoices or e-receipts; and
(d) capable of storing information in respect of e-invoices and e-receipts to generate periodic reports of the transactions of a taxpayer.

6. Issuance of manual receipts or invoices.

(1) A taxpayer may issue manual receipts where—

(a) the System is not available and offline transactions occur;
(b) the taxpayer's system is off;
(c) the fiscal device is undergoing maintenance in accordance with regulation 7; or
(d) there is any other justifiable reason.

(2) A taxpayer who issues a manual receipt under subregulation (1)(a) shall upload the manual receipt as soon as practicable after the System is restored, and in any case, not later than twenty-four hours after the System has been restored.

(3) A tax payer who issues a manual receipt under sub regulation(1)(b), (c) or (d) shall upload the manual receipt, including the reference of the manual receipt, on the System within twenty four hours after issuing the manual receipt.

(4) A taxpayer who contravenes this regulation shall be liable to pay a penal tax relating to electronic receipting and invoicing in accordance with section 93[193] of the Act.

(5) For purposes of this Regulation, "manual receipt or invoice" means an invoice or receipt other than an e-receipt or e- invoice.

7. Electronic dispenser controller.

(1) A taxpayer who is in the business of fuel or gas stations shall acquire and install fiscal devices known as electronic dispenser controllers.

(2) An electronic dispenser controller shall, in addition to the features referred to in regulation 5(3), have—
(a) a functionality of recording daily inventory data of the tank and the relation of oil tank and oil pistol uploaded into the system;

[193] The original Regulations referred to section 73B which has since been renumbered in the Laws of Uganda 2023.

(b) an oil pistol control system that shall be used to calculate the oil pump capacity; and
(c) capacity to generate receipts with oil pistol numbers printed on them.

8. Maintenance of fiscal devices.

(1) Every taxpayer shall ensure that the fiscal devices undergo periodic technical maintenance services within the timeframe specified by the manufacturer or supplier or whenever the taxpayer realises that the fiscal device requires maintenance.

(2) A technician of a supplier or manufacturer of a fiscal device shall perform installation, maintenance and repair services at the cost of the taxpayer.

(3) A fiscal device shall not be removed from the point of sale without the approval of the Commissioner.

PART III—GENERAL

9. Obligations of taxpayer.

(1) A taxpayer is responsible for—
(a) maintaining stable power and internet connectivity at the place of business;
(b) the security of the device;
(c) procuring and installing fiscal devices;
(d) notifying the supplier in case a need for repairs or maintenance services, arises;
(e) making full disclosure of information and correct declaration of all transactions at all times; and
(f) ensuring compliance with these regulations.

(2) A taxpayer who fails or refuses to perform the responsibilities referred to in sub regulation (1) commits an offence and is liable, on conviction, to a fine not exceeding one hundred currency points or

to a term of imprisonment not exceeding one year or both.

(3) In addition to the penalty referred to in sub regulation (2) a taxpayer who fails or refuses to perform the responsibilities referred to in sub regulation (1) shall be deemed to have failed to maintain records and shall be liable to pay penal tax for failing to maintain proper records in accordance with section 57[194] of the Act.

10. Reports.

(1) A taxpayer shall, in case of downtime, maintain a Z daily report and a price look up report.

(2) A price look up report shall contain the price settings of the commodities for purposes of verifying the prices on fiscal documents.

(3) A taxpayer shall generate a Z daily report at the close of business of each day and the report shall contain the transactions conducted and the fiscal documents generated for that day.

(4) Notwithstanding subregulation (2) the commissioner may require a taxpayer to furnish him or her with a Z daily report at any time of the day.

(5) A Z daily report and a price look up report shall be in the form set out in part 1 and part 2 of the Second Schedule, respectively, unless the Commissioner provides otherwise.

(6) For purposes of this regulation, “downtime” means the period when the taxpayer issues a manual receipt in accordance with regulation 6(1).

———————

[194] The original Regulations referred to section 49 which has since been renumbered in the Laws of Uganda 2023.

Regulation 4(2)

SCHEDULE 1
ELECTRONIC INVOICE OR E-RECEIPT

URA'S Log	**e-RECEIPT or e-INVOICE**	**Seller's Logo, if any**

Section A: Seller's Details

NIN/BRN:
TIN:
Trade Name:
Address:
Seller's Reference Number:
Served by:

Section B: URA information

Issue Date: DD/MM/YYYY
Time: HH:MM:SS
Fiscal Document Number:
Device Number:
Verification Code:

Section C: Buyer's Details

Buyer's TIN:
Buyer's NIN/BRN:
Name:
Address:
Tel:

Section D: Goods and Services Details

ITEM:	Qty/Unit of Measure:	Unit Price:	Total:	Tax Category:

Section E: Tax Details

Tax Category/Rate: A – Standard (18%) B – Zero (0%) C – Exempt (-) D – Deemed (18%)	Net Amount:	Tax Amount:	Gross Amount:

E – Excise Duty (as per excise duty rates)			

Section F: Summary

Net Amount:
Tax Amount:
Gross Amount:
Currency:
Payment Mode:
Amount Paid:
Number of items:
Number of e-receipts/invoices issued:
Mode: Online/Offline
Remarks:

SCHEDULE 2 Regulation 10

REPORTS

PART 1- "Z" DAILY REPORT

This Z daily report represents a summary of the sales of ……..(insert date)

PARTICULARS OF SELLER

National Identification Number (NIN) ……

(a) Tax Identification Number (TIN) ……

(b) Trading name ……

(c) Device number……

PARTICULARS OF BUYER

(a) Name of buyer ……

(b) National Identification Numbers (NIN) ……

(c) Tax Identification Numbers (TIN) ……

TRANSACTIONAL DETAILS

(a) Time when the First fiscal document is generated……

(b) Time when the last fiscal document is generated……

(c) Total discount

amount……
(d) Transactional details per item sold as;
(i). Transaction type
(ii). Document type (original or copy)
(iii). Brief description of goods or services
(iv). Item code
(v). Item Name
(vi). Quantity
(vii). Unit price
(viii). Rate of tax for each category of goods and services
(ix). Tax category
(x). Total amount before tax
(xi). Total tax amount
(xii). Total amount not taxable (zero rate/ exempt)
(xiii). Total amount deemed before tax
(xiv). Total deemed tax
(xv). Total amount per transaction
(xvi). Count of fiscal document.
(xvii).Number of items sold per transaction
(xviii).Payment mode per transaction
(xix). Currency
(xx). Discount amount
(xxi). Total refund amount for all refund receipts, including tax.

DEVICE OPERATION STATUS
(a). Memory error
(b). Disconnection error.
(c). Out of paper error
(d). Normal

PART II- PRICE LOOK UP REPORT

PARTICULARS OF SELLER
(a) National Identification Number (NIN) ……
(b) Tax Identification Number (TIN)

……
(c) Trading Name ……..……
(d) Device number……
(e) Report Period ……
(e) National Identification Number (NIN)……
(f) Tax Identification Number (TIN) ……
(g) Trading name ……
(h) Device number……
(i) Item code……..……
(j) Item name……
(k) Unit price exclusive of tax……..……
(l) Tax rate, ……
(m) Quantity sold; ……
(n) Remain quantity in stock.

MATIA KASAIJA,
Minister of Finance, Planning and Economic Development.

STATUTORY INSTRUMENTS 2023 No. 28.

THE TAX PROCEDURES CODE (ALTERNATIVE DISPUTE RESOLUTION PROCEDURE) REGULATIONS, 2023

ARRANGEMENT OF REGULATIONS

Regulation

PART I—PRELIMINARY

1. Title
2. Interpretation

PART II – ALTERNATIVE DISPUTE RESOLUTION PROCEDURE

3. Alternative dispute resolution procedure to be voluntarily
4. Application for alternative dispute resolution procedure
5. Methods of alternative dispute resolution procedure
6. Disputes eligible for alternative dispute resolution
7. Pre-alternative dispute resolution procedure meeting
8. Conduct of the alternative dispute resolution procedure
9. Withdrawal from alternative dispute resolution proceedings
10. Representation
11. Settlement agreement
12. Alteration of assessment upon signing of settlement

PART III-ENFORCEMENT OF SETTLEMENT AGREEMENT

13. Recognition and enforcement of settlement agreement
14. Violation of settlement agreement
15. Alternative dispute resolution procedure register
16. Maintenance of records

SCHEDULE-FORM

STATUTORY INSTRUMENTS
2023 No. 28.
The Tax Procedures Code (Alternative Dispute Resolution Procedure) Regulations, 2023.

(Under section 26 (11) and (12) of the Tax Procedures Code Act, 2014)[195]

IN EXERCISE of the powers conferred upon the Minister by section 26 (11) and (12) of the Tax Procedures Code Act, 2014,[196] these Regulations are made this 6h day of March, 2023.

[195] The original Regulations referred to section 24 which has since been renumbered in the Laws of Uganda 2023.
[196] The original Regulations referred to section 24 which has since been renumbered in the Laws of Uganda 2023.

Part I—Preliminary

1. Title.

These Regulations may be cited as the Tax Procedures Code (Alternative Dispute Resolution Procedure) Regulations, 2023.

2. Interpretation.

In these Regulations, unless the context otherwise requires—
“Act" means the Tax Procedures Code Act, 2014;

”alternative dispute resolution procedure" means a voluntary facilitated process of settling tax disputes between a taxpayer and the Commissioner where the taxpayer is dissatisfied with the decision of the Commissioner:

"court" means a court of competent jurisdiction handling a tax matter;

"Settlement agreement" means an agreement between a taxpayer and the Commissioner under which both parties agree to settle a tax dispute.

Part II —Alternative Dispute Resolution Procedure

3. Alternative dispute resolution procedure to be voluntary.

The application of the alternative dispute resolution procedure specified in these Regulations shall be voluntary.

4. Application for alternative dispute resolution procedure.

(1) A taxpayer who is dissatisfied with a tax decision of the Commissioner may, within seven days after being served with the tax decision, apply to the Commissioner for resolution of the dispute using the alternative dispute resolution procedure.

(2) The application referred to in sub-regulation (1), shall be in writing, using the form prescribed in the Schedule to these Regulations.

(3) Where an alternative dispute resolution procedure is commenced

between a taxpayer and the Commissioner, the time within which the taxpayer is required to file an application with the Tribunal, or a suit with court shall not be affected by the alternative dispute resolution procedure.[197]

(4) For the avoidance of doubt, the alternative dispute resolution procedure under these Regulations shall not have any effect or negate the rights of the Commissioner or taxpayer to file an application with or the suit with the court or have an effect on the rules and procedures of the Tribunal or court.

5. Methods of alternative dispute resolution procedure.

(1) The following methods of alternative dispute resolution procedures may be applied for a tax dispute—

(a) Conciliation; where an independent conciliator is appointed or agreed upon by the Commissioner and the tax payer, to facilitate communication between the Commissioner and the taxpayer to explore settlement but without offering an opinion on the merits of the arguments of either side: or

(b) Negotiation; where the Commissioner and the taxpayer agree to hold discussions relating to the tax dispute through engagement in discussions and exchange of information in order to reach an amicable settlement.

(2) Where a tax payer applies to the Commissioner to resolve a disputed tax decision using the alternative dispute resolution procedure, the tax payer shall indicate the preferred method of alternative dispute resolution under sub-regulation (1) and where applicable, indicate a proposal for the settlement of the dispute.

---

[197] See Sogea Satom Uganda v URA, TAT Application No. 22 of 2023. Decided on 19 July 2024.

6. Disputes eligible for alternative dispute resolution procedure.

(1) The Commissioner shall, upon receipt of an application under regulation 4 (1), evaluate the application to ascertain that the application is eligible to be resolved through the alternative dispute resolution procedure.

(2) For purposes of sub-regulation (1), the Commissioner shall consider—

(a) whether using the alternative dispute resolution procedure is likely to promote fairness, maximisation of resources and proper management of the tax system;

(b) the cost benefits of litigation with respect to—
(i) the prospects of success in the Tribunal or court;
(ii) the prospects of collection of the amount due;
(iii) the costs associated with the collection of the tax; or
(iv) the costs associated with litigation;

(c) whether there are any complex, factual or quantum issues in contention;

(d) whether the settlement of the dispute will promote compliance by the taxpayer, a group of taxpayers or the business sector; and

(e) whether the tax dispute is a result of a miscommunication or misunderstanding between the Commissioner and taxpayer.

(3) Where the Commissioner is satisfied that the application is eligible for alternative dispute resolution, the Commissioner shall, within seven working days from the date of fling the application, invite the taxpayer in writing to participate in the alternative dispute resolution procedure.

(4) The Commissioner shall reject an application to resolve the dispute using alternative dispute resolution procedure where—

(a) the settlement is likely to contravene any law of Uganda;
(b) the matter in dispute is in regard to interpretation of the law;
(c) it is in the public interest to have the court or Tribunal determine the tax dispute;
(d) there is evidence of deliberate or consistent non compliance by the tax payer on the matter in dispute;
(e) the tax dispute relates to a case of an informer;
(f) an application is filed out of time provided for under these Regulations;
(g) or the tax dispute involves fraud.

(5) Where the Commissioner is satisfied that the application is not eligible for alternative dispute resolution the Commissioner shall within fifteen working days from the date of filing the application, inform the tax payer in writing stating reasons of the rejection of the application for alternative dispute resolution procedure.

7. Pre-alternative dispute resolution procedure meeting.

Where the Commissioner is satisfied that the application is eligible for resolving the dispute using the alternative dispute resolution procedure, the Commissioner shall invite the taxpayer for an alternative dispute resolution procedure meeting for purposes of determining—

(a) the costs of participating in the alternative dispute resolution procedure and the party to bear the costs;
(b) the method to be adopted in the alternative dispute resolution procedure;
(c) the timelines and schedule of the alternative dispute resolution proceedings;
(d) the issues to be considered and resolved through the alternative dispute resolution procedure;
(e) the terms and conditions to govern the alternative dispute resolution proceedings; and

(f) any other matter relevant to resolving the dispute through the alternative dispute resolution procedure.

8. Conduct of the alternative dispute resolution procedure.

(1) Each party shall, during the alternative dispute resolution proceedings, be given an opportunity to present their case, including calling witnesses whom the party wishes to rely on.

(2) The agreement of the parties to settle the dispute shall be based on the evidence submitted during the alternative dispute resolution proceedings.

(3) Where, for justifiable cause, a party fails to appear on the date of the alternative dispute resolution proceedings, the parties may schedule another date for the proceedings or close the alternative.

(4) Where, in the course of resolving a dispute, a matter arises which, in the opinion of the parties requires specific expertise competence, the parties may, upon agreement, call upon a subject matter expert to participate in the alternative dispute resolution dispute resolution proceedings, if it is appropriate to do so proceedings for the purpose of providing the required expertise.

(5) The alternative dispute resolution proceedings shall be subject to the following conditions—

(a) Upholding and maintaining decorum and confidentiality;
(b) upholding the integrity and fairness of the process;
(c) fair and diligent participation in the proceedings;

(d) the making of full disclosure of material facts and documentation relevant to the dispute;
(e) commitment to the alternative dispute resolution process and attendance of all scheduled proceedings;

(f) strict adherence to the agreed timelines, except un reasonable circumstances, which shall be communicated to the other

party.

(6) Where the Commissioner or tax payer fails to abide by the conditions in sub-regulation (5), the parties may terminate the alternative dispute resolution proceedings.

9. Withdrawal from alternative dispute resolution proceedings.

(1) A party may, at any stage of the alternative dispute, the solution proceedings, before arriving at a settlement, by notice in writing, withdraw from the alternative dispute resolution proceedings n any of the following grounds:

(a) where either party opts to withdraw from the proceedings or both parties mutually agree to terminate the proceedings;
(b) if a party fails to attend two consecutive sittings of the alternative dispute resolution proceedings;
(c) where the parties are of the opinion that the dispute cannot be resolved due to negative conduct by one or both parties;
(d) where both parties determine that a settlement cannot be reached; or
(e) any other ground that the Commissioner or taxpayer considers reasonable.

(2) Where the Commissioner or tax payer withdraws from the alternative dispute resolution proceedings, the alternative dispute procedure shall be terminated and the decision of the Commissioner being objected to shall be maintained against the taxpayer, unless it is overturned by the Tribunal or the court.

10. Representation.

In the alternative dispute resolution proceedings

(a) a tax payer may appear

(i) in person;

(ii) through a tax agent;

(iii) through an employee of the tax payer; or

(iv) through an advocate; and

(b) the Commissioner may appear by himself or herself or by a tax officer or may be represented by an advocate.

11. Settlement agreement.[198]

(1) Where the Commissioner and the taxpayer, agree to settle the tax dispute using the alternative dispute resolution procedure, the issues agreed upon shall be set out in a settlement agreement which shall be signed by the Commissioner and the tax payer or by persons authorised to sign on their behalf.

(2) The settlement agreement referred to in sub-regulation (1), shall contain:

(a) the background to the dispute and the issues of contention;

(b) the processes and specific actions undertaken during the alternative dispute resolution proceedings;

(c) the agreed issues and issues not agreed to;

(d) the taxes payable or, where applicable, the taxes that are not payable, and the justification;

(e) the terms of the settlement agreement;

(f) the undertakings given by each party, if any;

---

[198] See Uvan Limited v URA, TAT Application No.264 of 2024. Decided on 18 March 2025; Achelis Rental Limited v URA, TAT Application No.365 of 2024. Decided on 20 June 2025.

(g) the agreed mode of payment and payment plan, where applicable; and

(h) the withdrawal of any proceedings pending before the Tribunal or court, where applicable.

12. Alteration of assessment upon signing of settlement agreement.

(1) Where the Commissioner and tax payer reach a settlement agreement to adjust the tax liability of the tax payer, the Commissioner may alter or amend the assessment for purposes of giving effect to the terms contained in the settlement agreement.

(2) The altered or amended tax assessment referred to in sub-regulation (1) shall not be subject to an objection or appeal to the Commissioner, except—

(a) to correct an arithmetical error in the alternative dispute resolution decision;

(b) to commerce the execution or enforcement procedure;

(c) to correct an error on the face of the amended or altered assessment;

(d) to set aside the alternative dispute resolution decision; or

(e) where the content of the altered tax assessment is not in line with the terms of the alternative dispute resolution.

Part III-Enforcement of the Settlement Agreement

13. Recognition and enforcement of settlement agreement.

(1) A settlement agreement shall be recognised as binding and

enforceable against the Commissioner or tax payer, as the case may be like any other tax decision made by the Commissioner.

(2) Where the settlement agreement provides that the tax liability of the tax payer be adjusted, the Commissioner shall, within fourteen days from the date of signing of the settlement agreement amend the assessment, to give effect to the terms of the settlement agreement.

14. Violation of settlement agreement.

Where the Commissioner or tax payer fails to comply with, or violates a settlement, the tax payer or Commissioner may apply to court to enforce the settlement agreement.

15. Alternative dispute resolution procedure register.

The Commissioner shall establish and maintain a register of disputes settled under the alternative dispute resolution procedure, which shall contain;

(a) the amount of revenue collected or recovered through the alternative dispute resolution procedure:
(b) the estimated amount of savings in costs if the dispute was to be resolved by the Tribunal or court;
(c) the amount of revenue potentially foregone; and
(d) any other information that Commissioner receives in the process of the alternative dispute resolution procedure decision.

16. Maintenance of records.

The Commissioner shall maintain records of each settlement agreement signed between the Commissioner and a taxpayer for at least ten years from the date of signing the settlement agreement.

SCHEDULE

Regulation 4 (2)

FORM

Application to the Commissioner to request to resolve a tax dispute

using the alternative dispute resolution procedure in accordance with section 24(11) of the Tax Procedures Code Act, 2014.

Notes:

1. *Where the space provided is insufficient, please use an extension page and attach it to this application form.*
2. *Pages attached shall be sequentially numbered and the total number thereof shall be stated in the field provided.*

Details of Applicant (For purposes of further correspondence)					
Full Name (s)	*TIN*	*Telephone No.*	*Name of Agent (if not the applicant)*	*Telephone No.*	*E-mail Address*

Address for delivery of documents			
Registered business name or name of the applicant			
Postal address		Code	
Physical address			
E-mail address			
Business Telephone Number			

Nature of dispute:*(Indicate with an X' in the applicable block(s))*									
Income tax		Excise Duty		VAT		Penalty		Refund	
If ‘Other' please specify									
Period of assessment									

Amount of tax in dispute		Date of objection decision	
Reference Number			
Proposed mode of ADR			
Tax Payers narration of the dispute			

Grounds for application for alternative dispute resolution procedure

1.
2.
3.
4.
5.
6.
7.

No. of pages attached to this form, if any:

Please attach appeal documents *(statements of facts, memorandum of appeal and any other relevant documentation)*

Please attach settlement proposal

MATIA KASAIJA (MP),
Minister of Finance, Planning and Economic Development

GENERAL NOTICE NO. 595 OF 2020

Uganda Gazette No. 38 Volume CXIII of 2023/6/2020

TAXPAYERS FOR WHOM IT SHALL BE MANDATORY TO ISSUE E-INVOICES OR E-RECIEPTS

Notice is hereby given to the general public by Uganda Revenue Authority pursuant to section 73A (2) of the Tax Procedures Code Act, that it is mandatory for all value added tax (VAT) registered taxpayers to issue E-invoices or E-Receipts in accordance with the Tax procedures Code (E-Invoicing and E-Receipting) Regulations, 2020.

John R. Musinguzi
Commissioner General, Uganda Revenue Authority

Page intentionally left blank

CHAPTER 341

THE TAX APPEALS TRIBUNALS ACT

Arrangement of Sections

Section

PART I-INTERPRETATION

1. Interpretation

PART II-ESTABLISHMENT OF TAX APPEALS TRIBUNALS

2. Establishment of tax appeals tribunals
3. Appointment of chairperson of tribunal
4. Appointment of other members of tribunal
5. Qualifications for appointment
6. Term of appointment
7. Conditions of appointment
8. Oath of office
9. Termination of appointment
10. Disclosure of interest

PART III-ORGANISATION OF TRIBUNALS

11. Official seal
12. Arrangement of business
13. Constitution of tribunal for exercise of powers

PART IV-REVIEW BY TRIBUNALS OF TAXATION DECISIONS

14. Tribunal to review taxation decisions
15. Deposit of portion of tax pending determination of objection
16. Application for review of taxation decision
17. Lodging of material documents with tribunal
18. Mediation
19. Burden of proof
20. Review by tribunal
21. Hearings
22. Powers of tribunal

23. Procedure
24. Representation before tribunal
25. Opportunity to make submissions concerning evidence
26. Discontinuance, dismissal or reinstatement of application
27. Power of tribunal if parties reach agreement
28. Appeals to High Court from decisions of tribunal
29. Appeals to Court of Appeal from decisions of High Court
30. Appeals to Supreme Court from decisions of Court of Appeal
31. Operation and implementation of decision subject to review or appeal

PART V-MANAGEMENT OF TRIBUNALS
32. Management of administrative affairs of tribunal
33. Registrar of tribunal

PART VI-OFFENCES AND PENALTIES
34. Failure to comply with summons
35. Failure to answer questions
36. False or misleading evidence
37. Contempt of tribunal

PART VII-FINANCIAL MATTERS

38. Funds, accounts and audit

PART VIII-MISCELLANEOUS

39. Immunity from suit
40. Delegation
41. Service of notices and other documents
42. Regulations
43. Power to amend Schedule

SCHEDULE

Schedule Currency Point

CHAPTER 341

THE TAX APPEALS TRIBUNALS ACT

*Commencement:*1August,1998

An Act to provide for the establishment of tax appeals tribunals as a mechanism for resolution of tax disputes; to provide for the powers tribunals to award damages and interest and for related matters.

PARTI-INTERPRETATION

1. Interpretation

(i) In this Act, unless the context otherwise requires-

“applicant” means a person who has made an application to a tribunal for-

(a) review of a taxation decision;

(b) an extension of time under section 16(2); or

(c) reinstatement of an application under section 26(4);

"chairperson” means the chairperson of a tribunal appointed under section 3;

“currency point” has the value assigned to it in the Schedule to this Act;

“decision maker” is the person who holds the office which has general administration of a taxing Act under which a taxation decision has been made;

“member” means a member of a tribunal;

"Minister” means the Minister responsible for finance;

“objection decision” means a taxation decision made in respect of a taxation objection;

"proceeding", in relation to a tribunal, means-

(a) an application to a tribunal for review of a taxation decision;

(b) an application to a tribunal for an extension of time under section 16(2); or

(c) an application to a tribunal for reinstatement of an application under section 26(4);

"registrar" means the registrar of a tribunal;

"tax" includes duty, rate, levy or other imposition;

"taxation decision" means any assessment, determination, decision or notice;

"taxing Act" means any Act which imposes a tax;

"tribunal" means a tax appeals tribunal established by this Act and, in relation to a proceeding, means a tax appeals tribunal established as constituted for the purposes of the proceeding.

(2) For the purposes of this Act, where a taxing Act provides that a person dissatisfied with a taxation decision may object against the decision, such an objection is referred to as a "taxation objection".

PART II-ESTABLISHMENT OF TAX APPEALS TRIBUNALS

2 Establishment of tax appeals tribunals

(1) There are established tribunals to be known as the tax appeals tribunals.

(2) A tribunal shall consist of a chairperson and eight other tribunal members appointed in accordance with this Act.

(3) At least forty percent of the members of the tribunal shall be women.

3 Appointment of chairperson of tribunal

(1) The Minister, in consultation with the chairperson of the Judicial Service Commission, shall appoint the chairperson of a tribunal.

(2) A person is not qualified to be appointed chairperson of a tribunal unless he or she is qualified to be appointed a judge of the High Court.

4 Appointment of other members of tribunal

(1) The other members of a tribunal shall be appointed by the Minister.

(2) A member of a tribunal shall be appointed on a part-time or full time basis.

5 Qualifications for appointment

(1) A person may only be appointed as a member of a tribunal if the person—

(a) is of high moral character and proven integrity; and

(b) has not been convicted of any offence involving moral turpitude.

(2) A member of a tribunal shall be a person qualified in taxation, finance, accounting or law.

(3) No member of a tribunal may be an officer of the Uganda Revenue Authority or a civil servant.

6 Term of appointment

(1) The chairperson shall hold office for a term of three years and is eligible for reappointment.

(2) Subject to this Act, a member of a tribunal shall hold office for a term of three years and is eligible for re-appointment.

7 Conditions of appointment

(1) Subject to this Act, a member of a tribunal holds office on such terms and conditions as are prescribed, including terms and conditions relating to remuneration and allowances.

(2) The appointment of a judge as chairperson shall not affect his or her tenure of office as a judge, or his or her rank, title, status, precedence, salary and allowances, or other rights or privileges as the holder of the office of judge of the courts of judicature and, for all purposes, his or her service as chairperson shall be taken to have been service as holder of the office of such a judge.

8 Oath of office

A person who is appointed as a member of a tribunal shall, before assuming the duties of his or her office, take and subscribe the oath of allegiance and the judicial oath in the Fourth Schedule to the Constitution.

9 Termination of appointment

(1) This section applies to all members of a tribunal.

(2) A member of a tribunal may resign his or her office by notice in writing delivered to the Minster.

(3) A member may be removed from office only for—

(a) inability to perform the functions of his or her office arising from infirmity of body or mind;

(b) misbehaviour or misconduct;

(c) incompetence; or

(d) being an undischarged bankrupt.

(4) The Minister shall remove a member of a tribunal if the question of his or her removal has been referred to a committee appointed under subsection (5) and the committee has recommended to the

Minister that the member ought to be removed from office on any ground described in subsection (3).

(5) If the Minister is of the opinion that a member of a tribunal should be removed, the Minister shall appoint a committee consisting of three persons who are or who have held offices as judges of a court having unlimited jurisdiction in civil and criminal matters or a court having jurisdiction in appeals from such a court, or who are advocates of at least ten years 'standing,

(6) The committee appointed under subsection (5) shall inquire into the matter and report to the Minister recommending whether or not the member ought to be removed under this section.

(7) Where the question of the removal of a member of the tribunal is referred to a committee under this section, the Minister shall suspend the member from performing the functions of his or her office.

(8) A suspension under subsection (7) shall cease to have effect if the committee advises the Minister that the member suspended should not be removed from office.

10. Disclosure of interest

Where a member is, or is to be, a member of the tribunal as constituted for the purposes of a proceeding and the member has any interest, pecuniary or otherwise, that could conflict with the proper performance of the member’s functions, the member shall disclose the interest to the parties to the proceeding and, except with the consent of all the parties to the proceeding, the member shall not take part in the proceeding or exercise any powers in relation to the review by a tribunal of the taxation decision to which the proceeding relates.

PART III-ORGANISATION OF TRIBUNALS

11. Official seal

(1) A tribunal shall have a seal which shall be judicially noticed.

(2) The seal of a tribunal shall be affixed by or with the authority of the tribunal to such documents as are required by a direction of the chairperson to be sealed with the seal of the tribunal.

12. Arrangement of business

(1) Subject to this Act, the chairperson is responsible for ensuring the orderly and expeditious discharge of the business of the tribunal.

(2) Without limiting the operation of subsection (1), the chairperson shall give directions as to—

(a) the arrangement of the business of the tribunal;

(b) the places at which the tribunal may sit;

(c) the procedure of the tribunal generally; and

(d) the procedure of the tribunal at a particular place.

(3) The times and places of the hearings of a tribunal shall be for applicants to appear before the tribunal with as little inconvenience and expense as is practicable.

13. Constitution of tribunal for exercise of powers

(1) A tribunal shall be constituted for a proceeding by three members.

(2) At a hearing of a proceeding before the tribunal at which the tribunal is constituted by three members—

(a) if the chairperson is a member of the tribunal as constituted, he or she shall preside; or

(b) in any other case, a member elected by the members present from among their number shall preside.

(3) Where, in the case of a proceeding constituted by three members, one of those members ceases to be a member, or ceases to be ava-

ilable for the purposes of the proceeding, before the matter to which the proceeding relates is determined—

(a) if the parties to the proceeding agree, then the proceeding shall be completed by the tribunal constituted by the remaining members of the tribunal; or

(b) if the parties do not agree, the proceedings shall be adjourned and another member shall replace the member who ceased to be a member for the purposes of the proceeding and the proceeding shall be reheard.

(4) Where, as a result of subsection (3)(a), the tribunal is constituted by two members and the members do not agree on the decision to be made, the chairperson shall assign another member to the tribunal for the purposes of the proceeding, and the proceeding shall be reheard.

(5) Where a proceeding is reheard by the tribunal, the tribunal may, for the purposes of the proceeding, have regard to any record of the proceeding before the tribunal as previously constituted, including a record of any evidence taken in that proceeding.

PART IV-REVIEW BY TRIBUNALS OF TAXATION DECISIONS

14. Tribunal to review taxation decisions

(1) A person who is aggrieved by a decision made under a taxing Act by—

(a) the Uganda Revenue Authority; or

(b) the Tax Agents Registration Committee established under the Tax Procedures Code Act,

may apply to the tribunal for a review of the decision.

(2) The tribunal has power to review any taxation decision in respect of which an application is properly made.

(3) A tribunal shall, in the discharge of its functions, be independent and shall not be subject to the direction or control of any person or authority.

15. Deposit of portion of tax pending determination of objection

(1) A taxpayer who has lodged a notice of objection to an assessment shall, pending final resolution of the objection, pay thirty percent of the tax assessed or that part of the tax assessed not in dispute, whichever is greater.

(2) Subject to subsection (1), in the case of goods which are perishable, the goods shall be released to the taxpayer immediately after payment of the amount of tax prescribed in that subsection; but the Uganda Revenue Authority shall be given surety equivalent to the amount of tax assessed.

16. Application for review of a taxation decision.

(1) An application to a tribunal for review of a taxation decision shall—
(a) be in writing in the prescribed form;
(b) include a statement of the reasons for the application; and
(c) be lodged with the tribunal within thirty days after the person making the application has been served with notice of the decision.

(2) A tribunal may, upon application in writing, extend the time for the making of an application to the tribunal for a review of a taxation decision.

(3) An applicant to a tribunal shall serve a copy of the application on the decision maker within five days after lodging the application with the tribunal.

(4) Where an application for review relates to a taxation decision that is an objection decision, the applicant is, unless the tribunal orders otherwise, limited to the grounds stated in the taxation objection to

which the decision relates.

(5) An application to a tribunal for review of a taxation decision is not taken to have been made unless the prescribed nonrefundable fee, if any, in respect of the application has been paid.

(6) The Civil Procedure and Limitation (Miscellaneous Provisions) Act shall not apply to an application for review.

(7) An application for review of a taxation decision shall be made within six months after the date of the taxation decision.

17. Lodging of material documents with the tribunal.

(1) Subject to this section, not later than thirty days after being served with a copy of an application to a tribunal to review a taxation decision, the decision maker shall lodge with the tribunal two copies of—

(a) the notice of the decision;

(b) a statement giving the reasons for the decision; and

(c) every other document in the decision maker's possession or under his or her control which is necessary to the tribunal's review of the decision.

(2) Where the tribunal is of the opinion that there may be—

(a) particular other documents; or

(b) other documents included in a class of documents,

which may be relevant to the review of a decision by the tribunal, the tribunal may, by notice in writing, require the decision maker to lodge with the tribunal the documents specified in the notice to the extent that those documents are in the person's possession or under his or her control.

(3) This section has effect notwithstanding any rule of law relating to privilege or the public interest in relation to the production of documents.

18. Mediation.

(1) A tribunal may, prior to hearing any application filed with the tribunal, refer the matter for mediation to a Registrar or to a mediator in accordance with the Judicature (Mediation) Rules.

(2) The Judicature (Mediation) Rules shall apply, with necessary modifications, to mediation under this Act.

19. Burden of proof.

In a proceeding before a tribunal for review of a taxation decision, the applicant has the burden of proving that—

(a) where the taxation decision is an objection decision in relation to an assessment, the assessment is excessive; or

(b) in any other case, the taxation decision should not have been made or should have been made differently.

20. Review by the tribunal.

(1) For the purpose of reviewing a taxation decision, a tribunal may exercise all the powers and discretions that are conferred by the relevant taxing Act on the decision maker and shall make a decision in writing—

(a) affirming the decision under review;

(b) varying the decision under review; or

(c) setting aside the decision under review and either—

(i) making a decision in substitution for the decision so set aside; or

(ii) remitting the matter to the decision maker for reconsideration in accordance with any directions or recommendations of the tribunal.

(2) The tribunal shall give reasons in writing for its decision, including its findings on material questions of fact and reference to the evidence or other material on which those findings were based.

(3) A decision on an application for review shall be made as soon as is practicable after the hearing has been completed; and the tribunal shall cause a copy of its decision, including the reasons for the decision, to be served on each party to the proceeding.

(4) Subject to subsection (5), a decision of a tribunal comes into operation upon the giving of the decision or on such other date as may be specified by the tribunal in the decision.

(5) A taxation decision varied by a tribunal or a decision made by the tribunal in substitution for a taxation decision under review shall, for all purposes other than for the purpose of making an application to the tribunal for review or the lodging of an appeal against the decision, be deemed to be a decision of the decision maker and, unless the tribunal orders otherwise, has effect on and from the day on which the decision under review had effect.

(6) A decision of a tribunal shall have effect as and be enforceable as if it were a decision of a court.

(7) Subject to subsection (9), all decisions of a tribunal and all evidence received by it, including a transcript of the report of the hearings, are public records open to the inspection of the public.

(8) Subject to subsection (9), a tribunal shall provide for the publication of its decisions, including reasons, in such form and manner as may be adapted for public information and use, and such authorized publication is evidence of the decisions of the tribunal in all courts of Uganda without any further proof of authentication.

(9) A tribunal shall ensure that in releasing, or allowing access to, information under subsection (7) or (8) measures are taken to prevent the disclosure of trade secrets or other confidential information.

21. Hearings.

Subject to article 28 of the Constitution, hearings before the tribunal shall be open to the public unless the tribunal, on the request of either party, directs that the hearing should be closed to the public.

22. Powers of the tribunal.

(1) For the purpose of a proceeding before a tribunal, the tribunal may—

(a) take evidence on oath;

(b) proceed in the absence of a party who has had reasonable notice of the proceeding; and

(c) adjourn the hearing of the proceeding from time to time.

(2) For the purpose of the hearing of a proceeding before a tribunal, the tribunal shall have powers of the High Court to summon a person to appear before it—

(a) to give evidence; or

(b) to produce books, documents or things in the possession, custody or control of the person named in the summons that are mentioned in the summons.

(3) Where a tribunal considers it desirable for the purposes of avoiding expenses or delay, or for any other special reason, it may receive evidence by affidavit and administer interrogations and require the persons to whom interrogations are administered to make a full and true reply to the interrogations.

(4) A tribunal shall have power to issue a commission or request to

examine witnesses abroad.

(5) A tribunal may make an order as to costs against any party, and the order shall be enforceable in like manner to an order of the High Court.

(6) A tribunal may make an order as to damages, interest or any other remedy against any party, and the order shall be enforceable in the same manner as an order of the High Court.

23. Procedure.

(1) In any proceeding before a tribunal, the procedure of the tribunal is, subject to this Act, within the discretion of the tribunal.

(2) A proceeding before a tribunal shall be conducted with as little formality and technicality as possible, and the tribunal shall not be bound by the rules of evidence but may inform itself on any matter in such manner as it thinks appropriate.

(3) The proceedings of a tribunal shall be conducted in accordance with such rules of practice and procedure as the tribunal may specify, and the tribunal may direct the application of the rules of practice and procedure of any court subject to such modifications as the tribunal may direct.

(4) The tribunal shall have such assistance in carrying out its lawful writs, processes, orders, rules, decrees or commands as is available to a court in Uganda.

24. Representation before the tribunal.

At the hearing of a proceeding before a tribunal, the applicant may appear in person or may be represented.

25. Opportunity to make submissions concerning evidence.

A tribunal shall ensure that every party to a proceeding before the tribunal is given a reasonable opportunity to present his or her case and, in

particular, to inspect any documents to which the tribunal proposes to have regard in reaching a decision in the proceeding and to make submissions in relation to those documents.

26. Discontinuance, dismissal or reinstatement of an application.

(1) An applicant may, by notice in writing lodged with a tribunal, at any time, notify the tribunal that the application is discontinued or withdrawn, and the tribunal shall dismiss the application without proceeding to review the decision.

(2) If an applicant fails, without reasonable excuse, to appear at the hearing of the proceeding, a tribunal may dismiss the application without proceeding to review the decision.

(3) If an applicant fails within a reasonable time to proceed with the application or comply with a direction by a tribunal in relation to the application, the tribunal may dismiss the application.

(4) Where the tribunal has dismissed an application under subsection (2) or (3), the applicant may, within thirty days after receiving notification that the application has been dismissed, apply to the tribunal for reinstatement of the application, and the tribunal may, if it considers it appropriate to do so, reinstate the application and give such directions as appear to be appropriate in the circumstances.

27. Power of the tribunal if the parties reach agreement.

If, at any stage during a proceeding, the parties to the proceeding agree in writing as to the terms of a decision of the tribunal in the proceeding or in relation to a part of the proceeding or a matter arising out of a proceeding and the tribunal is satisfied that a decision in those terms is within the powers of the tribunal, the tribunal, may—

(a) where the agreement reached is as to the terms of a decision of the tribunal in the proceeding, make a decision in accordance with those terms without holding a hearing or, if the hearing has commenced, without completing the hearing; or

(b) where the agreement reached relates to a part of a proceeding or a matter arising out of a proceeding, in its decision in the proceeding, give effect to the terms of the agreement without dealing at the hearing with that part of the proceeding or the matter arising out of the proceeding to which the agreement relates.

28. Appeals to the High Court from decisions of a tribunal.

(1) A party to a proceeding before a tribunal may, within thirty days after being notified of the decision or within such further time as the High Court may allow, lodge a notice of appeal with the registrar of the High Court, and the party so appealing shall serve a copy of the notice of appeal on the other party to the proceeding before the tribunal.

(2) An appeal to the High Court may be made on questions of law only, and the notice of appeal shall state the question or questions of law that will be raised on the appeal.

(3) The High Court shall hear and determine the appeal and shall make such order as it thinks appropriate by reason of its decision, including an order affirming or setting aside the decision of the tribunal or an order remitting the case to the tribunal for reconsideration.

29. Appeals to Court of Appeal from decisions of High Court.

(1) A party to proceedings before the High Court may, within thirty days after being notified of the decision or within such further time as the Court of Appeal may allow, lodge a notice of appeal with the registrar of the Court of Appeal, and the party so appealing shall serve a copy of the notice of appeal on the party to the proceedings before the High Court.

(2) An appeal to the Court of Appeal may be on questions of law only, and the notice of appeal shall state the question or questions of law that will be raised on the appeal.

(3) The Court of Appeal shall inquire and determine the appeal expeditiously and shall declare its findings not later than sixty days from the date of filing the appeal.

30. Appeals to Supreme Court from decisions of Court of Appeal

(1) A party to proceedings before the Court of Appeal may, with leave of court, lodge a notice of appeal with the registrar of the Supreme Court, and the party so appealing shall serve a copy of the notice of appeal on the party to the proceedings before the Court of Appeal.

(2) An appeal to the Supreme Court may be lodged with a certificate of the Court of Appeal that the matter raises questions of law of great public importance or if the Supreme Court in its overall duty to see that justice is done, considers that the appeal should be heard.

(3) The Supreme Court shall inquire and determine the appeal expeditiously and shall declare its findings not later than thirty days from the date of filing the appeal.

31. Operation and implementation of a decision subject to review or appeal.

(1) Where an application for review or appeal of a taxation decision has been lodged with a reviewing body, the reviewing body may make an order staying or otherwise affecting the operation or implementation of the decision under review or appeal, or a part of the decision, as the reviewing body considers appropriate for the purposes of securing the effectiveness of the proceeding and determination of the application for review or appeal.

(2) Where the decision maker is required to refund an amount of tax to a person as a result of a decision of a reviewing body, the tax shall be repaid with interest at the rate specified in the relevant law on the amount of the refund for the period commencing from the date the person paid the tax refunded and ending on the last day of the month in which the refund is made.

(3) In this section, “reviewing body” means a tribunal, the High Court, Court of Appeal or Supreme Court, as the case may be.

PART V-MANAGEMENT OF TRIBUNALS

32. Management of the administrative affairs of the tribunal.

(1) The chairperson is responsible for managing the administrative affairs of the tribunal.

(2) In the management of the administrative affairs of the tribunal, the chairperson shall be assisted by the registrar of the tribunal and such officers and employees as may be necessary for the efficient discharge of the tribunal’s functions.

(3) The registrar and other officers and employees of the tribunal shall be appointed by the tribunal.

33. Registrar of the tribunal.

(1) There shall be a registrar of each tribunal who shall perform the registry functions of the tribunal.

(2) A person shall not be qualified to be appointed registrar unless he or she is qualified to be appointed as a registrar of the High Court.

(3) A registrar has power to do all things necessary or convenient to be done for the purpose of assisting the chairperson under section 32.

(4) The chairperson may give the registrar directions regarding the exercise of his or her powers under this Part.

(5) Notwithstanding subsection (3), a registrar shall have power to—

(a) hear and determine interlocutory applications arising from an application filed with a tribunal;

(b) tax a bill of costs; and

(c) mediate any matter referred to him or her by a tribunal.

PART VI-OFFENCES AND PENALTIES

34. Failure to comply with summons

Any person who has been served with a summons issued by the registrar-

(a) to appear as a witness before a tribunal; or

(b) to produce a book, document or thing,

and who, without reasonable excuse, fails to comply with the summons, commits an offence and is liable, on conviction, to a fine not exceeding sixty currency points or to imprisonment for a term not exceeding two years, or both.

35. Failure to answer questions

Any person who appears as a witness before a tribunal and who, without reasonable excuse, refuses or fails to answer a question that he or she is required to answer by the presiding member at the proceeding, commits an offence and is liable, on conviction, to a fine not exceeding sixty currency points or to imprisonment for a term not exceeding two years, or both.

36. False or misleading evidence

Any person who appearing as a witness before a tribunal gives evidence that, to his or her knowledge, is false or misleading commits an offence and is liable, on conviction, to a fine not exceeding sixty currency points or to imprisonment for a term not exceeding two years, or both.

37. Contempt of tribunal

Any person who-

(a) insults a member in, or in relation to, the exercise of his or her powers or functions as a member;

(b) interrupts the proceedings of a tribunal;

(c) creates a disturbance, or takes part in creating a disturbance in or near a place where a tribunal is sitting; or

(d) does any other act or thing that would, if a tribunal were a court of record, constitute a contempt of that court,

commits an offence and is liable, on conviction, to a fine not exceeding twenty-five currency points or to imprisonment for a term not exceeding six months, or both.

PART VII-FINANCIAL MATTERS

38. Funds, accounts and audit

(1) A tribunal shall annually present a budget to the Minister for his or her approval.

(2) The funds of a tribunal shall consist of—

(a) money appropriated by Parliament for the purposes of the tribunal;

(b) grants received by the tribunal with the approval of the Minister;

(c) fees and fines levied by the tribunal;

(d) any other money as may, with the approval of the Minister, be received by or made available to the tribunal for the purpose of performing its functions.

(3) A tribunal shall keep proper books of accounts which shall be subject to annual audit by the Auditor General.

PART VIII-MISCELLANEOUS

39. Immunity from suit

No action, suit, prosecution or any other proceeding may be brought or

instituted personally against a person who is or was a member of the tribunal in respect of any act done or omitted to be done in good faith in the discharge of any function under this Act.

40. Delegation

(1) The chairperson may, by an instrument in writing, delegate to a of delegation.

(2) A power delegated under this section when exercised by the by the chairperson.

(3) A delegation may be made to a member under this section notwithstanding that a delegation to another member is, or delegations to other members are, in force under this Act.

(4) A delegation under this section does not prevent the exercise of a power by the chairperson.

41. Service of notices and other documents

The rules for service of notices and other documents in a taxing Act under which the taxation decision under review is made shall apply for the purpose of serving any notice or document required or authorised by this Act.

42. Regulations

The Minister may, by statutory instrument, make regulations for better carrying into effect the provisions and purposes of this Act.

43. Power to amend Schedule

The Minister may, by statutory instrument, with approval of Cabinet, amend the Schedule to this Act.

SCHEDULE

Sections 1,43

Currency Point

A currency point is equivalent to twenty thousand shillings.

History: Act 12/1997; S.I. 73/1998; Cap. 345 (Revised Edition, 2000); Act 14/2014; Act 2/2018; Act 10/2021; Act 12/2022

Cross References

Constitution

Civil Procedure and Limitation (Miscellaneous Provisions) Act, Cap. 283

Judicature (Mediation) Rules, S.I. 16-23

Tax Procedures Code Act, Cap. 343

STATUTORY INSTRUMENTS
SUPPLEMENT No. 22 27th July, 2012
STATUTORY INSTRUMENTS SUPPLEMENT
to The Uganda Gazette No. 41 Volume CV dated 27th July, 2012
Printed by UPPC, Entebbe, by Order of the Government.

S T A T U T O R Y I N S T R U M E N T S
2012 No. 50.

THE TAX APPEALS TRIBUNALS (PROCEDURE) RULES, 2012

ARRANGEMENT OF THE RULES

Rule

1. Title.
2. Application of these Rules and other rules.
3. Interpretation.
4. Business of Tribunal.
5. Proceedings of Tribunal.
6. Establishment of registries.
7. Filing of application.
8. Titling of application.
9. Status of applications.
10. Form of application; receipt of application.
11. Extension of time for filing application.
12. Service on Commissioner General.
13. Lodging of material documents.
14. Maintenance of registers and files.
15. Notice to parties to appear.
16. Summons for witnesses.
17. Summons to produce books, etc.
18. Mode of service of summons.
19. Arrest warrant for witnesses.
20. Non- appearance of respondent.
21. Order of addresses.
22. Amendment of pleadings.
23. Recording of evidence.
24. Decision to be made in the presence of parties.
25. Content of decision.
26. Evidence by affidavit and interrogatories.
27. Functions of Registrar.
28. Application fees.
29. Application of Advocates (Remuneration and Taxation of Costs) Rules, S.I. 267- 4.
30. Other applications to Tribunal.
31. Applicability of the Rules of Practice and Procedure.
32. Repeal and saving.
SCHEDULE
Schedule 1—Currency Point.
Schedule 2—Form TAT 1 – Application.

Form TAT 2 – Lodging of material documents by Commissioner General.
Form TAT 3 – Notice to lodge specified documents or things.
Form TAT 4 – Notice to parties to appear.
Form TAT 5 – Witness summons.
Form TAT 6 – Warrant of arrest of witnesses.
Schedule 3—Application fees.

S T A T U T O R Y I N S T R U M E N T S

2012 No. 50.

The Tax Appeals Tribunals (Procedure) Rules, 2012

(Under section 22(3) of the Tax Appeals Tribunals Act, Cap 345)[199]

IN EXERCISE of the powers conferred on the Tribunal by section 22(3) of the Tax Appeals Tribunals Act, Cap. 345, these Rules are made this 16th day of July, 2012.

1. Title.

These Rules may be cited as the Tax Appeals Tribunals (Procedure) Rules, 2012.

2. Application of these Rules and other rules.

(1) Subject to section 22[200] of the Act, these Rules apply to all proceedings of the Tribunal.

(2) In addition to these Rules, the rules for service of notices and other documents in the taxing Act under which the taxation decision is being reviewed apply for the purposes of serving any notice or document required or authorised under the taxing Act.

3. Interpretation.

[199] Now section 23 of Cap 341 Laws of Uganda 2023
[200] Now 23 under the 2023 laws of Uganda edition

In these Rules, unless the context otherwise requires—

“Act” means the Tax Appeals Tribunals Act;

“Commissioner General” means the Commissioner-General of the Uganda Revenue Authority appointed under the Uganda Revenue Authority Act;

“currency point” has the meaning assigned to it in Schedule 1 of the Act;

“officer in charge” means an officer of the Tax Appeals Tribunal in charge of the registry, a regional registry or any other registry designated by the Chairperson of the Tribunal;

“representative” means an advocate, employee, or any person authorized in writing by the applicant or the respondent to represent him or her under these Rules at the proceeding of a Tribunal;

“Tribunal” means a tax appeals tribunal established by section 2 of the Tax Appeals Tribunal Act.

4. Business of Tribunal.

The business of the Tribunal shall, unless otherwise directed by the Chairperson, be conducted during official working days and hours designated for Government business.

5. Proceedings of the Tribunal.

(1) The proceedings of the Tribunal and the matters to be disposed of at the proceedings shall be determined by the Chairperson and shall be advertised and notified in such manner as the Chairperson may direct.

(2) Nothing in these Rules precludes the Tribunal from disposing of any business that has not been advertised or notified.

6. Establishment of registries.

There is established a principal registry of the Tribunal at Kampala, or such other registries as the Chairperson may designate by notice in the Gazette.

7. Filing of application.

(1) An appeal to the Tribunal for a review of a taxation decision shall be commenced by filing an application in the registry at Kampala or at a regional registry or such other registries designated by the Chairperson.

(2) All subsequent documents required to be lodged in relation to application under subrule (1) shall be lodged in the relevant registry.

8. Titling of application.

An application filed—

(a) at the Kampala registry shall be entitled as an application in the Tax Appeals Tribunal at the Kampala registry;

(b) at a regional registry of the Tribunal shall be entitled as an application in the Tax Appeals Tribunal at the regional registry; and

(c) at any other registry designated by the Chairperson shall be entitled as an application in the Tax Appeals Tribunal at that registry.

9. Status of application.

(1) Where an application is filed at any other registry designated byte Chairperson, the officer in charge of that registry shall, after entering the application in the register, immediately notify the Registrar of the particulars of that application.

(2) The applicant shall immediately after filing the application at any

other registry designated by the Chairperson, serve a copy of the application on the representative of the Commissioner-General nearest to that registry designated by the Chairperson.

10. Form of application; receipt of application.

(1) An application filed with the Tribunal for review of a taxation decision shall be typed or written in block letters in quadruplicate in Form TAT 1 in Schedule 2 to these Rules and shall clearly state the reasons for the application and in numerical order, the issues on which a decision is sought.

(2) Where a taxpayer is unable to read or write, he or she may present the application orally to the Registrar who shall reduce it in writing.

(3) Upon receipt of an application, the Registrar or officer in charge of any other registry designated by the Chairperson shall deal with it as follows—

(a) duly date, sign and stamp of all the four copies of the application;

(b) retain the first copy for the use of the Tribunal; and

(c) return to the applicant the second, and third copies to be served on the Commissioner General or his or her representative in accordance with Rule 12.

11. Extension of time for filing application.

(1) Where an application is not filed with the Registrar within forty-five days from the date the applicant was served with a notice of the taxation decision, the Tribunal may, in its discretion, upon the application of the applicant in writing, extend the time for making an application.

(2) An application for extension of time shall be in writing supported by an affidavit stating reasons why the applicant was unable to file an

application against the Commissioner General in time.

(3) A copy of the application for extension of time shall be served on the Commissioner General by the applicant within five days of filling with the Registrar.

(4) The Commissioner General may respond to the application by filing an affidavit within fourteen days from the date of service of the application.

(5) The Tribunal shall set down the hearing date for the application.

(6) The Tribunal may grant the extension of time if it is satisfied that the taxpayer was unable to file the application for the following reasons—

(a) absence from Uganda;

(b) illness; or

(c) any other reasonable cause.

12. Service on Commissioner General.

(1) An applicant shall, within five days after filing an application with the Tribunal serve a copy of the application on the Commissioner General.

(2) Service of an application on the Commissioner General under subrule (1) shall be by delivering or tendering to him or her or his or her authorised representative the second, third and fourth copies of the application; the second and fourth copies shall be stamped and dated as evidence of service and returned to the applicant, while the third copy shall be retained by the Commissioner General.

(3) An acknowledgement of service on the application form shall be signed by the Commissioner General or his or her representative, which shall be returned to the Registrar as proof of service.

13. Lodging of material documents.

(1) The Commissioner General shall, not later than thirty days after being served with an application under rule 12, cause to be lodged with the Registrar in Form TAT. 2 in Schedule 2 to these Rules, two copies of—

(a) the notice of the decision;

(b) a statement giving reasons for the decision; and

(c) all documents in the Commissioner General's possession or under his or her control which are necessary to enable the Tribunal to review the decision.

(2) The notice of the Tribunal to the Commissioner General specifying documents to be produced shall be in Form TAT.3 in Schedule 2 to these Rules.

(3) An acknowledgment schedule on the application form shall be signed by the Commissioner General or his or her representative which shall be returned to the Registrar as proof of service.

14. Maintenance of registers and files

(1) The Registrar or an officer in charge of any other Registry designated by a Chairperson shall maintain—

(a) a register of all applications in which the particulars of every application are entered by service number in every year, according to the order in which the applications are admitted and which shall contain—

(i) the serial number of the application;

(ii) the date of the application;

(iii) the name and address of the applicant;

(iv) a brief description of the tax decision giving rise to the application;

(v) the date of the hearing;

(vi) the names of witnesses;

(vii) a list of documents including those requested for by the Tribunal;

(viii) the decision or order of the Tribunal and the date on which it was made;

(ix) the date on which the remedy was executed;

(x) the particulars of execution of the decision or order;

(xi) the application for appeal to the High Court, if any, and the date of appeal; and

(xii) the final disposal of the application; and

(b) a file for each application containing—

(i) particulars of the application;

(ii) notices of the decision;

(iii) a statement giving reasons for the decision;

(iv) a list of all material documents including those requested for by the Tribunal;

(v) the record of the proceedings and the evidence given by the parties and their witnesses;

(vi) the submissions of the parties; and

(vii) the decision of the Tribunal.

15. Notice to parties to appear.

(1) The Registrar or officer in charge of any other registry designated by the Chairperson shall give all parties to an application, not less than fourteen days' notice of the date fixed for the first hearing of the application in Form TAT.4 in Schedule 2 to these Rules.

(2) Dates for subsequent hearings may be fixed at the discretion of the Tribunal.

16. Summons for witnesses.

(1) The Registrar shall, before the date for the hearing of an application, issue summons in Form TAT. 5 in Schedule 2 to these Rules, requiring attendance at a date, time and place specified in the summons, of the witnesses as may be required.

(2) A person summoned as a witness before the Tribunal is entitled to be paid the same allowance as that paid to the witnesses in the High Court.

17. Summons to produce books, etc.

At any time before the hearing or after the registrar has issued summons, either party may, on application to the Registrar obtain summons for witnesses whose attendance to give evidence or to produce a book, document or thing named in the summons may be required.

18. Mode of service of summons.

(1) A witness summons or other notice requiring service shall, if practicable, be served personally on the person named in the summons by delivering or tendering to him or her a duplicate of the summons or other notice.

(2) A person upon whom a summons or notice is served shall signor put his or her signature or mark in acknowledgement of receipt of the summons or notice upon the back of the original of the summons

or notice, which shall then be returned to the Tribunal.

(3) Where a person refuses to acknowledge receipt of summons or notice under subrule (3), the person who has effected service of summons or notice shall record in writing the refusal on the back of the notice or summons.

(4) Where it is not practicable or possible to effect personal service of a summons or notice in the manner provided in this rule, service of the summons or notice may be made by—

(a) leaving the duplicate of the summons or notice for him or her with any adult person residing with him or her, an adult member of the family, his or her employer or employee; or

(b) affixing the duplicate to a conspicuous place in the house or homestead in which the person named in the summons or notice ordinarily resides or by affixing the duplicate in a conspicuous place in his or her office or place of work and also to a conspicuous place in the Tribunal offices and the summons or notice shall be taken to have been duly served; or

(c) publishing the particulars of the summons or notice in a newspaper circulating it in the area or any other media.

(5) Every summons or notice issued under these Rules and requiring service shall be served by an officer of the Tribunal or any other person authorised to do so by the Tribunal including a chief, an officer of a local council or a police officer.

(6) Any notice or summons served on an advocate, representative or an agent of a party by registered post or by leaving it at the chambers, office, or ordinary residence and whether it is for the personal appearance of the party or not, shall be presumed to be duly communicated and made known to the party whom the advocate, representative or agent represents and, unless the Tribunal otherwise directs, shall be effectual for all purposes as if it had been served on the party in person.

(7) A summon, warrant, order, notice or other formal document issued by the Tribunal shall be signed by the Registrar or a person authorised by him or her, and shall be sealed with the seal of the Tribunal.

19. Arrest warrant for witnesses.

Where, without sufficient cause, a witness does not appear in obedience to a summons the Tribunal may on the proof that proper service has been effected on the witness issue a warrant of arrest in Form TAT 6 in Schedule 2 to these Rules for the witness to be brought before the Tribunal at a date, time and place specified in the warrant.

20. Non appearance of the respondent.

(1) Where on the date fixed for the hearing of an application, the applicant appears but, the respondent does not appear, the Tribunal may, if satisfied that a summons or notice notifying the respondent of the time and place for the hearing has been duly served upon the respondent, proceed to hear the evidence of the applicant if any, exparte.

(2) Where the hearing is not completed, the Tribunal may adjourn the hearing to another day and require the applicant to serve the respondent notice of the new date.

(3) Where the respondent wishes to rejoin the proceedings, he or she shall apply to do so before submissions are made.

21. Order of addresses.

(1) Subject to section 21(1) (b) of the Act, the Tribunal shall at the hearing of an application, hear the applicant and his or her witnesses first and the respondent shall be given an opportunity to cross examine the witness, where any.

(2) At the close of the case of the applicant the evidence of the respondent shall be heard, and the applicant shall be given the

opportunity to cross examine each witnesses followed by reexamination by the respondent after which the parties may make oral or written submissions.

(3) The Tribunal may, at any time, put questions to either party or to any witness and may, at its discretion, call additional evidence as is necessary for further clarification of the issues raised at the hearing of the application.

(4) The Tribunal may, for sufficient reason, at any time after beginning the hearing of the application, adjourn the hearing; and in every such case, the Tribunal shall fix another convenient day for further hearing and disposal of the application.

22. Amendment of pleadings.

A party may at any time before the closure of the case, orally apply to amend its pleadings and the Tribunal may at its discretion allow such application provided the amendments do not raise new issues.

23. Recording of evidence.

(1) The evidence of the parties and that of a witness shall be taken down in writing by the members of the Tribunal at that proceeding, or by a person authorised to do so, in a form to be decided upon by the members and when completed shall be signed by the members of the Tribunal at that proceeding.

(2) Notwithstanding subrule (1), the evidence given at the hearing of an application may be recorded in short hand or by mechanical means, the transcript of anything recorded shall, if certified by members of the Tribunal at that proceeding to be correct, be deemed to be a true record of the evidence for the purposes of the proceeding.

24. Decision to be made in presence of parties.

After concluding the hearing of the evidence and submissions of the parties, the Tribunal shall, as soon as is practicable, make a written

decision which shall on notice, be read in the presence of both parties or of their advocates or representatives and shall cause a copy, duly signed and certified by the members of the Tribunal which heard the application, to be served on each party to the proceeding.

25. Contents of decision.

The written decision of the Tribunal shall contain—

(a) the nature of the application;

(b) a summary of the relevant evidence produced before the Tribunal and the reasons for accepting or rejecting the evidence;

(c) the reasons for the decision;

(d) the relief or remedy, if any, to which the applicant or respondent is entitled; and

(e) an order for costs or other relief.

26. Evidence by affidavit and interrogatories.

(1) Where the Tribunal requires evidence to be received by means of affidavits or interrogatories, the affidavits or interrogatories and answers to affidavits or interrogatories shall be by such means and in such form as the Tribunal may direct.

(2) In any proceeding where the evidence of a witness who resides outside Uganda is necessary, the Tribunal shall have the power to issue a commission or letter of request to examine that witness abroad.

(3) A party may present its evidence to the Tribunal either orally, or by affidavit or by statement on oath or by combination of any of these methods.

27. Functions of the Registrar.

The functions of the registrar are—

(a) to receive and register applications, notices of decisions and all documents or things relating to the applications;

(b) to issue and serve notices and summons of the Tribunal;

(c) to keep all documents, books, things or records of the proceedings of the Tribunal;

(d) to handle taxation of costs;

(e) to issue interim orders as prescribed under the Civil Procedure Rules; and

(f) to exercise the powers of the Registrar as prescribed under the Civil Procedure Rules.

28. Application fees

(1) The fees payable for filing an application under these Rules shall be in accordance with Schedule 3 to these Rules.

(2) The fees payable for filing a miscellaneous application shall be one currency point and it is non-refundable.

29. Application of Advocates (Remuneration and Taxation of Costs) Rules

(1) Where the applicant is represented by an advocate, the scale of costs applicable to costs in the High Court and Magistrates Courts for instructions to prosecute or defend an application before the Tribunal shall be those prescribed in the Advocates (Remuneration and Taxation of Costs) Rules.

(2) In cases where the applicant is represented by a person other than an advocate, the costs applicable shall be such costs as may be

determined by the Registrar.

30. Other applications to the Tribunal.

Any other application to the Tribunal may be made by Notice of Motion or by Chamber Summons as specified in the Civil Procedure Act and Rules, or by letter or orally subject to what the Tribunal may direct.

31. Applicability of the Rules of Practice and Procedures.

(1) In any matter relating to the proceedings of the Tribunal for which these Rules do not provide, the rules of practice and procedure of the High Court shall apply.

(2) The Tribunal may direct the modification of the use of any rule of practice or procedure of the High Court.

32. Repeal and saving.

(1) The Tax Appeal Tribunals (Procedure) Rules 1999 (S.I. 345- 1) are repealed.

(2) Notwithstanding the repeal specified in subrule (1)—

(a) all things lawfully done under the repealed rules which are in force and effect immediately before the commencement of these rules including decisions or directions given under the repealed rules shall so far as consistent with these Rules and anything done under them continue in force and effect after the commencement; and

(b) where any proceedings in respect of a review of a taxation decision have been commenced before the date of commencement of these Rules any step in the proceedings taken in accordance with the repealed Rules shall be deemed to have been validly taken for purposes of the corresponding provision of these Rules, and where the proceedings under the repealed Rules have been commenced but have not been

concluded, the proceedings may be continued and concluded as if the Tribunal were a Tribunal under these Rules.

SCHEDULE 1

Rule 3, 28

CURRENCY POINT

Currency point is equivalent to twenty thousand shillings.

SCHEDULE 2

Rule 10

TO BE FILLED IN QUADRUPLICATE

FORM TAT. 1

APPLICATION

(Under Section 16 of the Act and rule 10)

THE REPUBLIC OF UGANDA

In the Tax Appeals Tribunal at……..

registry application no……. year ……

In the matter of

……APPLICANT

AND

.....……RESPONDENT

1. Particulars of applicant.

(a) Name ……

(b) Nature of business……

(c) Postal address……

(d) Physical address of applicant: Plot No. ……..Street:……

(e) Village ……. Trading center /Town/City……..

(f) Telephone No……. Fax No……. Email…….

(g) TIN ……

(h) Income Tax File No……

(i) VAT Number, (if registered)……

2. Particulars of the tax dispute.

(a) Office where taxation decision was made .....…….....

(b) Type of tax (specify by a tick in the box below as appropriate)

Income Tax ☐

Excise Duty ☐

Import commission ☐

Import Duty ☐

Withholding tax ☐

VAT ☐

Others specify

(c) Assessment No……Year of income……

(d) Customs Bill of Entry No…….. Date……

(e) Bank Payment Advice Form No. ……..…… Date……

(f) Amount of tax in dispute or objected to ……

(g) Date of service of taxation decision: Date……. Month…… Year……

3. Statement of facts and reasons in support of the application. (If space provided is not adequate, attach as many additional pages as needed for the statement).

……

……

……

……

……

……

……

……

……

……

4. State remedy and or relief sought.

……

……

……

5. List of books, documents or things to be produced before the tribunal if any. (Give brief description of each)

……

……

……

……

……

6. Names of witnesses, if any, and their addresses.

……

……

……

……

……

Dated this……Day of ……Year……...

……

Signature of applicant/Advocate for the applicant/ agent of applicant

(FOR OFFICIAL USE ONLY)

7. By registrar/officer-in-charge.

Date of filing of application ……

Signature ……

Name of the officer.....

Official stamp of registrar/officer……

ACKNOWLEDGMENT SCHEDULE

8. By Commissioner General.

Application No. .....…….... TAT ...../ 20.....

PARTIES:

Service of copy of application on Commissioner General

Date ……

Signature ……

Official stamp of or on behalf of the Commissioner General.

NOTE:

Part 8 of this form to be detached and returned to the Registrar as proof of service.

Rule 13

To be filed in duplicate

THE REPUBLC OF UGANDA

Form TAT. 2

LODGING OF MATERIAL DOCUMENTS BY COMMISSIONER GENERAL

(Under section 17(1) of the Act and rule 13)

In the Tax Appeals Tribunal at ……..……registry

Application No……..…….....…...…year……

In the matter of

……..APPLICANT

AND

……RESPONDENT

Pursuant to Section 17 (1) of the Tax Appeals Tribunal Act Cap 345 and rule 13 of the Tax Appeals Tribunals (Procedures) Rules, I hereby lodge with the

Registrar of the Tribunal two copies of each of the following—

(a) the notice of the decision;

(b) a statement giving reasons for the decision;

(c) every other documents in the decision maker's possession (give brief description of each)

……

……

……

……

(If space is not sufficient, use separate sheet)

Date on which copy of application was served on Commissioner General……

……..

Official stamp…… ……

Commissioner General

Date……

Rule 13(2)

THE REPUBLIC OF UGANDA

TAX APPEALS TRIBUNAL

Form TAT. 3

NOTICE TO LODGE SPECIFIED DOCUMENTS OR THINGS

(Under section 17(2) of the Act and rule 13(2))

In the Tax Appeals Tribunal at…….. registry application no……..……. year ……

In the matter of

…….APPLICANT

AND

…….RESPONDENT

TO: ……

Take notice that you are required to lodge with the Tribunal on or before the…….day of ……year……..……, the following documents or things, which, in the opinion of the Tribunal, are in your possession or under your control— (Given brief description of each document)

……

……

……

……

……

Given under my hand and seal of the Tribunal this ……day of……Year ……

……

Registrar

_____

Rule 15

THE REPUBLC OF UGANDA

TAX APPEALS TRIBUNAL

Form TAT. 4

NOTICE TO PARTIES TO APPEAR

(Under section 38 of the Act and rule 15)

In the Tax Appeals Tribunal

at…….. registry application no……. year ……

In the matter of

…….APPLICANT

AND

…….RESPONDENT

TO:

……

……

……

……

……

Take notice that the above application will be heard by the Tribunal on the …….day of

…….year…….at……o clock in the forenoon/afternoon.

You are accordingly required to appear before the Tribunal and bring your witnesses with you.

If no appearance is made by you or by any person authorised by you to act on your behalf, the application may be heard and decided in your absence.

Given under my hand and seal of the Tribunal this …….day of……Year …….

……

Registrar

_____

Rule 16

THE REPUBLC OF UGANDA

TAX APPEALS TRIBUNAL

Form TAT. 5

WITNESS SUMMONS

(Under section 21(2) of the Act and rule 16)

In the Tax Appeals Tribunal at……... registry application

No……...……. year ……

In the matter of

…….APPLICANT

AND

…….RESPONDENT

To:

……

……

……

……

……

Whereas your attendance is required as a witness on behalf of the .....during the hearing of the above application, you are by this summons required to appear before this Tribunal on the …….day of …….year…….at……o'clock in the forenoon/ afternoon and to bring with you or send the following books, documents or thing to the Tribunal—

……

……

……

……

Failure to respond or obey this summons renders you liable to penalties under the Act.

Given under my hand and seal of the Tribunal this …….day of……Year ……

……

Registrar

Acknowledgement of service of summons

Full Name……

Address……

Date and Time……

_____

Rule 19

THE REPUBLIC OF UGANDA

From TAT.6

WARRANT OF ARREST OF WITNESS

(Under section 31 of the Act and rule 19)

In the Tax Appeals Tribunal at…….... registry application No……..... year ……

In the matter of

……APPLICANT

AND

……..RESPONDENT

To:
……

……

……

……

……

Whereas …… has been duly served with summons (certified copy attached) but has failed to attend, you are by this warrant ordered to arrest and bring the said …….. before the Tribunal.

You are further ordered to return this warrant on or before the …….. day of …… Year …….. with an endorsement certifying the day on and manner in which this warrant has been executed.

Given under my hand and seal of the Tribunal this ……day

of……Year ……

……

Registrar

_____

SCHEDULE 3

Rule 28

APPLICATION FEES

An application where the tax amount in dispute is between Fees

(a) Ushs. 1,000,000/= to Ushs. 5,000,000/= one currency point

(b) Ushs. 5,000,000/= to Ushs. 50,000,000/= five currency points

(c) Ushs. 50,000,000/= to Ushs. 100,000,000/= ten currency points

(d) Ushs. 100,000,000/= to Ushs. 1,000,000,000/= fifteen currency points

(e) Over Ushs. 1,000,000,000/= twenty currency points

Cross references
1. Advocates (Remuneration and Taxation of Costs) Rules, S.I. 267 – 4.
2. Civil Procedure Act, Cap. 71.
3. Civil Procedure Rules, Cap. 71 – 1
4. Tax Appeals Tribunal Act, Cap. 345
5. Uganda Revenue Authority Act, Cap.196

ASA MUGENYI,
Chairperson Tax Appeals Tribunal.

_____

Page intentionally left blank

THE CONVENTION ON MUTUAL ADMINISTRATIVE ASSISTANCE IN TAX MATTERS (IMPLEMENTATION) ACT

CHAPTER 335

THE CONVENTION ON MUTUAL ADMINISTRATIVE ASSISTANCE IN TAX MATTERS (IMPLEMENTATION) ACT

Arrangement of Sections

Sections

1. Interpretation
2. Convention to have force of law in Uganda
3. Agreement on Automatic Exchange of Financial Account Information to have force of law in Uganda
4. Common Reporting Standard to have force of law in Uganda
5. Due diligence
6. Reporting obligations
7. Offences relating to automatic exchange of information
8. Anti-avoidance provisions
9. Amendment to Convention or Agreement
10. Regulations
11. Power to amend Schedule 1

SCHEDULES

Schedule 1 Currency Point

Schedule 2 Convention on Mutual Administrative

Schedule 3 Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information

Schedule 4 Common Reporting Standard

THE CONVENTION ON MUTUAL ADMINISTRATIVE ASSISTANCE IN TAX MATTERS (IMPLEMENTATION) ACT

Commencement: 1 July, 2023

An Act to give the force of law in Uganda to the Convention on Mutual Administrative Assistance in Tax Matters; the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information; the Standard for Automatic Exchange of Financial Account Information in Tax Matters; and for related matters.

WHEREAS the Convention on Mutual Administrative Assistance in Tax Matters which is set out in Schedule 2 to this Act was adopted in Strasbourg, France on 25th January, 1988 by the Organisation for Economic Cooperation and Development (OECD) and the Council of Europe as the signatories and amended by the Protocol amending the Convention on Mutual Administrative Assistance in Tax Matters that was adopted in Paris. France on 27th May, 2010 to open up the signatories to other jurisdictions that are not members of the OECD and the G20 formerly the Council of Europe;

AND WHEREAS the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information which is set out in Schedule 3 to this Act was adopted by the OECD Committee on Fiscal Affairs working with the G20 and opened for signature on 29th October, 2014 in Berlin, Germany providing for a standardised and efficient mechanism to facilitate the automatic exchange of information in accordance with the Standard for Automatic Exchange of Financial Account Information in Tax Matters;

AND WHEREAS the Cabinet of the Republic of Uganda ratified the Convention on Mutual Administrative Assistance in Tax Matters on 6th May, 2016 and the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information on 18th November, 2021 in accordance with Article 123 of the Constitution and section 2(a)

of the Ratification of Treaties Act;

WHEREFORE it is expedient to give the force of law to the Convention on Mutual Administrative Assistance in Tax Matters and the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information in Uganda;

1. Interpretation

In this Act, unless the context otherwise requires—

"Agreement" means the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information;

"beneficial owner" means a natural person who ultimately owns or controls a customer or the natural person on whose behalf a transaction is conducted and includes any natural person who exercises ultimate control over a legal person or arrangement and—

(a) in relation to a legal person, includes—

(i) the natural person who either directly or indirectly, alone or jointly, holds at least ten percent of shares or voting rights of the legal person;

(ii) the natural person who exercises control of the legal person through other means, including personal or financial superiority or relationship; and

(iii) the natural person who has power to make or influence decisions of a legal person;

(iv) where exceptionally, no natural person is identified in subparagraphs (i), (ii) or (iii), the

natural person who holds the position of senior managing official;

(b) in relation to trusts includes—

(i) the settlor;

(ii) the trustee;

(iii) the protector;

(iv) the beneficiary or the individual benefitting from the trust who is yet to be determined; and

(v) any other natural person exercising ultimate control of the trust; and

(c) in relation to other legal arrangements similar to trusts, the natural person who holds positions equivalent to the positions referred to in subparagraph (b);

"Common Reporting Standard" means the standard for automatic exchange for financial accounts, information in tax matters, developed by the Organisation for Economic Co-operation and Development as specified in Schedule 4;

"Competent Authority" means the Commissioner General, Uganda Revenue Authority;

"Convention" means the Convention on Mutual Administrative Assistance in Tax Matters as amended by the Protocol amending the Convention on Mutual Administrative Assistance in Tax Matters;

"currency point" has the value assigned to it in Schedule 1 to this Act;

"Minister" means the Minister responsible for finance;

"reportable jurisdiction" means—

(a) for the purposes of applying the due diligence procedures required by section II to VII of the Common Reporting Standard specified in Schedule 4 for a resident for tax purposes, of a jurisdiction other than Uganda; and

(b) for the purposes of reporting the information required by section 1 of the of the Common Reporting Standard specified in Schedule 4, for a resident for tax purposes of a jurisdiction other than Uganda.

2. Convention to have force of law in Uganda

(1) The Convention on Mutual Administrative Assistance in Tax Matters specified in Schedule 2, except for article 2(1)(b), (i), (ii), (iii)(E) and (iv), shall have the force of law in Uganda.

(2) Without prejudice to the general effect of subsection (1), all rights, liabilities, obligations and restrictions created or arising by or under the Convention and all remedies and procedures provided for by or under the Convention shall be recognised and available in law and shall be enforceable and allowed in Uganda.

(3) The Competent Authority may in the implementation of this Act apply the commentaries to the Convention in the implementation of this Act.

3. Agreement to have force of law in Uganda

(1) The Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information specified in

Schedule 3 to this Act shall have the force of law in Uganda.

(2) Without prejudice to the general effect of subsection (1), all rights, liabilities, powers, obligations and restrictions created or arising by or under the Agreement and all remedies and procedures provided for by or enforceable and allowed in Uganda.

(3) The Competent Authority may in implementing the provisions of the Agreement apply the commentaries to the Agreement.

4. Common Reporting Standard to have force of law in Uganda

(1) The Common Reporting Standard specified in Schedule 4 shall have the force of law in Uganda.

(2) Without prejudice to the general effect of subsection (1), all rights, liabilities, powers, obligations and restrictions created or arising by or under the Common Reporting Standard and all remedies and procedures provided for by or under the Common Reporting Standard shall be recognised and available in law and shall be enforceable and allowed in Uganda.

(3) The Competent Authority may apply the commentaries to the Common Reporting Standard to implement the provisions of the Common Reporting Standard.

5. Due diligence

(1) A reporting financial institution shall, with effect from 1st January, 2024, apply the due diligence, described in sections II to VII of the Common Reporting Standard as specified in Schedule 4 to this Act.

(2) An account holder or a controlling person shall notify the reporting financial institution when there is a change in circumstances, including a change in the residence of the

account holder or controlling person for tax purposes, within thirty days from the occurrence of the change.

(3) A reporting financial institution shall maintain the information obtained in the process of conducting due diligence under this Act, for the period during which the account is active and, for at least five years from the date when the account is closed.

6. Reporting obligations

(1) A reporting financial institution shall submit a return to the Competent Authority providing the information on the account held by a non-resident person or on a reportable account for the year ending 31st December in every calendar year and by the 31st day of May of the following year.

(2) Where a reporting financial institution applies the procedures of due diligence described in sections II to VII of the Common Reporting Standard as specified in Schedule 4 to this Act for a calendar year, and no financial account is identified as a reportable account, the reporting financial institution shall file a return which shall provide that the reporting financial institution maintains no such reportable accounts in respect of the calendar year.

(3) The Competent Authority shall, by notice in the Gazette and in a newspaper of wide circulation, prescribe the format of the return for obtaining the information referred to in subsection (1).

7. Offences relating to automatic exchange of information

A person who-

(a) fails to file a return on the due date for purposes of the automatic exchange of information, is liable to a civil penalty of two hundred fifty currency points for each day of default;

(b) fails to maintain information obtained in the process of

conducting the due diligence required under this Act, is liable to a penalty of five hundred currency points and an additional penalty of twenty currency points for each day of default in case of a continuous violation;

(c) makes a false or misleading statement in a return for purposes of the automatic exchange of information commits an offence and is liable, on conviction, to a fine not exceeding two thousand five hundred currency points or imprisonment for a term not exceeding ten years, or both;

(d) submits a false or misleading self-certification to a reporting financial institution commits an offence and is liable, on conviction to a fine not exceeding two thousand five hundred currency points or imprisonment for a term not exceeding ten years, or both; or

(e) omits from a statement made in a return for purposes of the automatic exchange of information, commits an offence and is liable, on conviction, to a fine not exceeding two thousand five hundred currency points or imprisonment for a term not exceeding ten years, or both.

8. Anti-avoidance provision

Where a person enters into any arrangement or engages in a practice, the main purpose or one of the purposes of the Agreement or practice may reasonably be considered to be circumventing or avoiding an obligation imposed under this Act, the Competent Authority may recharacterise the transaction or an element of the transaction as part of the anti-avoidance scheme and shall require the person to comply with the obligations under this Act.

9. Amendment of Convention or agreement

(1) Where, after the commencement of this Act, the Convention or

Agreement is amended in accordance with the provisions of article 24(3) of the Convention or section 6 of the Agreement, and ratified under Article 123of the Constitution, the Minister shall cause a copy of the amendment to be laid before Parliament; and the amendment shall, for the purposes of this Act, come into operation or be deemed to have come into operation on the date it is laid before Parliament.

(2) The Minister shall publish the amendment to the Convention or agreement in the *Gazette.*

10. Regulations

(1) The Minister may make regulations to give effect to the provisions of this Act.

(2) Without prejudice to the generality of subsection (1), the Minister shall make regulations for—

(a) the inspection of records and information held by reporting financial institutions;

(b) the procedure for conducting due-diligence; and

(c) any other matter incidental to the better carrying out of the purposes of this Act and the prescription of anything required or authorised under this Act.

(3) Regulations made under this Act may, in respect of any contravention of any of the regulations—

(a) prescribe a penalty not exceeding a fine of five thousand currency points or imprisonment for a term not exceeding ten years, or both;

(b) in the case of a continuing offence, prescribe an additional penalty not exceeding a fine of five hundred currency

points in respect of each day on which the offence continues;

(c) prescribe a penalty not exceeding a fine of five thousand five hundred currency points or imprisonment for a term not exceeding ten years, or both in respect of a second or subsequent offence; and

(d) provide for the forfeiture of anything used in the commission of the offence.

11. Power to amend Schedule 1

The Minister may, by statutory instrument, with the approval of Cabinet, amend Schedule 1 to this Act.

SCHEDULES

Schedule 1

Sections 1, 11

Currency Point

A currency point is equivalent to twenty thousand shillings.

Section 2(1)

Convention on Mutual Administrative Assistance in Tax Matters

Text amended by the provisions of the Protocol amending the Convention on Mutual Administrative Assistance in Tax Matters, which entered into force on 1st June 2011

Preamble

The member States of the Council of Europe and the member countries of the Organisation for Economic Co-operation and Development (OECD), signatories of this Convention,

Considering that the development of international movement of persons, capital, goods and services - although highly beneficial in itself - has increased the possibilities of tax avoidance and evasion and therefore requires increasing co-operation among tax authorities;

Welcoming the various efforts made in recent years to combat tax avoidance and tax evasion on an international level, whether bilaterally or multilaterally; Considering that a co-ordinated effort between States is necessary in order to foster all forms of administrative assistance in matters concerning taxes of any kind whilst at the same time ensuring adequate protection of the rights of taxpayers;

Recognising that international co-operation can play an important part in facilitating the proper determination of tax liabilities and in helping the taxpayer to secure his rights;

Considering that fundamental principles entitling every person to have his rights and obligations determined in accordance with a proper legal procedure should be recognised as applying to tax matters in all States and that States should endeavour to protect the legitimate interests of

taxpayers, including appropriate protection against discrimination and double taxation; Convinced therefore that States should carry out measures or supply information, having regard to the necessity of protecting the confidentiality of information, and taking account of international instruments for the protection of privacy and flows of personal data;

Considering that a new co-operative environment has emerged and that it is desirable that a multilateral instrument is made available to allow the widest number of States to obtain the benefits of the new co-operative environment and at the same time implement the highest international standards of cooperation in the tax field;

Desiring to conclude a convention on mutual administrative assistance in tax matters,

Have agreed as follows:

Chapter I-Scope of the Convention

Article 1-Object of the Convention and persons covered

1. The Parties shall, subject to the provisions of Chapter IV, provide administrative assistance to each other in tax matters. Such assistance may involve, where appropriate, measures taken by judicial bodies.

2. Such administrative assistance shall comprise:
   a exchange of information, including simultaneous tax examinations and participation in tax examinations abroad;

   b assistance in recovery, including measures of conservancy; and

   c service of documents.

3 A Party shall provide administrative assistance whether the person affected is a resident or national of a Party or of any other State.

Article 2-Taxes covered

1 This Convention shall apply:

a to the following taxes:

i. taxes on income or profits,

ii. taxes on capital gains which are imposed separately from the tax on income or profits,

iii. taxes on net wealth, imposed on behalf of a Party; and

b to the following taxes:

i taxes on income, profits, capital gains or net wealth which are imposed on behalf of political subdivisions or local authorities of a Party,

ii. compulsory social security contributions payable to general government or to social security institutions established under public law, and

iii. taxes in other categories, except customs duties, imposed on behalf of a Party, namely:

A. estate, inheritance or gift taxes,

B. taxes on immovable property,

C. general consumption taxes, such as value added or sales taxes,

D. specific taxes on goods and services such as excise taxes,

E. taxes on the use or ownership of motor vehicles,

F. taxes on the use or ownership of movable property other than motor vehicles,

G. any other taxes;

iv. taxes in categories referred to in sub-paragraph iii. above which are imposed on behalf of political subdivisions or local authorities of a Party.

2 The existing taxes to which the Convention shall apply are listed in Annex A in the categories referred to in paragraph 1.

3 The Parties shall notify the Secretary General of the Council of Europe or the Secretary General of OECD (hereinafter referred to as the "Depositaries") of any change to be made to Annex A as a result of a modification of the list mentioned in paragraph 2. Such change shall take effect on the first day of the month following the expiration of a period of three months after the date of receipt of such notification by the Depositary.

4 The Convention shall also apply, as from their adoption, to any identical or substantially similar taxes which are imposed in a Contracting State after the entry into force of the Convention in respect of that Party in addition to or in place of the existing taxes listed in Annex A and, in that event, the Party concerned shall notify one of the Depositaries of the adoption of the tax in question.

Chapter II-General definitions

Article 3-Definitions

1 For the purposes of this Convention, unless the context otherwise requires:

a the terms "applicant State" and "requested State" mean respectively any Party applying for administrative assistance in tax matters and any Party requested to provide such assistance;

b the term “tax” means any tax or social security contribution to which the Convention applies pursuant to Article 2;

c the term “tax claim” means any amount of tax, as well as

interest thereon, related administrative fines and costs incidental to recovery, which are owed and not yet paid;

d the term "competent authority" means the persons and authorities listed in Annex B;

e the term "nationals" in relation to a Party means:

i. all individuals possessing the nationality of that Party, and

ii. all legal persons, partnerships, associations and other entities deriving their status as such from the laws in force in that Party.

For each Party that has made a declaration for that purpose, the terms used above will be understood as defined in Annex C.

2 As regards the application of the Convention by a Party, any term not defined therein shall, unless the context otherwise requires, have the meaning which it has under the law of that Party concerning the taxes covered by the Convention.

3 The Parties shall notify one of the Depositaries of any change to be of the month following the expiration of a period of three months after the date of receipt of such notification by the Depositary in question.

Chapter III-Forms of assistance

Section I-Exchange of information

Article 4-General provision

1 The Parties shall exchange any information, in particular as provided in this section, which is foreseeably relevant for the administration or enforcement of their domestic laws concerning the taxes covered by this Convention.

2 Deleted.

3 Any Party may, by a declaration addressed to one of the Depositaries, indicate that, according to its internal legislation, its authorities may inform its resident or national before transmitting information concerning him, in conformity with Articles 5 and

Article 5- Exchange of information on request

1 At the request of the applicant State, the requested State shall provide the applicant State with any information referred to in Article 4 which concerns particular persons or transactions.

2 If the information available in the tax files of the requested State is not sufficient to enable it to comply with the request for information, that State shall take all relevant measures to provide the applicant State with the information requested.

Article 6-Automatic exchange of information

With respect to categories of cases and in accordance with procedures which they shall determine by mutual agreement, two or more Parties shall automatically exchange the information referred to in Article 4.

Article 7-Spontaneous exchange of information

1 A Party shall, without prior request, forward to another Party information of which it has knowledge in the following circumstances:

a the first-mentioned Party has grounds for supposing that there may be a loss of tax in the other Party

b a person liable to tax obtains a reduction in or an exemption from tax in the first-mentioned Party which would give rise to an increase in tax or to liability to tax in the other Party;

c business dealings between a person liable to tax in a Party and a person liable to tax in another Party are conducted through one or more countries in such away that a saving in tax may result in one or the other Party or in both;

d a party has grounds for supposing that a saving of tax may result from artificial transfers of profits within groups of enterprises;

e information forwarded to the first-mentioned Party by the other Party has enabled information to be obtained which may be relevant in assessing liability to tax in the latter Party.

2 Each Party shall take such measures and implement such procedures as are necessary to ensure that information described in paragraph 1 will be made available for transmission to another Party.

Article 8 Simultaneous tax examinations

1 At the request of one of them, two or more Parties shall consult together for the purposes of determining cases and procedures for simultaneous tax examinations. Each Party involved shall decide whether or not it wishes to participate in a particular simultaneous tax examination.

2 For the purposes of this Convention, a simultaneous tax examination means an arrangement between two or more Parties to examine simultaneously, each in its own territory, the tax affairs of a person or persons in which they have a common or related interest, with a view to exchanging any relevant information which they so obtain.

Article 9 - Tax examinations abroad

1 At the request of the competent authority of the applicant State, the competent authority of the requested State may allow representatives of the competent authority of the applicant State to be present at the appropriate part of a tax examination in the

requested State.

2 If the request is acceded to, the competent authority of the requested State shall, as soon as possible, notify the competent authority of the applicant State about the time and place of the examination, the authority or official designated to carry out the examination and the procedures and conditions required by the requested State for the conduct of the examination. All decisions with respect to the conduct of the tax examination shall be made by the requested State.

3 A Party may inform one of the Depositaries of its intention not to accept, as a general rule, such requests as are referred to in paragraph 1. Such a declaration may be made or withdrawn at any time.

Article 10-Conflicting information

If a Party receives from another Party information about a person's tax affairs which appears to it to conflict with information in its possession, it shall so advise the Party which has provided the information.

Section II-Assistance in recovery

Article 11- Recovery of tax claims

1 At the request of the applicant State, the requested State shall, subject to the provisions of Articles 14 and 15, take the necessary steps to recover tax claims of the first-mentioned State as if they were its own tax claims.

2 The provision of paragraph 1 shall apply only to tax claims which form the subject of an instrument permitting their enforcement in the applicant State and, unless otherwise agreed between the Parties concerned, which are not contested.

However, where the claim is against a person who is not a resident of the applicant State, paragraph 1 shall only apply, unless

otherwise agreed between the Parties concerned, where the claim may no longer be contested.

3 The obligation to provide assistance in the recovery of tax claims concerning a deceased person or his estate, is limited to the value of the estate or of the property acquired by each beneficiary of the estate, according to whether the claim is to be recovered from the estate or from the beneficiaries thereof.

Article 12-Measures of conservancy

At the request of the applicant State, the requested State shall, with a view to the recovery of an amount of tax, take measures of conservancy even if the claim is contested or is not yet the subject of an instrument permitting enforcement.

Article 13-Documents accompanying the request

1 The request for administrative assistance under this section shall be accompanied by:

a a declaration that the tax claim concerns a tax covered by the Convention and, in the case of recovery that, subject to paragraph 2 of Article 11, the tax claim is not or may not be contested,

b an official copy of the instrument permitting enforcement in the applicant State, and

c any other document required for recovery or measures of conservancy.

2 The instrument permitting enforcement in the applicant State shall, where appropriate and in accordance with the provisions in force in the requested State, be accepted, recognized, supplemented or replaced as soon as possible after the date of the receipt of the request for assistance, by an instrument permitting enforcement in the latter State.

Article 14-Time limits

1 Questions concerning any period beyond which a tax claim cannot be enforced shall be governed by the law of the applicant State. The request for assistance shall give particulars concerning that period.

2 Acts of recovery carried out by the requested State in pursuance of a request for assistance, which, according to the laws of that State, would have the effect of suspending or interrupting the period mentioned in State. The requested State shall inform the applicant State about such acts.

3 In any case, the requested State is not obliged to comply with a request for assistance which is submitted after a period of 15 years from the date of the original instrument permitting enforcement.

Article 15-Priority

The tax claim in the recovery of which assistance is provided shall not have in the requested State any priority specially accorded to the tax claims of that State even if the recovery procedure used is the applicable to its own claims.

Article 16-Deferral of payment

The requested State may allow deferral of payment or payment by instalments if its laws or administrative practice permit it to do so in similar circumstances, but shall first inform the applicant State.

Section III-Service of documents

Article 17-Service of documents

1 At the request of the applicant State, the requested State shall serve upon the addressee documents, including those relating to judicial decisions, which emanate from the applicant State and which relate to a tax covered by this Convention.

2 The requested State shall effect service of documents:

a by a method prescribed by its domestic laws for the service of documents of a substantially similar nature;

b to the extent possible, by a particular method requested by the applicant State or the closest to such method available under its own laws.

3 A Party may effect service of documents directly through the post on a person within the territory of another Party.

4 Nothing in the Convention shall be construed as invalidating any service of documents by a Party in accordance with its laws.

5 When a document is served in accordance with this article, it need not be accompanied by a translation. However, where it is satisfied that the addressee cannot understand the language of the document, the requested State shall arrange to have it translated into or a summary drafted in its or one of its official languages. Alternatively, it may ask the applicant State to have the document either translated into or accompanied by a summary in one of the official languages of the requested State, the Council of Europe or the OECD.

Chapter IV - Provisions relating to all forms of assistance

Article 18-Information to be provided by the applicant State

1 A request for assistance shall indicate where appropriate:

a the authority or agency which initiated the request made by the competent authority;

b the name, address, or any other particulars assisting in the identification of the person in respect of whom the request is made;

c in the case of a request for information, the form in which the applicant State wishes the information to be supplied in order to meet its needs;

d in the case of a request for assistance in recovery or measures of conservancy, the nature of the tax claim, the components of the tax claim and the assets from which the tax claim may be recovered;

e in the case of a request for service of documents, the nature and the subject of the document to be served;

f whether it is in conformity with the law and administrative practice of the applicant State and whether it is justified in the light of the requirements of Article 21.2.g.

2 As soon as any other information relevant to the request for assistance comes to its knowledge, the applicant State shall forward it to the requested State.

Article 19-Deleted

Article 20-Response to the request for assistance

1 If the request for assistance is complied with, the requested State shall inform the applicant State of the action taken and of the result of the assistance as soon as possible.

2 If the request is declined, the requested State shall inform the applicant State of that decision and the reason for it as soon as possible.

3 If, with respect to a request for information, the applicant State has specified the form in which it wishes the information to be supplied and the requested State is in a position to do so, the requested State shall supply it in the form requested.

Article 21 -Protection of persons and limits to the obligation to provide assistance

1 Nothing in this Convention shall affect the rights and safeguards secured to persons by the laws or administrative practice of the requested State.

2 Except in the case of Article 14, the provisions of this Convention shall not be construed so as to impose on the requested State the obligation:

a to carry out measures at variance with its own laws or administrative practice or the laws or administrative practice of the applicant State;

b to carry out measures which would be contrary to public policy (ordre public);

c to supply information which is not obtainable under its own laws or its administrative practice or under the laws of the applicant State or its administrative practice;

d to supply information which would disclose any trade, business, industrial, commercial or professional secret, or trade process, or information the disclosure of which would be contrary to public policy (ordre public);

e to provide administrative assistance if and insofar as it considers the taxation in the applicant State to be contrary to generally accepted taxation principles or to the provisions of a convention for the avoidance of double taxation, or of any other convention which the requested State has concluded with the applicant State;

f to provide administrative assistance for the purpose of administering or enforcing a provision of the tax law of the applicant State, or any requirement connected therewith, which discriminates against a national of the requested State as compared with a national of the applicant State in the same circumstances;

g to provide administrative assistance if the applicant State has not pursued all reasonable measures available under its laws or administrative practice, except where recourse to such measures would give rise to disproportionate difficulty;

h to provide assistance in recovery in those cases where the administrative burden for that State is clearly disproportionate to the benefit to be derived by the applicant State.

3 If information is requested by the applicant State in accordance with this Convention, the requested State shall use its information gathering measures to obtain the requested information, even though the requested State may not need such preceding sentence is subject to the limitations contained in this Convention, but in no case shall such limitations, including in particular those of paragraphs 1 and 2,be construed to permit a requested State to decline to supply information solely because it has no domestic interest in such information.

4 In no case shall the provisions of this Convention, including in particular those of paragraphs 1 and 2, be construed to permit a requested State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.

Article 22-Secrecy

1 Any information obtained by a Party under this Convention shall be treated as secret and protected in the same manner as information obtained under the domestic law of that Party and, to the extent needed to ensure the necessary level of protection of personal data, in accordance with the safeguards which may be specified by the supplying Party as required under its domestic law.

2 Such information shall in any case be disclosed only to persons or authorities (including courts and administrative or supervisory bodies) concerned with the assessment, collection or recovery of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, taxes of that Party, or the oversight of the above. Only the persons or authorities mentioned above may use the information and then only for such purposes. They may,

notwithstanding the provisions of paragraph 1, disclose it in public court proceedings or in judicial decisions relating to such taxes.

3 If a Party has made a reservation provided for in sub-paragraph a. of paragraph 1 of Article 30, any other Party obtaining information from that Party shall not use it for the purpose of a tax in a category subject to the reservation. Similarly, the Party making such a reservation shall not use information obtained under this Convention for the purpose of a tax in a category subject to the reservation.

4 Notwithstanding the provisions of paragraphs 1, 2 and 3, information received by a Party may be used for other purposes when such information may be used for such other purposes under the laws of the supplying Party and the competent authority of that Party authorises such use. Information provided by a Party to another Party may be transmitted by the latter to a third Party, subject to prior authorisation by the competent authority of the first-mentioned Party.

Article 23 - Proceedings

1 Proceedings relating to measures taken under this Convention by the requested State shall be brought only before the appropriate body of that State.

2 Proceedings relating to measures taken under this Convention by the applicant State, in particular those which, in the field of recovery, concern the existence or the amount of the tax claim or the instrument permitting its enforcement, shall be brought only before the appropriate body of that State. If such proceedings are brought, the applicant State shall inform the requested State which shall suspend the procedure pending the decision of the body in question.

However, the requested State shall, if asked by the applicant State, take measures of conservancy to safeguard recovery. The requested State can also be informed of such proceedings by any interested person. Upon receipt of such information the requested State shall consult on the matter, if necessary, with the applicant

State.

3 As soon as a final decision in the proceedings has been given, the requested State or the applicant State, as the case may be, shall notify the other State of the decision and the implications which it has for the request for assistance.

Chapter V-Special provisions

Article 24 Implementation of the Convention

1 The Parties shall communicate with each other for the implementation of this Convention through their respective competent authorities. The competent authorities may communicate directly for this purpose and may authorise subordinate authorities to act on their behalf. The competent authorities of two or more Parties may mutually agree on the mode of application of the Convention among themselves.

2 Where the requested State considers that the application of this Convention in a particular case would have serious and undesirable consequences, the competent authorities of the requested and of the applicant State shall consult each other and endeavour to resolve the situation by mutual agreement.

3 A co-ordinating body composed of representatives of the competent authorities of the Parties shall monitor the implementation and development of this Convention, under the aegis of the OECD. To that end, the co-ordinating body shall recommend any action likely to further the general aims of the Convention. In particular it shall act as a forum for the study of new methods and procedures to increase international co-operation in tax matters and, where appropriate, it may recommend revisions or amendments to the Convention. States which have signed but not yet ratified, accepted or approved the Convention are entitled to be represented at the meetings of the co-ordinating body as observers.

4 A Party may ask the co-ordinating body to furnish opinions on the

interpretation of the provisions of the Convention.

5 Where difficulties or doubts arise between two or more Parties competent authorities of those Parties shall endeavor to resolve the matter by mutual agreement. The agreement shall be communicated to the coordinating body.

6 The Secretary General of OECD shall inform the Parties, and the Signatory States which have not yet ratified, accepted or approved the Convention, of opinions furnished by the coordinating body according to the provisions of paragraph 4 above and of mutual agreements reached under paragraph 5 above.

Article 25-Language

Requests for assistance and answers thereto shall be drawn up in one of the official languages of the OECD and of the Council of Europe or in any other language agreed bilaterally between the Contracting States concerned.

Article 26-Costs

Unless otherwise agreed bilaterally by the Parties concerned:

a ordinary costs incurred in providing assistance shall be borne by the requested State;

b extraordinary costs incurred in providing assistance shall be borne by the applicant State.

Chapter VI-Final provisions

Article 27 - Other international agreements or arrangements

1 The possibilities of assistance provided by this Convention do not limit, nor are they limited by, those contained in existing or future international agreements or other arrangements between the Parties concerned or other instruments which relate to cooperation

in tax matters.

2 Notwithstanding paragraph 1, those Parties which are member States of the European Union can apply, in their mutual relations, the possibilities of assistance provided for the Convention in so far as they allow a wider co-operation than the possibilities offered by the applicable European Union rules.

Article 28-Signature and entry into force of the Convention

1 This Convention shall be open for signature by the member States of the Council of Europe and the member countries of OECD. It is subject to ratification, acceptance or approval. Instruments of ratification, acceptance or approval shall be deposited with one of the Depositaries.

2 This Convention shall enter into force on the first day of the month following the expiration of a period of three months after the date on which five States have expressed their consent to be bound by the Convention in accordance with the provisions of paragraph 1.

3 In respect of any member State of the Council of Europe or any member country of OECD which subsequently expresses its consent to be bound by it, the Convention shall enter into force on the first day of the month following the expiration of a period of three months after the date of the deposit of the instrument of ratification, acceptance or approval.

4 Any member State of the Council of Europe or any member country of OECD which becomes a Party to the Convention after the entry into force of the Protocol amending this Convention, opened for signature on 27th May 2010 (the “2010 Protocol”), shall be a Party to the Convention as amended by that Protocol, unless they express a different intention in a written communication to one of the Depositaries.

5 After the entry into force of the 2010 Protocol, any State which is not a member of the Council of Europe or of the OECD may request to

be invited to sign and ratify this Convention as amended by the 2010Protocol. Any request to this effect shall be addressed to one of the Depositaries, who shall transmit it to the Parties. The Depositary shall also inform the Committee of Ministers of the Council of Europe and the OECD Council. The decision to invite States which so request to become Party to this Convention shall be taken by consensus by the Parties to the Convention through the co-ordinating body. In respect of accordance with this paragraph, this Convention shall enter into force three months after the date of deposit of the instrument of ratification with one of the Depositaries.

6 The provisions of this Convention, as amended by the 2010 Protocol, shall have effect for administrative assistance related to taxable periods beginning on or after 1 January of the year following the one in which the Convention, as amended by the 2010 Protocol, entered into force in respect of a Party, or where there is no taxable period, for administrative assistance related to charges to tax arising on or after 1 January of the year following the one in which the Convention, as amended by the 2010 Protocol, entered into force in respect of a Party. Any two or more Parties may mutually agree that the Convention, as amended by the 2010 Protocol, shall have effect for administrative assistance related to earlier taxable periods or charges to tax.

7 Notwithstanding paragraph 6, for tax matters involving intentional conduct which is liable to prosecution under the criminal laws of the applicant Party, the provisions of this Convention, as amended by the 2010 Protocol, shall have effect from the date of entry into force in respect of a Party in relation to earlier taxable periods or charges to tax.

Article 29-Territorial application of the Convention

1 Each State may, at the time of signature, or when depositing its instrument of ratification, acceptance or approval, specify the territory or territories to which this Convention shall apply.

2 Any State may, at any later date, by a declaration addressed to one of the Depositaries, extend the application of this Convention to any other territory specified in the declaration. In respect of such territory the Convention shall enter into force on the first day of the month following the expiration of a period of three months after the date of receipt of such declaration by the Depositary.

3 Any declaration made under either of the two preceding paragraphs may, in respect of any territory specified in such declaration, be withdrawn by a notification addressed to one of the Depositaries. The withdrawal shall become effective on the first day of the month following the expiration of a period of three months after the date of receipt of such notification by the Depositary.

Article 30-Reservations

1 Any State may, at the time of signature or when depositing its instrument of ratification, acceptance or approval or at any later date, declare that it reserves the right:

a not to provide any form of assistance in relation to the taxes of other Parties in any of the categories listed in sub-paragraph b.of paragraph 1 of Article 2, provided that it has not included any domestic tax in that category under Annex A of the Convention;

b not to provide assistance in the recovery of any tax claim, or in the recovery of an administrative fine, for all taxes or only for taxes in one or more of the categories listed in paragraph 1 of Article 2;

c not to provide assistance in respect of any tax claim, which is in existence at the date of entry into force of the Convention in respect of that State or, where a reservation has previously been made under sub-paragraph a. or b. above, at the date of withdrawal of such a reservation in relation to taxes in the category in question;

d not to provide assistance in the service of documents for all taxes or only for taxes in one or more of the categories listed in paragraph 1 of Article 2;

e not to permit the service of documents through the post as provided for in paragraph 3 of Article 17;

f to apply paragraph 7 of Article 28 exclusively for administrative assistance related to taxable periods beginning on or after 1 January of the third year preceding the one in which the Convention, as amended by the 2010 Protocol, entered into force in respect of a Party,

g or where there is no taxable period, for administrative assistance related to charges to tax arising on or after 1 January of the third year preceding the one in which the Convention, as amended by the 2010 Protocol, entered into force in respect of a Party.

2 No other reservation may be made.

3 After the entry into force of the Convention in respect of a Party, that Party may make one or more of the reservations listed in Paragraph 1 which it did not make at the time of ratification, acceptance or approval Such reservations shall enter into force on the first day of the month following the expiration of a period of three months after the date of receipt of the reservation by one of the Depositaries.

4 Any Party which made a reservation under paragraphs 1 and 3 may wholly or partly withdraw it by means of a notification addressed to one of the Depositaries. The withdrawal shall take effect on the date of receipt of such notification by the Depositary in question.

5 A Party which has made a reservation in respect of a provision of this Convention may not require the application of that provision by any application of that provision insofar as it has itself accepted it.

Article 31 -Denunciation

1 Any Party may, at any time, denounce this Convention by means of a notification addressed to one of the Depositaries.

2 Such denunciation shall become effective on the first day of the month following the expiration of a period of three months after the date of receipt of the notification by the Depositary.

3 Any Party which denounces the Convention shall remain bound by the provisions of Article 22 for as long as it retains in its possession any documents or information obtained under the Convention.

Article 32 -Depositaries and their functions

1 The Depositary with whom an act, notification or communication has been accomplished, shall notify the member States of the Council of Europe and the member countries of OECD and any Party to this Convention of:

a any signature;

b the deposit of any instrument of ratification, acceptance or approval;

c any date of entry into force of this Convention in accordance with the provisions of Articles 28 and 29;

d any declaration made in pursuance of the provisions of paragraph 3 of Article 4 or paragraph 3 of Article 9 and the withdrawal of any such declaration;

e any reservation made in pursuance of the provisions of Article 30 and the withdrawal of any reservation effected in pursuance of the provisions of paragraph 4 of Article 30;

f any notification received in pursuance of the provisions of paragraph 3 or 4 of Article 2, paragraph 3 of Article 3, Article 29or paragraph 1 of Article 31;

g any other act, notification or communication relating to this Convention.

2 The Depositary receiving a communication or making a notification in pursuance of the provisions of paragraph 1 shall inform immediately the other Depositary thereof.

In witness whereof the undersigned, being duly authorised thereto, have signed the Convention.

Established by the Depositaries the 1st day of June 2011 pursuant to Article X.4 of the Protocol amending the Convention on Mutual Administrative Assistance In Tax Matters, In English and French, both texts being equally authentic, in two copies of which one shall be deposited in the archives of each Depositary. The Depositaries shall transmit a certified copy to each Party to the Convention as amended by the Protocol and to each State entitled to become a party.

_____

Schedule 3

Section 3(1)

MULTILATERAL COMPETENT AUTHORITY AGREEMENT ON AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION

Whereas, the jurisdictions of the signatories to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (the "Agreement") are Parties of, or territories covered by, the Convention on Mutual Administrative Assistance in Tax Matters or the Convention on Mutual Administrative Assistance in Tax Matters as amended by the Protocol amending the Convention on Mutual Administrative Assistance in Tax Matters (the "Convention") or have signed or expressed their intention to sign the Convention and acknowledge that the Convention must be in force and in effect in relation

to them before the first exchange of financial account information takes place;

Whereas, the jurisdictions intend to improve international tax compliance by further building on their relationship with respect to mutual assistance in tax matters;

Whereas, the Common Reporting Standard was developed by the OECD, with G20 countries, to tackle tax avoidance and evasion and improve tax compliance;

Whereas, a country that has signed or expressed its intention to sign the Convention will only become a Jurisdiction as defined in Section 1 of this Agreement once it has become a Party to the Convention;

Whereas, the laws of the respective Jurisdictions require or are expected to require financial institutions to report information regarding certain accounts and follow related due diligence procedures, consistent with the scope of exchange contemplated by Section 2 of this Agreement and the reporting and due diligence procedures set out in the Common Reporting Standard;

Whereas, it is expected that the laws of the Jurisdictions would be amended from time to time to reflect updates to the Common Reporting Standard and once such changes are enacted by a Jurisdiction the definition of Common Reporting Standard would be deemed to refer to the updated version in respect of that Jurisdiction;

Whereas, Chapter III of the Convention authorises the exchange of information for tax purposes, including the exchange of information on an automatic basis, and allows the competent authorities of the Jurisdictions to agree the scope and modalities of such automatic exchanges;

Whereas, Article 6 of the Convention provides that two or more Parties can mutually agree to exchange information automatically, the exchange of the information will be on a bilateral basis between the Competent

Authorities;

Whereas, the Jurisdictions have, or are expected to have, in place by the time the first exchange takes place (i) appropriate safeguards to ensure that the information received pursuant to this Agreement remains confidential and is used solely for the purposes set out in the Convention, and (ii) the infrastructure for an effective exchange relationship (including established processes for ensuring timely, accurate, and confidential information exchanges, effective and reliable communications, and capabilities to promptly resolve questions and concerns about exchanges or requests for exchanges and to administer the provisions of Section 4 of this Agreement);

Whereas, the Competent Authorities of the jurisdictions intend to conclude an agreement to improve international tax compliance based on automatic exchange pursuant to the Convention, without prejudice to national legislative procedures (if any), respecting EU law (if applicable), and subject to the confidentiality and other protections provided for in the Convention, including the provisions limiting the use of the information exchanged thereunder;

Now, therefore, the Competent Authorities have agreed as follows:

SECTION 1

Definitions

1. For the purposes of this Agreement, the following terms have the following meanings:

    a) the term **"Jurisdiction"** means a country or a territory in respect of which the Convention is in force and is in effect, either through signature and ratification in accordance with Article 28, or through territorial extension in accordance with Article 29, and which is a signatory to this Agreement;

b) the term **"Competent Authority"** means, for each respective Jurisdiction, the persons and authorities listed in Annex B of the Convention;

c) the term **"Jurisdiction Financial Institution"** means, for each respective Jurisdiction, (i) any Financial Institution that is resident in the Jurisdiction, but excludes any branch of that Financial Institution that is located outside the Jurisdiction, and (ii) any branch of a Financial Institution that is not resident in the Jurisdiction, if that branch is located in the Jurisdiction;

d) the term **"Reporting Financial Institution"** means any Jurisdiction Financial Institution that is not a Non-Reporting Financial Institution;

e) the term **"Reportable Account"** means a Financial Account that is maintained by a Reporting Financial Institution and that, pursuant to due diligence procedures consistent with the Common Reporting Standard, has been identified as an account that is held by one or more persons that are Reportable Persons with respect to another Jurisdiction or by a Passive NonFinancial Entity with one or more Controlling Persons that are Reportable Persons with respect to another Jurisdiction,

f) the term **"Common Reporting Standard"** means the standard for automatic exchange of financial account information in tax matters (which includes the Commentaries), developed by the OECD, with G20 countries;

g) the term **"Co-ordinating Body Secretariat"** means the OECD Secretariat that, pursuant to paragraph 3 of Article 24 of the Convention, provides support to the co-ordinating body that is composed of representatives of the competent authorities of the Parties to the Convention;

h) the term "**Agreement in effect**" means, in respect of any two Competent Authorities, that both Competent Authorities have

indicated their intention to automatically exchange information with each other and have satisfied the other conditions set out in subparagraph 2.1. of Section 7. The Competent Authorities for which this Agreement is in effect are listed in Annex E.

2. Any capitalised term not otherwise defined in this Agreement will have the meaning that it has at that time under the law of the Jurisdiction applying the Agreement, such meaning being consistent with the meaning set forth in the Common Reporting Standard. Any term not otherwise defined in this Agreement or in the Common Reporting Standard will, unless the context otherwise requires or the Competent Authorities agree to a common meaning (as permitted by domestic law), have the meaning that it has at that time under the law of the Jurisdiction applying this Agreement, any meaning under the applicable tax laws of that Jurisdiction prevailing over a meaning given to the term under other laws of that Jurisdiction.

SECTION 2

Exchange of Information with Respect to Reportable Accounts

1.1 Pursuant to the provisions of Articles 6 and 22 of the Convention and subject to the applicable reporting and due diligence rules consistent with the Common Reporting Standard, each Competent Authority will annually exchange with the other Competent Authorities, with respect to which it has this Agreement in effect, on an automatic basis the information obtained pursuant to such rules and specified in paragraph 2.

1.2 Notwithstanding the previous paragraph, the Competent Authorities of the Jurisdictions listed in Annex A will send, but not receive, the information specified in paragraph 2. Competent Authorities of Jurisdictions not listed in Annex A will always receive the information specified in paragraph 2. Competent Authorities will not send such information to Competent Authorities of the Jurisdictions listed in Annex A.

2. The information to be exchanged is, with respect to each Reportable Account of another Jurisdiction:
   a) the name, address, TIN(s) and date and place of birth (in the case of an individual) of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of due diligence procedures consistent with the Common Reporting Standard, is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, and TIN(s) of the Entity and the name, address, TIN(s) and date and place of birth of each Reportable Person;

   b) the account number (or functional equivalent in the absence of an account number);

   c) the name and identifying number (if any) of the Reporting Financial Institution;

SECTION 3

Time and Manner of Exchange of Information

1. For the purposes of the exchange of information in Section 2, the amount and characterisation of payments made with respect to a Reportable Account may be determined in accordance with the principles of the tax laws of the Jurisdiction exchanging the information.

2. For the purposes of the exchange of information in Section 2, the information exchanged will identify the currency in which each relevant amount is denominated.

3. With respect to paragraph 2 of Section 2, and subject to the notification procedure set out in Section 7, including the dates specified therein, information is to be exchanged commencing from

the years specified in Annex F within nine months after the end of the calendar year to which the information relates. Notwithstanding the foregoing sentence, information is only required to be exchanged with respect to a calendar year if both Competent Authorities have this Agreement in effect and their respective Jurisdictions have in effect legislation that requires reporting with respect to such calendar year that is consistent with the scope of exchange provided for in Section 2 and the reporting and due diligence procedures contained in the Common Reporting Standard.

SECTION 4

Collaboration on Compliance and Enforcement

A Competent Authority will notify the other Competent Authority when the first-mentioned Competent Authority has reason to believe that an error may have led to incorrect or incomplete information reporting or there is non-compliance by a Reporting Financial Institution with the applicable reporting requirements and due diligence procedures consistent with the Common Reporting Standard. The notified Competent Authority will take all appropriate measures available under its domestic law to address the errors or non-compliance described in the notice.

SECTION 5

Confidentiality and Data Safeguards

1. All information exchanged is subject to the confidentiality rules and other safeguards provided for in the Convention, including the provisions limiting the use of the information exchanged and, to the extent needed to ensure the necessary level of protection of personal data, in accordance with the safeguards which may be specified by the supplying Competent Authority as required under its domestic law and listed in Annex C.

2. A Competent Authority will notify the Co-ordinating Body Secretariat immediately regarding any breach of confidentiality or failure of safeguards and any sanctions and remedial actions consequently imposed. The Coordinating Body Secretariat will notify all Competent Authorities with respect to which this is an Agreement in effect with the first mentioned Competent Authority.

SECTION 6

Consultations and Amendments

1. If any difficulties in the implementation or interpretation of this Agreement arise, a Competent Authority may request consultations with one or more of the Competent Authorities to develop appropriate measures to ensure that this Agreement is fulfilled. The Competent Authority that requested the consultations shall ensure, as appropriate, that the Co-ordinating Body Secretariat is notified of any measures that were developed and the Co-ordinating Body Secretariat will notify all Competent Authorities, even those that did not participate in the consultations, of any measures that were developed.

2. This Agreement may be amended by consensus by written agreement of all of the Competent Authorities that have the Agreement in effect. Unless otherwise agreed upon, such an amendment is effective on the first day of the month following the expiration of a period of one month after the date of the last signature of such written agreement.

SECTION 7

Term of Agreement

1. A Competent Authority must provide, at the time of signature of this Agreement or as soon as possible after its Jurisdiction has the necessary laws in place to implement the Common Reporting Standard, a notification to the Co-ordinating Body Secretariat:

a) that its Jurisdiction has the necessary laws in place to implement the Common Reporting Standard and specifying the relevant effective dates with respect to Preexisting Accounts, New Accounts, and the application or completion of the reporting and due diligence procedures;

b) confirming whether the Jurisdiction is to be listed in Annex A;

c) specifying one or more methods for data transmission including encryption (Annex B);

d) specifying safeguards, if any, for the protection of personal data (Annex C);

e) that it has in place adequate measures to ensure the required confidentiality and data safeguards standards are met and attaching the completed confidentiality and data safeguard questionnaire, to be included in Annex D; and

f) a list of the Jurisdictions of the Competent Authorities with respect to which it intends to have this Agreement in effect, following national legislative procedures (if any).

Competent Authorities must notify the Co-ordinating Body Secretariat, promptly, of any subsequent change to be made to the above-mentioned Annexes.

2.1. This Agreement will come into effect between two Competent Authorities on the later of the following dates: (i) the date on which the second of the two Competent Authorities has provided notification to the Co-ordinating Body Secretariat under paragraph 1, including listing the other Competent Authority's Jurisdiction pursuant to subparagraph 1(f), and, if applicable, (ii) the date on which the Convention has entered into force and is in effect for both Jurisdictions.

2.2. The Co-ordinating Body Secretariat will maintain a list that will be

published on the OECD website of the Competent Authorities that have signed the Agreement and between which Competent Authorities this is an Agreement in effect (Annex E).

2.3. The Co-ordinating Body Secretariat will publish on the OECD website the information provided by Competent Authorities pursuant to subparagraphs 1(a) and (b). The information provided pursuant to subparagraphs 1(c) through (f) will be made available to other signatories upon request in writing to the Co-ordinating Body Secretariat.

SECTION 8

Co-ordinating Body Secretariat

1. Unless otherwise provided for in the Agreement, the Co-ordinating Body Secretariat will notify all Competent Authorities of any notifications that it has received under this Agreement and will provide a notice to all signatories of the Agreement when a new Competent Authority signs the Agreement.

2. All signatories to the Agreement will share equally, on an annual basis, the costs for the administration of the Agreement by the Co-ordinating Body Secretariat. Notwithstanding the previous sentence, qualifying countries will be exempt from sharing the costs in accordance with Article X of the Rules of Procedure of the Co-ordinating Body of the Convention.

Done in English and French, both texts being equally authentic.

Schedule 4

Sections 1, 5(1), 5(1) and 6(2)

THE CONVENTION ON MUTUAL ADMINISTRATIVE ASSISTANCE IN TAX MATTERS (IMPLEMENTATION) ACT

COMMON REPORTING STANDARD COMMON STANDARD ON REPORTING AND DUE DILIGENCE FOR FINANCIAL ACCOUNT INFORMATION

Section I: General Reporting Requirements

A. Subject to paragraphs C through F, each Reporting Financial Institution must report the following information with respect to each Reportable Account of such Reporting Financial Institution:

1. the name, address, jurisdiction(s) of residence, TIN(s) and date and place of birth (in the case of an individual) of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of the due diligence procedures consistent with Sections V, VI and VII, is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, jurisdiction(s) of residence and TIN(s) of the Entity and the name, address, jurisdiction(s) of residence, TIN(s) and date and place of birth of each Reportable Person;

2. the account number (or functional equivalent in the absence of an account number);

3. the name and identifying number (if any) of the Reporting Financial Institution;

4. the account balance or value (including, in the case of a Cash Value Insurance Contract or Annuity Contract, the Cash Value or surrender value) as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account;

5. in the case of any Custodial Account:

a) the total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in the account, in each case paid or credited to the account (or with respect to the account) during the calendar year or other appropriate reporting period; and

b) the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder;

6. in the case of any Depository Account, the total gross amount of interest paid or credited to the account during the calendar year or other appropriate reporting period; and

7. in the case of any account not described in subparagraph A(5) or (6), the total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period.

B. The information reported must identify the currency in which each amount is denominated.

C. Notwithstanding subparagraph A(1), with respect to each Reportable Account that is a Preexisting Account, the TIN(s) or date of birth is not required to be reported if such TIN(s) or date of birth is not in the records of the Reporting Financial Institution and is not otherwise required to be collected by such Reporting Financial

Institution under domestic law. However, a Reporting Financial Institution is required to use reasonable efforts to obtain the TIN(s) and date of birth with respect to Preexisting Accounts by the end of the second calendar year following the year in which such Accounts were identified as Reportable Accounts.

D. Notwithstanding subparagraph A(1), the TIN is not required to be reported if (i) a TIN is not issued by the relevant Reportable Jurisdiction or (ii) the domestic law of the relevant Reportable Jurisdiction does not require the collection of the TIN issued by such Reportable Jurisdiction.

E. Notwithstanding subparagraph A(1), the place of birth is not required to be reported unless the Reporting Financial Institution is otherwise required to obtain and report it under domestic law and it is available in the electronically searchable data maintained by the Reporting Financial Institution.

Section II: General Due Diligence Requirements

A. An account is treated as a Reportable Account beginning as of the date it is identified as such pursuant to the due diligence procedures in Sections II through VII and, unless otherwise provided, information with respect to a Reportable Account must be reported annually in the calendar year following the year to which the information relates.

B. The balance or value of an account is determined as of the last day of the calendar year or other appropriate reporting period.

C. Where a balance or value threshold is to be determined as of the last day of a calendar year, the relevant balance or value must be determined as of the last day of the reporting period that ends with or within that calendar year.

D. Each Jurisdiction may allow Reporting Financial Institutions to use service providers to fulfil the reporting and due diligence obligations imposed on such Reporting Financial Institutions, as contemplated in domestic law, but these obligations shall remain the responsibility of the Reporting Financial Institutions.

E. Each Jurisdiction may allow Reporting Financial Institutions to apply the due diligence procedures for New Accounts to Preexisting Accounts, and the due diligence procedures for High Value Accounts to Lower Value Accounts. Where a Jurisdiction allows New Account due diligence procedures to be used for Preexisting Accounts, the rules otherwise applicable to Preexisting Accounts continue to apply.

Section III: Due Diligence for Preexisting Individual Accounts

The following procedures apply for purposes of identifying Reportable Accounts among Preexisting Individual Accounts.

A. Accounts Not Required to be Reviewed, Identified, or Reported.

A Preexisting Individual Account that is a Cash Value Insurance Contract or an Annuity Contract is not required to be reviewed, identified or reported, provided the Reporting Financial Institution is effectively prevented by law from selling such Contract to residents of a Reportable Jurisdiction.

B. Lower Value Accounts. The following procedures apply with respect to Lower Value Accounts.

1. **Residence Address.** If the Reporting Financial Institution has in its records a current residence address for the individual Account Holder based on Documentary Evidence, the Reporting Financial Institution may treat the individual Account Holder as being a resident for tax purposes of the jurisdiction in which the address is located for purposes of determining

whether such individual Account Holder is a Reportable Person.

2. **Electronic Record Search.** If the Reporting Financial Institution does not rely on a current residence address for the individual Account Holder based on Documentary Evidence as set forth in subparagraph B(1), the Reporting Financial Institution must review electronically searchable data maintained by the Reporting Financial Institution for any of the following indicia and apply subparagraphs B(3) through (6):

a) identification of the Account Holder as a resident of a Reportable Jurisdiction;

b) current mailing or residence address (including a post office box) in a Reportable Jurisdiction;

c) one or more telephone numbers in a Reportable Jurisdiction and no telephone number in the jurisdiction of the Reporting Financial Institution;

d) standing instructions (other than with respect to a Depository Account) to transfer funds to an account maintained in a Reportable Jurisdiction;

e) currently effective power of attorney or signatory authority granted to a person with an address in a Reportable Jurisdiction; or

f) a “hold mail” instruction or “in-care-of” address in a Reportable Jurisdiction if the Reporting Financial Institution does not have any other address on file for the Account Holder.

3. If none of the indicia listed in subparagraph B(2) are discovered in the electronic search, then no further action is required until there is a change in circumstances that results in one or more

indicia being associated with the account, or the account becomes a High Value Account.

4. If any of the indicia listed in subparagraph B(2)(a) through (e) are discovered in the electronic search, or if there is a change in circumstances that results in one or more indicia being associated with the account, then the Reporting Financial Institution must treat the Account Holder as a resident for tax purposes of each Reportable Jurisdiction for which an indicium is identified, unless it elects to apply subparagraph B(6) and one of the exceptions in such subparagraph applies with respect to that account.

5. If a "hold mail" instruction or "in-care-of" address is discovered in the electronic search and no other address and none of the other indicia listed in subparagraph B(2)(a) through (e) are identified for the Account Holder, the Reporting Financial Institution must, in the order most appropriate to the circumstances, apply the paper record search described in subparagraph C(2), or seek to obtain from the Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of such Account Holder. If the paper search fails to establish an indicium and the attempt to obtain the self-certification or Documentary Evidence is not successful, the Reporting Financial Institution must report the account as an undocumented account.

6. Notwithstanding a finding of indicia under subparagraph B(2), a Reporting Financial Institution is not required to treat an Account Holder as a resident of a Reportable Jurisdiction if:

   a) the Account Holder information contains a current mailing or residence address in the Reportable Jurisdiction, one or more telephone numbers in the Reportable Jurisdiction (and no telephone number in the jurisdiction of the Reporting Financial Institution) or standing instructions

(with respect to Financial Accounts other than Depository Accounts) to transfer funds to an account maintained in a Reportable Jurisdiction, the Reporting Financial Institution obtains, or has previously reviewed and maintains a record of:

i) a self-certification from the Account Holder of the jurisdiction(s) of residence of such Account Holder that does not include such Reportable Jurisdiction; and

ii) Documentary Evidence establishing the Account Holder's non-reportable status.

b) the Account Holder information contains a currently effective power of attorney or signatory authority granted to a person with an address in the Reportable Jurisdiction, the Reporting Financial Institution obtains, or has previously reviewed and maintains a record of:

i) a self-certification from the Account Holder of the jurisdiction(s) of residence of such Account Holder that does not include such Reportable Jurisdiction; or

ii) Documentary Evidence establishing the Account Holder's non-reportable status.

C. Enhanced Review Procedures for High Value Accounts. The following enhanced review procedures apply with respect to High Value Accounts.

1. Electronic Record Search. With respect to High Value Accounts, the Reporting Financial Institution must review electronically searchable data maintained by the Reporting Financial Institution for any of the indicia described in subparagraph B (2).

2. **Paper Record Search.** If the Reporting Financial Institution's electronically searchable databases include fields for, and capture all of the information described in, subparagraph C (3), then a further paper record search is not required. If the electronic databases do not capture all of this information, then with respect to a High Value Account, the Reporting Financial Institution must also review the current customer master file and, to the extent not contained in the current customer master file, the following documents associated with the Account and obtained by the Reporting Financial Institution within the last five years for any of the indicia described in subparagraph B(2):

   a) the most recent Documentary Evidence collected with respect to the account;

   b) the most recent account opening contract or documentation;

   c) the most recent documentation obtained by the Reporting Financial Institution pursuant to AML/KYC Procedures or for other regulatory purposes;

   d) any power of attorney or signature authority forms currently in effect; and

   e) any standing instructions (other than with respect to a Depository Account) to transfer funds currently in effect.

3. **Exception To The Extent Databases Contain Sufficient Information.** A Reporting Financial Institution is not required to perform the paper record search described in subparagraph C(2) to the extent the Reporting Financial Institution's electronically searchable information includes the following:

   a) the Account Holder's residence status;

   b) the Account Holder's residence address and mailing address currently on file with the Reporting Financial Institution;

c) the Account Holder's telephone number(s) currently on file, if any, with the Reporting Financial Institution;

d) in the case of Financial Accounts other than Depository Accounts, whether there are standing instructions to transfer funds in the account to another account (including an account at another branch of the Reporting Financial Institution or another Financial Institution);

e) whether there is a current "in-care-of" address or "hold mail" instruction for the Account Holder; and

f) whether there is any power of attorney or signatory authority for the account.

4. Relationship Manager Inquiry for Actual Knowledge. In addition to the electronic and paper record searches described above, the Reporting Financial Institution must treat as a Reportable Account any High Value Account assigned to a relationship manager (including any Financial Accounts aggregated with that High Value Account) if the relationship manager has actual knowledge that the Account Holder is a Reportable Person.

5. Effect of Finding Indicia.

a) If none of the indicia listed in subparagraph B(2) are discovered in the enhanced review of High Value Accounts described above, and the account is not identified as held by a Reportable Person in subparagraph C(4), then further action is not required until there is a change in circumstances that results in one or more indicia being associated with the account.

b) If any of the indicia listed in subparagraph B(2)(a) through (e) are discovered in the enhanced review of High Value Accounts described above, or if there is a subsequent

change in circumstances that results in one or more indicia being associated with the account, then the Reporting Financial Institution must treat the account as a Reportable Account with respect to each Reportable Jurisdiction for which an indicium is identified unless it elects to apply subparagraph B(6) and one of the exceptions in such subparagraph applies with respect to that account.

c) If a "hold mail" instruction or "in-care-of" address is discovered in the enhanced review of High Value Accounts described above, and no other address and none of the other indicia listed in subparagraph B(2)(a) through (e) are identified for the Account Holder, the Reporting Financial Institution must obtain from such Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of the Account Holder. If the Reporting Financial Institution cannot obtain such self-certification or Documentary Evidence, it must report the account as an undocumented account.

6. If a Preexisting Individual Account is not a High Value Account as of 31st December, 2023 but becomes a High Value Account as of the last day of a subsequent calendar year, the Reporting Financial Institution must complete the enhanced review procedures described in paragraph C with respect to such account within the calendar year following the year in which the account becomes a High Value Account. If based on this review such account is identified as a Reportable Account, the Reporting Financial Institution must report the required information about such account with respect to the year in which it is identified as a Reportable Account and subsequent years on an annual basis, unless the Account Holder ceases to be a Reportable Person.

7. Once a Reporting Financial Institution applies the enhanced review procedures described in paragraph C to a High Value Account, the Reporting Financial Institution is not required to re-apply such procedures, other than the relationship manager inquiry described in subparagraph C(4), to the same High Value Account in any subsequent year unless the account is undocumented where the Reporting Financial Institution should re-apply them annually until such account ceases to be undocumented.

8. If there is a change of circumstances with respect to a High Value Account that results in one or more indicia described in subparagraph B(2) being associated with the account, then the Reporting Financial Institution must treat the account as a Reportable Account with respect to each Reportable Jurisdiction for which an indicium is identified unless it elects to apply subparagraph B(6) and one of the exceptions in such subparagraph applies with respect to that account.

9. A Reporting Financial Institution must implement procedures to ensure that a relationship manager identifies any change in circumstances of an account. For example, if a relationship manager is notified that the Account Holder has a new mailing address in a Reportable Jurisdiction, the Reporting Financial Institution is required to treat the new address as a change in circumstances and, if it elects to apply subparagraph B(6), is required to obtain the appropriate documentation from the Account Holder.

D. Review of Preexisting Individual Accounts must be completed by 31st December, 2025.

E. Any Preexisting Individual Account that has been identified as a Reportable Account under this Section must be treated as a

Reportable Account in all subsequent years, unless the Account Holder ceases to be a Reportable Person.

Section IV: Due Diligence for New Individual Accounts

The following procedures apply for purposes of identifying Reportable Accounts among New Individual Accounts.

A. With respect to New Individual Accounts, upon account opening, the Reporting Financial Institution must obtain a self-certification, which may be part of the account opening documentation, that allows the Reporting Financial Institution to determine the Account Holder's residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Financial Institution in connection with the opening of the account, including any documentation collected pursuant to AML/KYC Procedures.

B. If the self-certification establishes that the Account Holder is resident for tax purposes in a Reportable Jurisdiction, the Reporting Financial Institution must treat the account as a Reportable Account and the self-certification must also include the Account Holder's TIN with respect to such Reportable Jurisdiction (subject to paragraph D of Section I) and date of birth.

C. If there is a change of circumstances with respect to a New Individual Account that causes the Reporting Financial Institution to know, or have reason to know, that the original self-certification is incorrect or unreliable, the Reporting Financial Institution cannot rely on the original self-certification and must obtain a valid self-certification that establishes the residence(s) for tax purposes of the Account Holder.

Section V: Due Diligence for Preexisting Entity Accounts

The following procedures apply for purposes of identifying Reportable Accounts among Preexisting Entity Accounts.

A. **Entity Accounts Not Required to Be Reviewed, Identified or Reported.** The Reporting Financial Institution may with respect to all Preexisting Entity Accounts or, separately, with respect to any clearly identified group of such accounts, a Preexisting Entity Account with an aggregate account balance or value that does not exceed USD 250 000 as of 31st December 2023, is not required to be reviewed, identified, or reported as a Reportable Account until the aggregate account balance or value exceeds USD 250 000 as of the last day of any subsequent calendar year unless the Competent Authority decides otherwise.

B. **Entity Accounts Subject to Review.** A Preexisting Entity Account that has an aggregate account balance or value that exceeds USD 250 000 as of 31st December 2023, and a Preexisting Entity Account that does not exceed USD 250 000 as of 31st December 2023 but the aggregate account balance or value of which exceeds USD 250 000 as of the last day of any subsequent calendar year, must be reviewed in accordance with the procedures set forth in paragraph D.

C. **Entity Accounts With Respect to Which Reporting Is Required.** With respect to Preexisting Entity Accounts described in paragraph B, only accounts that are held by one or more Entities that are Reportable Persons, or by Passive NFEs with one or more Controlling Persons who are Reportable Persons, shall be treated as Reportable Accounts.

D. **Review Procedures for Identifying Entity Accounts With Respect to Which Reporting Is Required.** For Preexisting Entity Accounts described in paragraph B, a Reporting Financial Institution must apply the following review procedures to determine whether the account is held by one or more Reportable Persons, or by

Passive NFEs with one or more Controlling Persons who are Reportable Persons:

1. Determine Whether the Entity Is a Reportable Person.

a) Review information maintained for regulatory or customer relationship purposes (including information collected pursuant to AML/KYC Procedures) to determine whether the information indicates that the Account Holder is resident in a Reportable Jurisdiction. For this purpose, information indicating that the Account Holder is resident in a Reportable Jurisdiction includes a place of incorporation or organisation, or an address in a Reportable Jurisdiction.

b) If the information indicates that the Account Holder is resident in a Reportable Jurisdiction, the Reporting Financial Institution must treat the account as a Reportable Account unless it obtains a self-certification from the Account Holder, or reasonably determines based on information in its possession or that is publicly available, that the Account Holder is not a Reportable Person.

2. Determine Whether the Entity is a Passive NFE with One or More Controlling Persons Who Are Reportable Persons. With respect to an Account Holder of a Preexisting Entity Account (including an Entity that is a Reportable Person), the Reporting Financial Institution must determine whether the Account Holder is a Passive NFE with one or more Controlling Persons who are Reportable Persons. If any of the Controlling Persons of a Passive NFE is a Reportable Person, then the account must be treated as a Reportable Account. In making these determinations the Reporting Financial Institution must follow the guidance in subparagraphs D(2)(a) through (c) in the order most appropriate under the circumstances.

a) Determining whether the Account Holder is a Passive NFE. For purposes of determining whether the Account Holder is a Passive NFE, the Reporting Financial Institution must obtain a self-certification from the Account Holder to establish its status, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that the Account Holder is an Active NFE or a Financial Institution other than an Investment Entity described in subparagraph A(6)(b) of Section VIII that is not a Participating Jurisdiction Financial Institution.

b) Determining the Controlling Persons of an Account Holder. For the purposes of determining the Controlling Persons of an Account Holder, a Reporting Financial Institution may rely on information collected and maintained pursuant to AML/KYC Procedures.

c) Determining whether a Controlling Person of a Passive NFE is a Reportable Person. For the purposes of determining whether a Controlling Person of a Passive NFE is a Reportable Person, a Reporting Financial Institution may rely on:

i) information collected and maintained pursuant to AML/KYC Procedures in the case of a Preexisting Entity Account held by one or more NFEs with an aggregate account balance or value that does not exceed USD 1 000 000 unless the Competent Authority decides otherwise; or

ii) a self-certification from the Account Holder or such Controlling Person of the jurisdiction(s) in which the Controlling Person is resident for tax purposes.

E. Timing of Review and Additional Procedures Applicable to Preexisting Entity Accounts.

1. Review of Preexisting Entity Accounts with an aggregate account balance or value that exceeds USD 250 000 as of 31st December, 2023 must be completed by 31st December 2025.

2. Review of Preexisting Entity Accounts with an aggregate account balance or value that does not exceed USD 250 000 as of 31st December 2023, but exceeds USD 250 000 as of 31st December of a subsequent year, must be completed within the calendar year following the year in which the aggregate account balance or value exceeds USD 250 000.

3. If there is a change of circumstances with respect to a Preexisting Entity Account that causes the Reporting Financial Institution to know, or have reason to know, that the self-certification or other documentation associated with an account is incorrect or unreliable, the Reporting Financial Institution must re-determine the status of the account in accordance with the procedures set forth in paragraph D.

Section VI: Due Diligence for New Entity Accounts

The following procedures apply for purposes of identifying Reportable Accounts among New Entity Accounts.

A. Review Procedures for Identifying Entity Accounts With Respect to Which Reporting Is Required. For New Entity Accounts, a Reporting Financial Institution must apply the following review procedures to determine whether the account is held by one or more Reportable Persons, or by Passive NFEs with one or more Controlling Persons who are Reportable Persons:

1. Determine Whether the Entity Is a Reportable Person.

a) Obtain a self-certification, which may be part of the account opening documentation, that allows the Reporting Financial *Institution* to determine the Account Holder's residence(s) for

tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Financial Institution in connection with the opening of the account, including any documentation collected pursuant to AML/KYC Procedures. If the Entity certifies that it has no residence for tax purposes, the Reporting Financial Institution may rely on the address of the principal office of the Entity to determine the residence of the Account Holder.

b) If the self-certification indicates that the Account Holder is resident in a Reportable Jurisdiction, the Reporting Financial Institution must treat the account as a Reportable Account unless it reasonably determines based on information in its possession or that is publicly available, that the Account Holder is not a Reportable Person with respect to such Reportable Jurisdiction.

2. Determine Whether the Entity is a Passive NFE with One or More Controlling Persons Who Are Reportable Persons. With respect to an Account Holder of a New Entity Account (including an Entity that is a Reportable Person), the Reporting Financial Institution must determine whether the Account Holder is a Passive NFE with one or more Controlling Persons who are Reportable Persons. If any of the Controlling Persons of a Passive NFE is a Reportable Person, then the account must be treated as a Reportable Account. In making these determinations the Reporting Financial Institution must follow the guidance in subparagraphs A(2)(a) through (c) in the order most appropriate under the circumstances.

a) Determining whether the Account Holder is a Passive NFE. For purposes of determining whether the Account Holder is a Passive NFE, the Reporting Financial Institution must rely on a self-certification from the Account Holder to establish its status, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that the

Account Holder is an Active NFE or a Financial Institution other than an Investment Entity described in subparagraph A(6)(b) of Section VIII that is not a Participating Jurisdiction Financial Institution.

b) Determining the Controlling Persons of an Account Holder. For purposes of determining the Controlling Persons of an Account Holder, a Reporting Financial Institution may rely on information collected and maintained pursuant to AML/KYC Procedures.

c) Determining whether a Controlling Person of a Passive NFE is a Reportable Person. For purposes of determining whether a Controlling Person of a Passive NFE is a Reportable Person, a Reporting Financial Institution may rely on a self-certification from the Account Holder or such Controlling Person.

Section VII: Special Due Diligence Rules

The following additional rules apply in implementing the due diligence procedures described above:

A. Reliance on Self-Certifications and Documentary Evidence. A Reporting Financial Institution may not rely on a self-certification or Documentary Evidence if the Reporting Financial Institution knows or has reason to know that the self-certification or Documentary Evidence is incorrect or unreliable.

B. Alternative Procedures for Financial Accounts Held by Individual Beneficiaries of a Cash Value Insurance Contract or an Annuity Contract. A Reporting Financial Institution may presume that an individual beneficiary (other than the owner) of a Cash Value Insurance Contract or an Annuity Contract receiving a death benefit is not a Reportable Person and may treat such Financial Account as other than a Reportable Account unless the Reporting Financial Institution has actual knowledge, or reason to

know, that the beneficiary is a Reportable Person. A Reporting Financial Institution has reason to know that a beneficiary of a Cash Value Insurance Contract or an Annuity Contract is a Reportable Person if the information collected by the Reporting Financial Institution and associated with the beneficiary contains indicia as described in paragraph B of Section III. If a Reporting Financial Institution has actual knowledge, or reason to know, that the beneficiary is a Reportable Person, the Reporting Financial Institution must follow the procedures in paragraph B of Section III.

C. Account Balance Aggregation and Currency Rules.

1. **Aggregation of Individual Accounts.** For purposes of determining the aggregate balance or value of Financial Accounts held by an individual, a Reporting Financial Institution is required to aggregate all Financial Accounts maintained by the Reporting Financial Institution, or by a Related Entity, but only to the extent that the Reporting Financial Institution's computerised systems link the Financial Accounts by reference to a data element such as client number or TIN, and allow account balances or values to be aggregated. Each holder of a jointly held Financial Account shall be attributed the entire balance or value of the jointly held Financial Account for purposes of applying the aggregation requirements described in this subparagraph.

2. **Aggregation of Entity Accounts.** For purposes of determining the aggregate balance or value of Financial Accounts held by an Entity, a Reporting Financial Institution is required to take into account all Financial Accounts that are maintained by the Reporting Financial Institution, or by a Related Entity, but only to the extent that the Reporting Financial Institution's computerised systems link the Financial Accounts by reference to a data element such as client number or TIN, and allow account balances or values to be aggregated.

Each holder of a jointly held Financial Account shall be attributed the entire balance or value of the jointly held Financial Account for purposes of applying the aggregation requirements described in this subparagraph.

3. **Special Aggregation Rule Applicable to Relationship Managers.**

For purposes of determining the aggregate balance or value of Financial Accounts held by a person to determine whether a Financial Account is a High Value Account, a Reporting Financial Institution is also required, in the case of any Financial Accounts that a relationship manager knows, or has reason to know, are directly or indirectly owned, controlled, or established (other than in a fiduciary capacity) by the same person, to aggregate all such accounts.

4. **Amounts Read to Include Equivalent in Other Currencies.** All dollar amounts are in US dollars and shall be read to include equivalent amounts in other currencies, as determined by domestic law.

Section VIII: Defined Terms

The following terms have the meanings set forth below:

A. Reporting Financial Institution

1. The term **"Reporting Financial Institution"** means any Participating Jurisdiction Financial Institution that is not a NonReporting Financial Institution.

2. The term **"Participating Jurisdiction Financial Institution"** means *(i)* any Financial Institution that is resident in a Participating Jurisdiction, but excludes any branch of that Financial Institution that is located outside such Participating Jurisdiction, and *(ii)* any branch of a Financial Institution that is

not resident in a Participating Jurisdiction, if that branch is located in such Participating Jurisdiction.

3. The term **"Financial Institution"** means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.

4. The term **"Custodial Institution"** means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others. An Entity holds Financial Assets for the account of others as a substantial portion of its business if the Entity's gross income attributable to the holding of Financial Assets and related financial services equals or exceeds 20% of the Entity's gross income during the shorter of: *(i)* the three year period that ends on 31 December (or the final day of a non-calendar year accounting period) prior to the year in which the determination is being made; or *(ii)* the period during which the Entity has been in existence.

5. The term **"Depository Institution"** means any Entity that accepts deposits in the ordinary course of a banking or similar business.

6. The term **"Investment Entity"** means any Entity:
   a) that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer:
      i) trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;
      ii) individual and collective portfolio management; or
      iii) otherwise investing, administering, or managing

Financial Assets or money on behalf of other persons; or

b) the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity described in subparagraph A(6)(a).

An Entity is treated as primarily conducting as a business one or more of the activities described in subparagraph A(6)(a), or an Entity's gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets for purposes of subparagraph A(6)(b), if the Entity's gross income attributable to the relevant activities equals or exceeds 50% of the Entity's gross income during the shorter of: *(i)* the three-year period ending on 31 December of the year preceding the year in which the determination is made; or *(ii)* the period during which the Entity has been in existence. The term "Investment Entity" does not include an Entity that is an Active NFE because it meets any of the criteria in subparagraphs D(9)(d) through (g).

This paragraph shall be interpreted in a manner consistent with similar language set forth in the definition of "financial institution" in the Financial Action Task Force Recommendations.

7. The term **"Financial Asset"** includes a security (for example, a share of stock in a corporation; partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust; note, bond, debenture, or other evidence of indebtedness), partnership interest, commodity, swap (for example, interest rate swaps, currency swaps, basis swaps, interest rate caps, interest rate floors, commodity swaps, equity

swaps, equity index swaps, and similar agreements), Insurance Contract or Annuity Contract, or any interest (including a futures or forward contract or option) in a security, partnership interest, commodity, swap, Insurance Contract, or Annuity Contract. The term "Financial Asset" does not include a non-debt, direct interest in real property.

8. The term **"Specified Insurance Company"** means any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

B. Non-Reporting Financial Institution

1. The term **"Non-Reporting Financial Institution"** means any Financial Institution that is:

a) a Governmental Entity, International Organisation or Central Bank, other than with respect to a payment that is derived from an obligation held in connection with a commercial financial activity of a type engaged in by a Specified Insurance Company, Custodial Institution, or Depository Institution;

b) a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; a Pension Fund of a Governmental Entity, International Organisation or Central Bank; or a Qualified Credit Card Issuer;

c) any other Entity that presents a low risk of being used to evade tax, has substantially similar characteristics to any of the Entities described in subparagraphs B(1) (a) and (b), and is defined in domestic law as a NonReporting Financial Institution, provided that the status of such Entity as a Non-Reporting Financial Institution does not frustrate the purposes of the Common Reporting Standard;

d) an Exempt Collective Investment Vehicle; or

e) a trust to the extent that the trustee of the trust is a Reporting Financial Institution and reports all information required to be reported pursuant to Section I with respect to all Reportable Accounts of the trust.

2. The term **"Governmental Entity"** means the government of a jurisdiction, any political subdivision of a jurisdiction (which, for the avoidance of doubt, includes a state, province, county, or municipality), or any wholly owned agency or instrumentality of a jurisdiction or of any one or more of the foregoing (each, a "Governmental Entity"). This category is comprised of the integral parts, controlled entities, and political subdivisions of a jurisdiction.

a) An "integral part" of a jurisdiction means any person, organisation, agency, bureau, fund, instrumentality, or other body, however designated, that constitutes a governing authority of a jurisdiction. The net earnings of the governing authority must be credited to its own account or to other accounts of the jurisdiction, with no portion inuring to the benefit of any private person. An integral part does not include any individual who is a sovereign, official, or administrator acting in a private or personal capacity.

b) A controlled entity means an Entity that is separate in form from the jurisdiction or that otherwise constitutes a separate juridical entity, provided that:

i) the Entity is wholly owned and controlled by one or more Governmental Entities directly or through one or more controlled entities;

ii) the Entity's net earnings are credited to its own account or to the accounts of one or more Governmental Entities, with no portion of its income inuring to the benefit of any private person; and

iii) the Entity's assets vest in one or more Governmental Entities upon dissolution.

c) Income does not inure to the benefit of private persons if such persons are the intended beneficiaries of a governmental programme, and the programme activities are performed for the general public with respect to the common welfare or relate to the administration of some phase of government. Notwithstanding the foregoing, however, income is considered to inure to the benefit of private persons if the income is derived from the use of a governmental entity to conduct a commercial business, such as a commercial banking business, that provides financial services to private persons.

3. The term **"International Organisation"** means any international organisation or wholly owned agency or instrumentality thereof. This category includes any intergovernmental organization (including a supranational organisation) *(1)* that is comprised primarily of governments; *(2)* that has in effect a headquarters or substantially similar agreement with the jurisdiction; and *(3)* the income of which does not inure to the benefit of private persons.

4. The term **"Central Bank"** means an institution that is by law or government sanction the principal authority, other than the government of the jurisdiction itself, issuing instruments intended to circulate as currency. Such an institution may include an instrumentality that is separate from the government of the jurisdiction, whether or not owned in whole or in part by the jurisdiction.

5. The term **"Broad Participation Retirement Fund"** means a fund established to provide retirement, disability, or death benefits, or any combination thereof, to beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that the fund:

a) does not have a single beneficiary with a right to more than five per cent of the fund's assets;

b) is subject to government regulation and provides information reporting to the tax authorities; and satisfies at least one of the following requirements:

i) *the* fund is generally exempt from tax on investment income, or taxation of such income is deferred or taxed at a reduced rate, due to its status as a retirement or pension plan;

ii) the fund receives at least 50% of its total contributions (other than transfers of assets from other plans described in subparagraphs B(5) through (7) or from retirement and pension accounts described in subparagraph C(17)(a)) from the sponsoring employers;

iii) distributions or withdrawals from the fund are allowed only upon the occurrence of specified events related to retirement, disability, or death (except rollover distributions to other retirement funds described in subparagraphs B(5) through (7) or retirement and pension accounts described in subparagraph C(17)(a)), or penalties apply to distributions or withdrawals made before such specified events; or

iv) contributions (other than certain permitted make-up contributions) by employees to the fund are limited

by reference to earned income of the employee or may not exceed USD 50 000 annually, applying the rules set forth in paragraph C of Section VII for account aggregation and currency translation.

6. The term **"Narrow Participation Retirement Fund"** means a fund established to provide retirement, disability, or death benefits to beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that:

   a) the fund has fewer than 50 participants;

   b) the fund is sponsored by one or more employers that are not Investment Entities or Passive NFEs;

   c) the employee and employer contributions to the fund (other than transfers of assets from retirement and pension accounts described in subparagraph C(17)(a)) are limited by reference to earned income and compensation of the employee, respectively; participants that are not residents of the jurisdiction in which the fund is established are not entitled to more than 20% of the fund's assets; and *e)* the fund is subject to government regulation and provides information reporting to the tax authorities.

7. The term **"Pension Fund of a Governmental Entity, International Organisation or Central Bank"** means a fund established by a Governmental Entity, International Organisation or Central Bank to provide retirement, disability, or death benefits to beneficiaries or participants that are current or former employees (or persons designated by such employees), or that are not current or former employees, if the benefits provided to such beneficiaries or participants are in

consideration of personal services performed for the Governmental Entity, International Organisation or Central Bank.

8. The term **"Qualified Credit Card Issuer"** means a Financial Institution satisfying the following requirements:

a) the Financial Institution is a Financial Institution solely because it is an issuer of credit cards that accepts deposits only when a customer makes a payment in excess of a balance due with respect to the card and the overpayment is not immediately returned to the customer; and

b) beginning on or before 1st January, 2024, the Financial Institution implements policies and procedures either to prevent a customer from making an overpayment in excess of USD 50 000, or to ensure that any customer overpayment in excess of USD 50 000 is refunded to the customer within 60 days, in each case applying the rules set forth in paragraph C of Section VII for account aggregation and currency translation. For this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns.

9. The term **"Exempt Collective Investment Vehicle"** means an Investment Entity that is regulated as a collective investment vehicle, provided that all of the interests in the collective investment vehicle are held by or through individuals or Entities that are not Reportable Persons, except a Passive NFE with Controlling Persons who are Reportable Persons. An Investment Entity that is regulated as a collective investment vehicle does not fail to qualify under subparagraph B(9) as an Exempt Collective Investment Vehicle, solely because the

collective investment vehicle has issued physical shares in bearer form, provided that:

a) the collective investment vehicle has not issued, and does not issue, any physical shares in bearer form after 31st December, 2023;

b) the collective investment vehicle retires all such shares upon surrender;

c) the collective investment vehicle performs the due diligence procedures set forth in Sections II through VII and reports any information required to be reported with respect to any such shares when such shares are presented for redemption or other payment; and

d) the collective investment vehicle has in place policies and procedures to ensure that such shares are redeemed or immobilised as soon as possible, and in any event prior to 1st January, 2024.

C. Financial Account

1. The term **"Financial Account"** means an account maintained by a Financial Institution, and includes a Depository Account, a Custodial Account and:

a) in the case of an Investment Entity, any equity or debt interest in the Financial Institution. Notwithstanding the foregoing, the term "Financial Account" does not include any equity or debt interest in an Entity that is an Investment Entity solely because it (i) renders investment advice to, and acts on behalf of, or (ii) manages portfolios for, and acts on behalf of, a customer for the purpose of investing, managing, or administering Financial Assets deposited in the name of the customer with a Financial Institution other than such Entity;

b) in the case of a Financial Institution not described in subparagraph C(1)(a), any equity or debt interest in the Financial Institution, if the class of interests was established with a purpose of avoiding reporting in accordance with Section I; and

c) any Cash Value Insurance Contract and any Annuity Contract issued or maintained by a Financial Institution, other than a noninvestment-linked, non-transferable immediate life annuity that is issued to an individual and monetises a pension or disability benefit provided under an account that is an Excluded Account. The term "Financial Account" does not include any account that is an Excluded Account.

2. The term **"Depository Account"** includes any commercial, checking, savings, time, or thrift account, or an account that is evidenced by a certificate of deposit, thrift certificate, investment certificate, certificate of indebtedness, or other similar instrument maintained by a Financial Institution in the ordinary course of a banking or similar business. A Depository Account also includes an amount held by an insurance company pursuant to a guaranteed investment contract or similar agreement to pay or credit interest thereon.

3. The term **"Custodial Account"** means an account (other than an Insurance Contract or Annuity Contract) that holds one or more Financial Assets for the benefit of another person.

4. The term **"Equity Interest"** means, in the case of a partnership that is a Financial Institution, either a capital or profits interest in the partnership. In the case of a trust that is a Financial Institution, an Equity Interest is considered to be held by any person treated as a settlor or beneficiary of all or a portion of the trust, or any other natural person exercising ultimate effective control over the trust. A Reportable Person will be treated as being a beneficiary of a trust if such Reportable

Person has the right to receive directly or indirectly (for example, through a nominee) a mandatory distribution or may receive, directly or indirectly, a discretionary distribution from the trust.

5. The term **"Insurance Contract"** means a contract (other than an Annuity Contract) under which the issuer agrees to pay an amount upon the occurrence of a specified contingency involving mortality, morbidity, accident, liability, or property risk.

6. The term **"Annuity Contract"** means a contract under which the issuer agrees to make payments for a period of time determined in whole or in part by reference to the life expectancy of one or more individuals. The term also includes a contract that is considered to be an Annuity Contract in accordance with the law, regulation, or practice of the jurisdiction in which the contract was issued, and under which the issuer agrees to make payments for a term of years.

7. The term **"Cash Value Insurance Contract"** means an Insurance Contract (other than an indemnity reinsurance contract between two insurance companies) that has a Cash Value.

8. The term **"Cash Value"** means the greater of *(i)* the amount that the policyholder is entitled to receive upon surrender or termination of the contract (determined without reduction for any surrender charge or policy loan), and *(ii)* the amount the policyholder can borrow under or with regard to the contract. Notwithstanding the foregoing, the term "Cash Value" does not include an amount payable under an Insurance Contract:

   a) solely by reason of the death of an individual insured under a life insurance contract;

b) as a personal injury or sickness benefit or other benefit providing indemnification of an economic loss incurred upon the occurrence of the event insured against;

c) as a refund of a previously paid premium (less cost of insurance charges whether or not actually imposed) under an Insurance Contract (other than an investment-linked life insurance or annuity contract) due to cancellation or termination of the contract, decrease in risk exposure during the effective period of the contract, or arising from the correction of a posting or similar error with regard to the premium for the contract;

d) as a policyholder dividend (other than a termination dividend) provided that the dividend relates to an Insurance Contract under which the only benefits payable are described in subparagraph C(8)(b); or

e) as a return of an advance premium or premium deposit for an Insurance Contract for which the premium is payable at least annually if the amount of the advance premium or premium deposit does not exceed the next annual premium that will be payable under the contract.

9. The term **"Preexisting Account"** means a Financial Account maintained by a Reporting Financial Institution as of 31st December, 2023.

10. The term **"New Account"** means a Financial Account maintained by a Reporting Financial Institution opened on or after 1st of January 2024.

11. The term **"Preexisting Individual Account"** means a Preexisting Account held by one or more individuals.

12. The term **"New Individual Account"** means a New Account held by one or more individuals.

13. The term **"Preexisting Entity Account"** means a Preexisting Account held by one or more Entities.

14. The term **"Lower Value Account"** means a Preexisting Individual Account with an aggregate balance or value as of 31st December 2023 that does not exceed USD 1 000 000.

15. The term **"High Value Account"** means a Preexisting Individual Account with an aggregate balance or value that exceeds USD 1 000 000 as of 31 December 2023 or 31 December of any subsequent year.

16. The term **"New Entity Account"** means a New Account held by one or more Entities.

17. The term **"Excluded Account"** means any of the following accounts:

    a) a retirement or pension account that satisfies the following requirements:

        i) the account is subject to regulation as a personal retirement account or is part of a registered or regulated retirement or pension plan for the provision of retirement or pension benefits (including disability or death benefits);

        ii) the account is tax-favoured (i.e. contributions to the account that would otherwise be subject to tax are deductible or excluded from the gross income of the account holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate);

        iii) information reporting is required to the tax authorities with respect to the account;

iv) withdrawals are conditioned on reaching a specified retirement age, disability, or death, or penalties apply to withdrawals made before such specified events; and

v) either *(i)* annual contributions are limited to USD 50 000 or less, or *(ii)* there is a maximum lifetime contribution limit to the account of USD 1 000 000 or less, in each case applying the rules set forth in paragraph C of Section VII for account aggregation and currency translation.

A Financial Account that otherwise satisfies the requirement of subparagraph C(17)(a)(v) will not fail to satisfy such requirement solely because such Financial Account may receive assets or funds transferred from one or more Financial Accounts that meet the requirements of subparagraph C(17)(a) or (b) or from one or more retirement or pension funds that meet the requirements of any of subparagraphs B(5) through (7).

b) an account that satisfies the following requirements:

i) the account is subject to regulation as an investment vehicle for purposes other than for retirement and is regularly traded on an established securities market, or the account is subject to regulation as a savings vehicle for purposes other than for retirement;

ii) the account is tax-favoured (i.e. contributions to the account that would otherwise be subject to tax are deductible or excluded from the gross income of the account holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate);

iii) withdrawals are conditioned on meeting specific criteria related to the purpose of the investment or savings account (for example, the provision of educational or medical benefits), or penalties apply to withdrawals made before such criteria are met; and

iv) annual contributions are limited to USD 50 000 or less, applying the rules set forth in paragraph C of Section VII for account aggregation and currency translation.

A Financial Account that otherwise satisfies the requirement of subparagraph C(17)(b)(iv) will not fail to satisfy such requirement solely because such Financial Account may receive assets or funds transferred from one or more Financial Accounts that meet the requirements of subparagraph C(17)(a) or (b) or from one or more retirement or pension funds that meet the requirements of any of subparagraphs B(5) through (7).

c) a life insurance contract with a coverage period that will end before the insured individual attains age 90, provided that the contract satisfies the following requirements:

i) periodic premiums, which do not decrease over time, are payable at least annually during the period the contract is in existence or until the insured attains age 90, whichever is shorter;

ii) the contract has no contract value that any person can access (by withdrawal, loan, or otherwise) without terminating the contract;

iii) the amount (other than a death benefit) payable upon cancellation or termination of the contract cannot

exceed the aggregate premiums paid for the contract, less the sum of mortality, morbidity, and expense charges (whether or not actually imposed) for the period or periods of the contract's existence and any amounts paid prior to the cancellation or termination of the contract; and

iv) the contract is *not* held by a transferee for value.

d) an account that is held solely by an estate if the documentation for such account includes a copy of the deceased's will or death certificate.

e) an account established in connection with any of the following:

i) a court order or judgment.

ii) a sale, exchange, or lease of real or personal property, provided that the account satisfies the following requirements:

I) the account is funded solely with a down payment, earnest money, deposit in an amount appropriate to secure an obligation directly related to the transaction, or a similar payment, or is funded with a Financial Asset that is deposited in the account in connection with the sale, exchange, or lease of the property;

II) the account is established and used solely to secure the obligation of the purchaser to pay the purchase price for the property, the seller to pay any contingent liability, or the lessor or lessee to pay for any damages relating to the leased property as agreed under the lease;

III) the assets of the account, including the income earned thereon, will be paid or otherwise distributed for the benefit of the purchaser, seller, lessor, or lessee (including to satisfy such person's obligation) when the property is sold, exchanged, or surrendered, or the lease terminates;

IV) the account is not a margin or similar account established in connection with a sale or exchange of a Financial Asset; and

V) the account is not associated with an account described in subparagraph C(17)(f).

iii) an obligation of a Financial Institution servicing a loan secured by real property to set aside a portion of a payment solely to facilitate the payment of taxes or insurance related to the real property at a later time.

iv) an obligation of a Financial Institution solely to facilitate the payment of taxes at a later time.

f) a Depository Account that satisfies the following requirements:

i) the account exists solely because a customer makes a payment in excess of a balance due with respect to a credit card or other revolving credit facility and the overpayment is not immediately returned to the customer; and

ii) beginning on or before 1st January 2024, the Financial Institution implements policies and procedures either to prevent a customer from making an overpayment in excess of USD 50 000, or to ensure that any customer overpayment in excess of USD 50 000 is refunded to the customer within 60

days, in each case applying the rules set forth in paragraph C of Section VII for currency translation. For this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns.

g) any other account that presents a low risk of being used to evade tax, has substantially similar characteristics to any of the accounts described in subparagraphs C(17)(a) through (f), and is defined in domestic law as an Excluded Account, provided that the status of such account as an Excluded Account does not frustrate the purposes of the Common Reporting Standard.

D. Reportable Account

1. The term **"Reportable Account"** means an account held by one or more Reportable Persons or by a Passive NFE with one or more Controlling Persons that is a Reportable Person, provided it has been identified as such pursuant to the due diligence procedures described in Sections II through VII.

2. The term **"Reportable Person"** means a Reportable Jurisdiction Person other than: *(i)* a corporation the stock of which is regularly traded on one or more established securities markets; *(ii)* any corporation that is a Related Entity of a corporation described in clause (i); *(iii)* a Governmental Entity; *(iv)* an International Organisation; *(v)* a Central Bank; or *(vi)* a Financial Institution.

3. The term **"Reportable Jurisdiction Person"** means an individual or Entity that is resident in a Reportable Jurisdiction under the tax laws of such jurisdiction, or an estate of a decedent that was a resident of a Reportable Jurisdiction. For this purpose, an Entity such as a partnership, limited liability

partnership or similar legal arrangement that has no residence for tax purposes shall be treated as resident in the jurisdiction in which its place of effective management is situated.

4. Deleted.

5. The term **"Participating Jurisdiction"** means a jurisdiction *(i)* with which an agreement is in place pursuant to which it will provide the information specified in Section I, and *(ii)* which is identified in a published list.

6. The term **"Controlling Persons"** means the natural persons or beneficial owner who exercise control over an Entity. In the case of a trust, such term means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

7. The term **"NFE"** means any Entity that is not a Financial Institution.

8. The term **"Passive NFE"** means any: *(i)* NFE that is not an Active NFE; or *(ii)* an Investment Entity described in subparagraph A(6)(b) that is not a Participating Jurisdiction Financial Institution.

9. The term **"Active NFE"** means any NFE that meets any of the following criteria:

   a) less than 50% of the NFE's gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50% of the assets

held by the NFE during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income;

b) the stock of the NFE is regularly traded on an established securities market or the NFE is a Related Entity of an Entity the stock of which is regularly traded on an established securities market;

c) the NFE is a Governmental Entity, an International Organisation, a Central Bank, or an Entity wholly owned by one or more of the foregoing;

d) substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an Entity does not qualify for this status if the Entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;

e) the NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFE does not qualify for this exception after the date that is 24 months after the date of the initial organisation of the NFE;

f) the NFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence

operations in a business other than that of a Financial Institution;

g) the NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution; or

h) the NFE meets all of the following requirements:

i) it is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organization operated exclusively for the promotion of social welfare;

ii) it is exempt from income tax in its jurisdiction of residence;

iii) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;

iv) the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or noncharitable Entity other than pursuant to the conduct of the NFE's charitable activities, or as

payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and

v) the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organisation, or escheat to the government of the NFE's jurisdiction of residence or any political subdivision thereof.

E. Miscellaneous

1. The term **"Account Holder"** means the person listed or identified as the holder of a Financial Account by the Financial Institution that maintains the account. A person, other than a Financial Institution, holding a Financial Account for the benefit or account of another person as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as holding the account for purposes of the Common Reporting Standard, and such other person is treated as holding the account.

   In the case of a Cash Value Insurance Contract or an Annuity Contract, the Account Holder is any person entitled to access the Cash Value or change the beneficiary of the contract. If no person can access the Cash Value or change the beneficiary, the Account Holder is any person named as the owner in the contract and any person with a vested entitlement to payment under the terms of the contract. Upon the maturity of a Cash Value Insurance Contract or an Annuity Contract, each person entitled to receive a payment under the contract is treated as an Account Holder.

2. The term **"AML/KYC Procedures"** means the customer due diligence procedures of a Reporting Financial Institution

pursuant to the anti-money laundering or similar requirements to which such Reporting Financial Institution is subject.

3. The term **"Entity"** means a legal person or a legal arrangement, such as a corporation, partnership, trust, or foundation.

4. An Entity is a **"Related Entity"** of another Entity if either Entity controls the other Entity, or the two Entities are under common control. For this purpose control includes direct or indirect ownership of more than 50% of the vote and value in an Entity.

5. The term **"TIN"** means Taxpayer Identification Number (or functional equivalent in the absence of a Taxpayer Identification Number).

6. The term **"Documentary Evidence"** includes any of the following:

   a) a certificate of residence issued by an authorised government body (for example, a government or agency thereof, or a municipality) of the jurisdiction in which the payee claims to be a resident.

   b) with respect to an individual, any valid identification issued by an authorised government body (for example, a government or agency thereof, or a municipality), that includes the individual's name and is typically used for identification purposes.

   c) with respect to an Entity, any official documentation issued by an authorised government body (for example, a government or agency thereof, or a municipality) that includes the name of the Entity and either the address of its principal office in the jurisdiction in which it claims to be a resident or the jurisdiction in which the Entity was incorporated or organised.

d) any audited financial statement, third-party credit report, bankruptcy filing, or securities regulator's report.

History: Act/15/2023

Cross Reference

Constitution
Ratification of Treaties Act, Cap 190

Get access to powerful legal and tax advice within a culture of excellence.

- 2nd Floor, H&G Chambers, 29A Lumumba Avenue Kampala. P.O Box, 7026, Kampala.
- Tel:+256 414 234 483/4
- Email:info@handgadvocates.com