



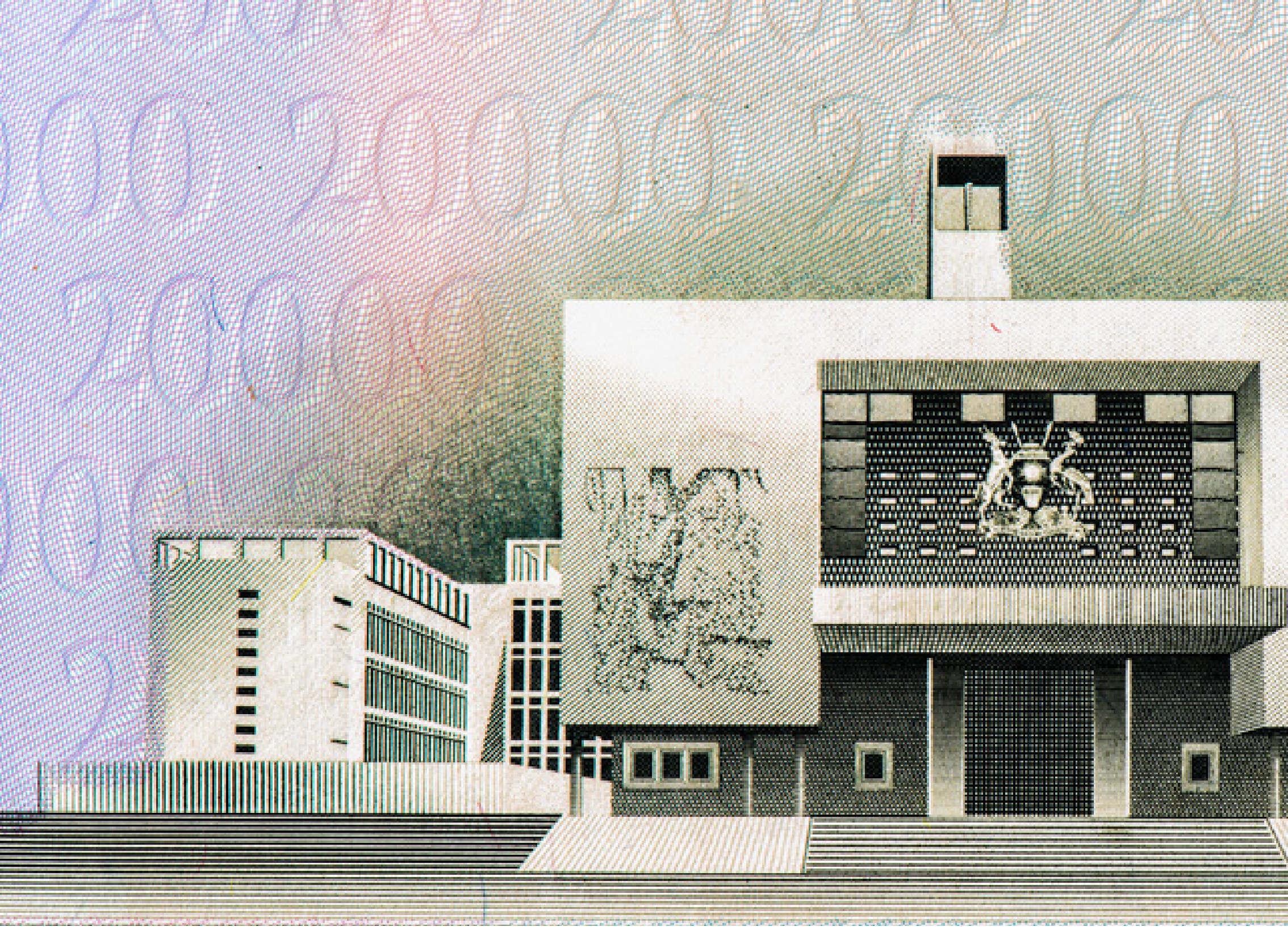
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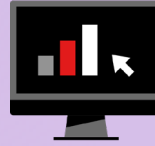
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IBDO

Tax Amendment Bills 2023

May 2023





The Minister of Finance tabled Tax Amendment Bills in Parliament.

This alert is a summary of the tax and administrative changes that will take effect on 1st July 2023 if passed by Parliament and assented to by the President.

Please note that these are proposals, they are not yet law – they are subject to review and approval by Parliament.

- Income Tax Amendment Bill, 2023
- Value Added Tax Amendment Bill, 2023
- Excise Duty Amendment Bill, 2023
- Tax Procedures Code Amendment Bill, 2023
- Lotteries and Gaming Amendment Bill, 2023
- Convention on Mutual Administrative Assistance in Tax Matters (Implementation) Bill 2023
- Traffic and Road Safety (Amendment) Bill 2023

Income Tax (Amendment) Bill 2023

May 2023



Income Tax (Amendment) Bill 2023

Overhaul of the capital gains tax regime & introduction of 5% withholding tax on sale of assets

Currently, capital gains (if not exempted) are taxed only when the disposal value is higher than the cost base, and losses are treated as tax deductible. For companies, 30% tax rate is applied on a capital gain while a graduated tax scale (between 0 to 40%) is applied for individuals with taxable capital gains. Uganda currently has one of the highest tax rates on capital gains in the East Africa region.

The Bill seeks to repeal this form of taxation when assets are disposed of. It seeks to replace it with a withholding tax regime where the buyer of the asset withholds tax at 5% of the sale value from the purchase of an asset situated in Uganda. The tax withheld will be a final tax whereby no further tax will be charged, and no deduction allowed in respect of such a transaction.

The Bill defines the term “asset” to mean any resource with economic value that is expected to provide future benefits to its holder except trading stock.

The Bill maintains the exemption of transfers of assets between spouses, transfer of assets as part of divorce

settlements, involuntary disposals with reinvestment of proceeds, transmission of assets under the deceased’s estate, sale of interest to registered Venture Capital Fund subject to prescribed conditions.

The proposed amendment creates several concerns:

i) Taxing capital invested instead of capital gains

Where a profit earned from sale of an asset is less than 5% of the sale value, the proposed amendment would be taxing the amount invested as well. This is illustrated in the table below for a company.

Asset sale value (Ushs)	Investment cost (Ushs)	Capital gain	Capital gains tax at 30% (as per current law)	Tax at 5% as per proposed law	Additional tax due to new law
1,050,000,000	1,000,000,000	50,000,000	15,000,000	52,500,000	(37,500,000)

ii) Taxing investments that have made losses

Where an asset is sold at a price below the cost base, a loss would be realized. However, with the proposed amendment, the little investment recovered from such a sale would be subject to tax at 5%.

iii) Taxing non-business transactions

The definition of the term “asset” is too wide that it may cover transactions that do not arise from trading or undertaking of a business venture. For example, sale of a household item used by an individual, an individual selling their home or private car, etc.

iv) Impact on capital markets

Financial assets such as bonds or shares traded on the stock exchange fall within the scope of the 5% proposed tax. This cost would be prohibitive for such transactions.

Furthermore, currently, individuals who derive capital gains from sale of shares traded on the stock exchange are exempted from capital gains tax if they are not involved in the business of buying and selling shares. This exemption is proposed to be scrapped and may affect the participation of Ugandans in the capital markets.

v) Tax revenue loss risk on indirect sale of businesses

In 2018, Parliament widened the scope of capital gains tax to include indirect sale of businesses in Uganda via offshore holding structures. The proposed repeal of capital gains tax provisions may put such transactions out of the tax net.

vi) Implementation of trading stock exclusion

The Bill provides that the withholding tax of 5% will not apply to trading stock. However, this is likely to create implementation challenges because a seller may oppose withholding by the buyer because the item being sold is trading stock yet URA in case of an audit may require the buyer to substantiate that they purchased the asset from someone who held it as trading stock. What kind of documentation should a buyer obtain from the seller in such instances?

vii) Withholding obligation on non-residents

The Bill places the withholding obligation on both residents and non-residents who purchase assets situated in Uganda. For a withholding tax to be effective, the obligation to withhold should only apply to resident persons.





Change of withholding tax rates on purchase of assets under Section 118B

As part of the overhaul of the capital gains tax regime, the current withholding rates under Section 118B of 10% on purchase of assets in Uganda from a non-resident and 6% from purchase of a business or business asset from a resident person have been adjusted to 5% and this tax will be a final tax.

Exclusion of proceeds from the sale of depreciable assets from the wear and tear schedule.

Currently, proceeds from disposal of depreciable assets are taxed via the wear and tear schedule by reducing the amount of wear and tear claimable.

This approach is proposed to be abandoned since sale of such assets would be subject to the proposed 5% withholding tax.

Removal of initial allowance

Sections 27A and 29 of the Income Tax Act are meant to boost investment outside Kampala by incentivizing taxpayers who put into use eligible equipment and industrial buildings for the first time as they would benefit from initial allowance of 50% and 20% respectively on the cost of the asset.

The bill seeks to remove initial allowance completely.

With this proposal, priority is being placed on increasing the tax base.



Taxation of distributions by collective investment schemes

Presently, Section 21 of the Income Tax Act provides that the income of collective investment schemes is exempt from tax to the extent that it is distributed to the participants. The interpretation of this exemption has been an area of uncertainty as URA seeks to deem the distributions to the participants as “dividends” subject to tax at 15%, while collective investment schemes argue that they are exempt under section 21(1)(t) of the Income Tax Act.

The Bill proposes to:

- Include the profit on the contribution paid or credited to a participant of a collective investment scheme as the property income of the investor.
- Introduce 5% withholding tax where the participant’s investment is less than UGX 100 million or 15% where it is above UGX 100 million.
- Only exempt the income of the collective investment scheme.
- Require participants who invest in more than one collective investment scheme to file income tax returns if their aggregate investment is more than UGX 100 million such that tax on returns is paid at 15%.

This proposal is inconsistent with the National Development Plan III (NDP III) and the Strategic Plan of Uganda’s Capital Markets Authority with respect to savings and investment. The proposal may lead to closure of collective investment schemes due to the following factors:

- The cap of UGX 100 million is too low given that many investors participate through groups such as SACCOs and Investment Clubs.
- Given the low levels of savings in Uganda, a rate of 15% is too high and a disincentive.
- Putting a cap based on capital invested instead of returns earned would discourage savings through collective investment schemes.
- Investors may withdraw their investments to avoid the tax, thus leading to premature sale of assets held by collective investment schemes and such a disposal would be at a loss given the current market conditions.

There is need to defer the proposed tax regime to allow the CIS sector to grow as a vehicle for mobilizing savings in the country and a key participant in the capital markets.

A close-up photograph of a person's hand holding a black pen, poised over a white computer keyboard. The background is blurred, showing a computer monitor and some papers.

Interest capping rules extended to include MDIs and tier 4 micro-finance institutions.

Section 25 of the principal Act deals with capping of interest expense deductible for tax purposes where a taxpayer is a member of a group, except for financial institutions.

The proposed bill seeks to include “micro- finance deposit taking institutions and tier 4 micro-finance institutions” to the list of taxpayers exempted from complying with interest capping even when they are members of a group.

Over the years, taxpayers have argued that the term ‘financial institution’ includes microfinance businesses, but URA has had a contrary view. Therefore, if passed into law, this change will clarify that such institutions are also exempted from interest capping rules.

This will boost their ability to obtain loans and service them without the constraint of capping the interest deductible for tax purposes.

However, there is need for the affected taxpayers to engage policy makers and URA so that interest expense for the periods prior to 1st July 2023 is not capped given the interpretation of the existing law.

Deduction of carry forward losses to be capped at 50%

Section 38 deals with carrying forward of assessed tax loss. Currently, tax losses can be carried forward until an entity starts making taxable profit.

The bill seeks to limit carrying forward of tax loss to a period of five years, after which a taxpayer shall only be allowed a deduction of fifty percent of the loss carried forward at the beginning of the following year of income in determining the taxpayer’s chargeable income.

This proposal is a refinement of a previous proposal by URA/Ministry of Finance to introduce a minimum tax that was targeting loss making businesses, this was rejected by Parliament.

The proposal ignores the fact that many businesses were negatively affected by Covid-19 and have suffered losses which will take them time to recover.

Introduction of 5% tax on non-residents providing digital services to customers in Uganda

The Bill introduces 5% tax on income derived from providing a digital service to a customer in Uganda, if the digital service is delivered over the internet, electronic network or an online platform.

The scope of the digital services has been defined in a “catch all” approach which includes online advertising, data services, services delivered through an online market place/ intermediation platform, digital content, online gaming, cloud computing, data warehousing, any other digital service the Minister of Finance may prescribe by Statutory Instrument.

This tax will be a final tax and no further income tax will be charged on the non-resident person. However, practical aspects of implementation have not been clarified in the Bill.

The above tax is on the income of the digital service provider, it is an added obligation to digital service providers who are already required to account for VAT at 18%. It remains to be seen if the 5% will not lead to an increase in the pricing of these services to customers in Uganda.

Uganda’s rate of 5% on digital services is one of the highest in the East Africa region, with Kenya charging 1.5% and Tanzania charging 2%. There is indication that Kenya intends to abandon the digital services tax in favor of joining the OECD global taxation framework for digital services.

Definition of Petroleum Agreement

There are two definitions of the term ‘petroleum agreement’ under the law, namely, under section 2(yya) and that under section 89A.

The Bill seeks to repeal the definition under section 2(yya). The definition under section 2(yya) was redundant given that the definition under section 89A takes precedence.

Clarification of allowable deductions for mining and Petroleum Operations.

Section 89A(4) has been amended to clarify that expenses which are not allowable for other businesses in section 22 are also not deductible for mining or petroleum operations.

Taxation of intangible assets under Petroleum development

Section 89GC provides for treatment of petroleum development expenditure.

For petroleum development expenditure incurred prior to commencement of commercial production of oil, intangible assets were not catered for. The Bill clarifies that such intangible assets will be depreciated based on the straight line methodology prescribed under section 31.

Clarity on what constitutes a farm out under section 89GE

Section 89GE provides for farm outs were transfer of interest in done in part.

This section is being amended to clarify the intention of section 89GE as it applies to partial transfer only.

Removal of WHT on winnings from gaming

The proposed amendment in section 118C seeks to remove the 15% withholding tax on winnings from gaming. This is due to the practical difficulties of ascertaining winnings from casinos.

However, the withholding tax of 15% will continue to be applicable on winnings from betting.

Waiver of Interest and Penalty.

In 2017, section 136(8) was introduced to clarify that interest that exceeds the aggregate of principal tax and penalty as at 30th June 2017 is waived.

The Bill proposes to repeal this provision as it is being transferred to the Tax Procedures Code Act.

“ZEP-RE (PTA Reinsurance Company)” included on the Exemption List.

“ZEP-RE (PTA Reinsurance Company)” has been included among listed institutions.

Entities on this list are exempted from income tax. This implies that payments to ZEP-RE such as re-insurance premiums will not attract withholding tax.





Value Added Tax (Amendment) Bill 2023

May 2023

Value Added Tax (Amendment) Bill 2023

Taxation of Supply of goods by auction

The proposed amendment treats the auctioning of goods as a supply of goods wherein the auctioneer is the supplier. The VAT Bill provides for this as being separate from the supply of the auction services by the auctioneer.

This is likely to create a mismatch with input tax credit claim by the owners of the auctioned goods since the auctioneer will be the one accounting for output tax on the sale.

The proposal will also give rise to VAT at 18% which would not arise if the goods were sold by an owner who is not required to register for VAT.

Expanding the Taxation of electronic services

The Bill emphasizes that non-residents providing electronic services are required to register and account for VAT when they meet the annual registration threshold of UGX 150 million.

The scope of electronic services where non-residents are required to account for VAT has been expanded to include advertising platforms, streaming platforms, cab-hailing services, cloud storage, data warehousing, and any other service that the Minister of Finance may prescribe in a statutory instrument.

This implies that consumers of these services in Uganda will bear an additional cost of 18%.

Non-residents will be permitted to remit VAT to URA in United States Dollars to simplify compliance.

Expansion of scope for costs which do not qualify for input VAT credit

The following will not qualify for input tax credit:

- ❑ Entertainment payment for membership in a club, association, sports society, social or recreational nature.
- ❑ Costs incurred in Uganda by non-residents providing services to customers in Uganda.

Limitation of Input Claimable

The Bill also clarifies that for businesses that qualify to claim input tax, this will be only in respect of the business generating the taxable supply.

This amendment seems to come as a response to the Chestnut vs URA case where URA disallowed input from the construction of a mall against output from the renting of advertising space. URA lost the case.

If this amendment is passed into law, taxable persons would have to claim input tax against business activities generating output tax. However, the law as proposed, does not guide on how input tax would be apportioned where two or more business activities are carried out; this is likely to create implementation challenges and disputes with URA.

Requirement to file VAT returns

The Bill clarifies that persons who are not registered for VAT but receive imported services will be required to file VAT returns in respect of the imported services within 15 days after the end of the tax period in which the service was imported.

Removal of requirement for URA to seek consent from a taxable person on the utilization of tax credits

Currently, where taxable person's input tax exceeds output tax by UGX 5 million or more, URA may with the consent of the taxpayer use this credit to offset a future VAT liability or any other tax liability not in dispute.

The proposed amendments eliminates the requirement of seeking the taxpayer's consent.

Waiver of interest and penalty.

Section 65A (2) clarifies that where interest on unpaid tax due and payable as at 30th June 2017 exceeds the aggregate

of principal and penal tax, the excess interest is waived. This provision was introduced in 2017, it is being transferred to the Tax Procedures Code Act.

Revision of items in the Exemption Schedule.

The Second Schedule to the VAT Act makes provision for supplies that are exempt from VAT.

Under the VAT Bill, it is proposed that provision be made for the following:

- Replacing “diapers” with “Adult diapers” – this will make diapers for children subject to VAT.
- Adding the supply of concentrates and seed cake
- Removing the supply of all production inputs into iron ore smelting into billets from exempt supplies. Only the supply of billets for further value addition in Uganda will be exempt.
- Removing the supply of production inputs for processing hides and skins into finished leather products from exempt supplies.
- Removing the supply of leather products wholly made in Uganda from exempt supplies

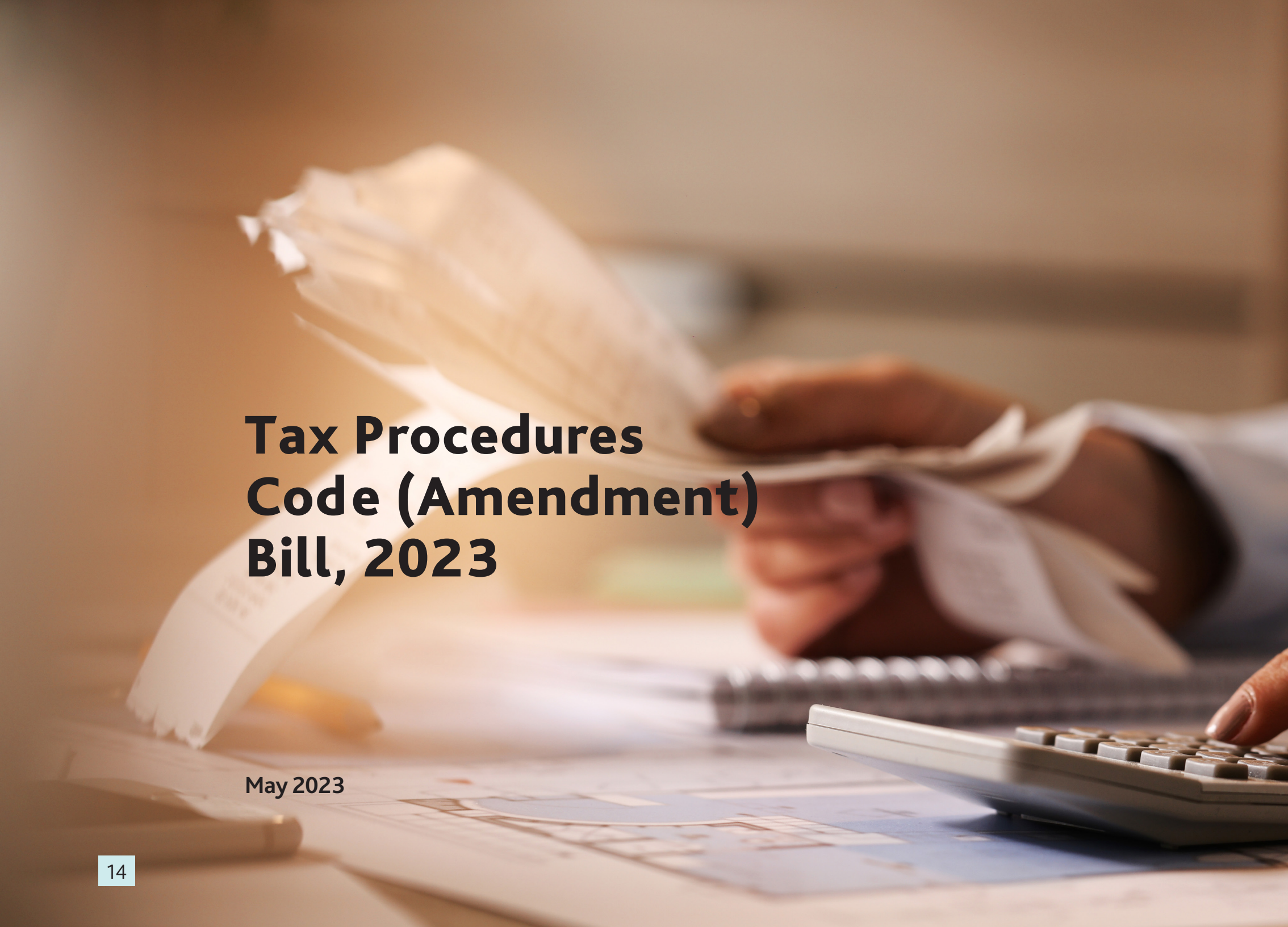
Where an item has been excluded from the exemption list, this implies that such supplies will be subject to VAT. Taxpayers dealing in such items should assess whether they meet the threshold for VAT registration.

Inclusion of ZEP-RE (PTA Reinsurance Company) in the First Schedule

ZEP-RE has been added to the First Schedule of the VAT Act. This implies that it will be able to claim for a refund of VAT incurred on its costs in Uganda.



Tax
Time!

A person in a light blue suit is sitting at a desk, looking down at a calculator. The desk is cluttered with papers, a pen, and a laptop. The background is a warm, blurred office setting. The text "Tax Procedures Code (Amendment) Bill, 2023" is overlaid on the left side of the image.

Tax Procedures Code (Amendment) Bill, 2023

May 2023

A close-up photograph of a person's hands in a white shirt, using a calculator on a desk. The background is blurred, showing more of the person's torso and the desk surface.

Tax Procedures Code (Amendment) Bill 2023

Expansion of scope for penal tax relating to tax stamps

- The Bill criminalizes any unauthorized interference or tampering with digital tax stamps machines. If found guilty, offenders could face a fine of up to UGX 30 million or a maximum of ten years' imprisonment.

Clarification of interest due and payable as at 1st July 2017

- The bill amends section 39 to clarify the treatment of interest due and payable under a tax law as at 1st July 2017 and it states that any interest due and payable as at 1st July 2017 that exceeds the total of the principal tax and the penal tax, shall be waived.
- This is intended to harmonize the ledger reconciliation with the provisions that were in the VAT Act and Income Tax Act.

Waiver of interest on payment of principal tax.

- The proposed amendment introduces a new provision regarding the waiver of interest for taxpayers who pay their outstanding principal tax by 31st December 2023.
- Specifically, Section 40(D)(1) of the bill stipulates that if a taxpayer voluntarily pays all their outstanding principal tax as at 30th June 2023, by 31st December 2023, the Commissioner shall waive the payment of interest and penalty.

- For principal tax paid in part, the interest/penalty waiver will be on a pro-rata basis.
- This provision aims to encourage taxpayers to settle their outstanding tax liabilities and reduce the burden of accrued interest and penalties. However, the Bill gives URA discretionary powers to waive the interest / penalties, this may create implementation hurdles.

Consequences for failure to submit information as requested by a URA Officer.

- Section 42 of the Tax Procedures Code Act provides for notice to be given to taxpayers to obtain information or evidence.
- The Bill introduces an amendment which states that if a taxpayer fails to provide the requested information under this section, they will not be permitted to provide such information during objection to a tax decision or during an alternative dispute resolution procedure.
- The proposal of rejecting information at objection or alternative dispute resolution stage is inconsistent with the principles of fair hearing and the non derogable Constitutional right of the taxpayer to be heard and the Tax Appeals Tribunal Act. The taxpayer may have reasons why the information was not provided at the audit stage.
- Section 49A already penalizes a taxpayer who does not provide information within the stipulated time.

Penalty for fixing tax stamp on wrong goods, brand or volume.

- Any taxpayer who attaches and activates a tax stamp to a product that does not match the stamp's intended specifications will be considered to have committed an offense. If convicted, the offender may face a fine of up to UGX 10 million, a prison sentence of up to three years, or both.



A photograph of two men in business suits shaking hands across a wooden table. The man on the left is wearing glasses and a red tie, while the man on the right is wearing a blue suit and a patterned tie. A laptop is open on the table in the foreground. The background shows a dimly lit room with wooden chairs and curtains.

The Convention on Mutual Administrative Assistance in Tax Matters (Implementation) Bill, 2023

May 2023

The convention on mutual administrative assistance in tax matters

Introduction

- This bill will give the force of law in Uganda to the Convention on Mutual Administrative Assistance in Tax Matters and 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.
- The Bill strengthens URA's capabilities to deal with tax evasion and avoidance, provides a legal framework to cooperate with other countries on tax matters.
- Administrative assistance will entail:
 - ✓ exchange of information, including simultaneous tax examinations and participation in tax examinations abroad;
 - ✓ assistance in recovery, including measures of conservancy; and
 - ✓ service of documents.

Taxes covered

- All forms of domestic taxes including income tax, VAT, excise duty etc are covered.

Excluded tax matters:

- Customs duties are excluded.
- Taxes on the use or ownership of motor vehicles.
- Taxes or levies on behalf of political subdivisions or local authorities are not covered.
- Social security contributions are not covered.

Reporting Obligations

A reporting financial institution is obliged to perform due diligence on its accounts and file returns to the Commissioner General of URA in relation to accounts held by a non-resident or a reportable account.

The Bill provides offences and penalties for non-compliance.

Tax Procedure Code –Alternative Dispute Resolution (ADR) Regulations, 2023

May 2023

The Tax Procedure Code (Alternative Dispute Resolution) Regulations, 2023

Introduction

The Tax Procedure Code (Alternative Dispute Resolution) Regulations, 2023, S.I No. 28 of 2023, were signed by the Minister of Finance, published in the Uganda Gazette and in effect, passed into law.

The Tax Procedure Code (Alternative Dispute Resolution) Regulations, 2023 implement the Tax Procedure Code Act and introduces procedures governing the Alternative Dispute Resolution (ADR) of tax disputes with the Uganda Revenue Authority.

Key Highlights of the regulations;

- ADR shall remain a voluntary option and it shall be instituted within 7 days of being issued with a tax decision, however, *this shall not affect the timelines within which to file an application or a suit in the Tribunal. This may make the ADR process less valuable as an alternative mechanism to resolve tax disputes.*
- Conciliation and Negotiation are the permissible ADR modes available to the taxpayers.

Eligibility Criteria for ADR

- Whether ADR is likely to promote fairness, maximization of resources & proper management of the tax system
- Cost benefit of litigation,
- Any complex, factual or quantum issues in contention,
- If settlement of dispute will promote compliance by taxpayer, a group or a business sector,
- If the dispute arises from a miscommunication or misunderstanding between URA & taxpayer.

Disputes not eligible for ADR

- Settlement is likely to contravene any law,
- Matter relates to interpretation of the law,
- It is in public interest to have the Tribunal / court determine the tax dispute,
- There is evidence of deliberate or consistent noncompliance by taxpayer on matter in dispute,
- Dispute relates to a case of an informer,

- Application is filed out of time for ADR
- Tax dispute involves fraud.

Conditions for carrying out an ADR

- Maintaining decorum and confidentiality,
- Upholding integrity and fairness of the process,
- Making full disclosure of material facts / documents,
- Commitment to the ADR & attendance of all proceedings,
- Strict adherence to agreed timelines

Other important aspects to note


- Either party can withdraw from the ADR at any point.
- A taxpayer may appear in person or be represented by a tax agent, employee, or advocate & the Commissioner shall be represented by any officer.
- After settlement of the dispute , there shall be no objection or appeal.

Important timelines

- Taxpayer should be invited for ADR within 7days of application
- For cases ineligible for ADR, URA should write formally to the taxpayer within 15days of application.

- *There is no set timeline for the conclusion of an ADR and therefore it is important that tax payers remain cognizant of the TAT application timelines.*

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Excise Duty (Amendment) Bill 2023

May 2023

Excise Duty (Amendment) Bill 2023

Definitions for fruit juice, undenatured spirits and vegetable juice.

Introduction of definitions

- “Fruit juice” to mean unfermented liquid extracted from the edible part of a fresh fruit, whether the extracted liquid is diluted or not.
“un-denatured spirits” to mean 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
- “vegetable juice” to mean unfermented liquid extracted from the edible part of a vegetable, whether the extracted liquid is diluted or not;
- The proposed excise duty rates for selected items are as follows:

Item	Current rate	Proposed new rate
Opaque beer	20% or UGX 230 per liter, whichever is higher	12% or UGX 150 per litre, whichever is higher.
Un-denatured spirits, of alcoholic strength by volume of 80% or more made from locally produced raw materials	60% or Shs. 1,500 per litre, whichever is higher	60% or Shs. 1,500 per litre, whichever is Higher
Above spirits, but made from imported raw materials	100% or Shs. 2,500 per litre, whichever is higher	100% or Shs. 2,500 per litre, whichever is higher
Locally produced un-denatured spirits with alcoholic strength by volume is less than 80%	Nil	80% or Shs. 1,700 per litre, whichever is higher
Imported un-denatured spirits with alcoholic strength by volume is less than 80%	Nil	100% or Shs. 2,500 per litre, whichever is Higher

Item	Current rate	Proposed new rate
Locally produced un-denatured spirits with alcoholic strength of at least 70%, used in production of disinfectants and sanitizers for prevention of COVID-19	Nil	Nil
Fruit juice and vegetable juice, except juice made from at least 30% pulp or at least 30% juice by weight or volume of the total composition of the drink from fruits and vegetables grown locally	12% or UGX 250 per litre, whichever is higher	12% or UGX 250 per litre, whichever is higher
Any other non-alcoholic beverage made out of fermented sugary tea solution with a combination of yeast and bacteria.	12% or UGX 150 per litre, whichever is higher	12% or UGX 150 per litre, whichever is higher
Any other fermented beverages including cider, perry, mead or near beer produced from locally grown or locally produced raw materials	30% or UGX 550 per litre, whichever is Higher	30% or UGX 550 per litre, whichever is Higher
construction materials of a manufacturer whose investment capital is at least USD 35M (a reduction from USD 50M) in the case of a foreigner or USD 5M in the case of a citizen	Nil	Nil
Incoming calls from Tanzania	USD 0.09 per minute.	Nil



Lotteries and Gaming (Amendment) Bill 2023

May 2023

Amendment of schedule 4: Tax rate for gaming activity

The amendment seeks to increase the tax rate for gaming activity from 20% to 30%. The rate for betting has been maintained at 20%.

At the same time, the Income Tax (Amendment) Bill 2023 comprises a proposal for the repeal of 15% WHT on winnings from gaming and leaving it only to winnings from betting.

If the bill is passed, it will have a financial impact on lotteries and gaming companies as it increases their cost of operation. This is because by removing the 15% WHT on winnings from gaming and introducing the additional 10% charge, the tax cost is shifted from the winnings of the gamers to the operator.



Traffic and Road Safety (Amendment) Bill 2023

May 2023

Driving permit

The proposed amendment seeks to substitute the word “badge” with “professional driving permit”.

This implies that the operators of online digital platforms that provide public service transport will be required to have all the drivers registered on their platform to have a professional driving permit instead of a badge.

Speed limits

The Bill provides the Minister with powers to prescribe speed limits in respect of all public roads or sections of public roads.

The Bill also prescribes a fine for any person who fails to comply with the speed limit to a fine not exceeding UGX 2 million or imprisonment not exceeding three years, or both upon conviction.

The above provisions were in section 52 of the Roads Act 2019, this section is proposed to be repealed. The maximum fine is being reduced from UGX 3,360,000 and the maximum prison sentence is reducing from seven years.

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TAX

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The information contained in this document is based on the referenced Bills and Regulations.

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