



VISIT & INVEST IN

UGANDA

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# List of Acronyms

ACP-EU	Africa, Caribbean, Pacific and European Union
AfCFTA	African Continental Free Trade Area
AGOA	Africa Growth and Opportunity Act
ASL	Above Sea Level
BIFNP	Bwindi Impenetrable Forest National Park
COMESA	Common Market for Eastern and Southern African States
Covid19	Corona Virus Disease 2019
CREFAA	Convention on the Recognition and Enforcement of Foreign Arbitral Award
DFQF	Duty Free Quota Free
DFTP	Duty Free Tariff Preference
DLG	District Local Government
DRC	Democratic Republic of Congo
DWSCG	District Water and Sanitation Conditional Grant
EAC	East African Community
EACOP	East African Crude Oil Pipeline
EIA	Environmental Impact Assessment
EPZ	Export Promotion Zone
FDI	Foreign Direct Investment
GATS	General Agreement of Trade in Services
GDP	Gross Domestic Product
GoU	Government of Uganda
GSP	Generalised Scheme of Preferences
ICIEC	Islamic Corporation for the Insurance of Investment and Export Credit
ICSID	International Centre for Settlement of Investment Disputes
ICT	Information and Communication Technology
IGAD	Governmental Authority on Development
IMF	International Monetary Fund
IPA	Investment Promotion Agency
IRA	Insurance Regulatory Authority
KCCA	Kampala Capital City Authority
MEMD	Ministry of Energy and Mineral Development
MIGA	Multi – lateral Investment Guarantee Agency
MGNP	Mgahinga Gorilla National Park
MoFPED	Ministry of Finance, Planning and Economic Development
NCHE	National Council for Higher Education
NEMA	National Environment Management Authority

NPHC	National Population and Housing Census
NWSC	National Water and Sewerage Corporation
OIC	Organization of Islamic Cooperation
OPIC	Overseas Private Investment Corporation
OSC	One-Stop Centre
PAYE	Pay As You Earn
PEAP	Poverty Eradication Action Plan
PwDs	Persons-with-Disabilities
RSS	Republic of South Sudan
SDGs	Sustainable Development Goals
TIC	Trade, Industry and Cooperatives
TIN	Tax Identification Number
TRIMS	Trade Related Investment Measures
TRIPS	Trade Related Aspects of Intellectual Property Rights
UBOS	Uganda Bureau of Statistics
UCAA	Uganda Civil Aviation Authority
UCC	Uganda Communications Commission
UFZA	Uganda Free Zone Authority
UIA	Uganda Investment Authority
UN	United Nations
UNBS	Uganda National Bureau of Standards
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UPE	Universal Primary Education
UPPTE	Universal Post-Primary Education and Training
URSB	Uganda Registration Services Bureau
USEEP	Uganda Secondary Education Expansion Project
VAT	Value Added Tax
WfP	Water for Production
WTO	World Trade Organization



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# Who we are

Onyango & Co. Advocates is a full service Ugandan law firm with expertise in corporate advisory, commercial litigation, intellectual property, banking and finance, insurance, employment and tax. The firm also has a specialization in Immigration, personal injury, NGO Advisory and Social Enterprise advisory among others. We are recommended by Global Law Experts as experts in corporate law.

We are also a recognized law firm in Ugandan banking and finance law by IFLR1000, a leading guide for top tier lawyers around the world.

We work closely with governments and regulatory agencies in the region to assist our Clients with practical cost effective legal solutions. We are part of regional and global networks of lawyers and law firms.

Our Partners and Consultants have had prior experience in the corporate, leading law and consulting firms at the top levels. We tailor our services to meet the unique needs of each of our clients.

We have advised leading companies, manufacturers and flagship social enterprise ventures that are operating in Eastern Africa.

The firm has advised leading SMES, NGOs in mediation processes under the auspices of the IFC/World Bank. We are retained by some of the major companies and nonprofit organisations in the region.

Our firm has a fully fledged commercial litigation department that offers practical advice to the specific client needs. We have cooperation arrangements with international law firms to efficiently execute cross border assignments.

Our team is passionate about creating a responsive work culture to tackle the most complex legal challenges faced by our clients and providing value for money in the practical, creative solutions we offer. We believe legal disputes should be resolved in the most efficient practical manner.

# Preface

Our law firm has over the several last years received a number of enquiries from local as well as foreign clients regarding specialized aspects of investment in Uganda. One enquiry in 2021 was, however, different because it required us to assemble very diverse aspects of our investment knowledge, skills and physical backup. That is when it occurred to us that Uganda did not have a one stop go-to updated document that we could either refer to while serving our clients or to which we could recommend to our clients in order for them to serve themselves. Thus, the idea of this guide was born.

This guide provides a geographical orientation of Uganda within the East Africa Community, exploring its diverse terrain, climate, and natural features. Demographics are then discussed, showcasing Uganda's human resources and their potential contributions to various industries. The country's mixed economic system, which combines private freedoms with central economic planning and government regulation, is also examined. We then highlight Uganda's rising Gross Domestic Product (GDP) and its favourable taxation regimes and market access opportunities.

Specific investment opportunities are outlined in various sectors, including agriculture, animal industry and fisheries, financial intermediation services, insurance, housing finance, education, energy and minerals, gender, labor and social development, health and fitness, information and communication technology (ICT), lands, housing and urban development, tourism, wildlife and antiquities, trade, industry and cooperatives, infrastructure, water and the environment, and science, technology, and innovation.

The guide provides detailed information on each sector, covering regulations, potential challenges, and opportunities for investment. It also offers guidance on obtaining licenses, permits, and land acquisition, complying with tax requirements, and navigating disputes.

We hope that you find this publication resourceful, visit and invest in Uganda.

Miriam Kaggwa Babirye, Partner.

Annet Bada, Partner.

Onyango Owor, Partner.

# Executive Summary

Uganda, officially the Republic of Uganda, is a landlocked country in East Africa. The country, whose capital is Kampala, is bordered to the east by Kenya, to the north by South Sudan, to the west by the Democratic Republic of the Congo (DRC), to the south-west by Rwanda, and to the south by Tanzania. Those five countries as well as Burundi which is sandwiched between the DRC, Tanzania and Rwanda are all members of the East African Community (EAC). Somalia, which lies east of Kenya, has also applied to join the EAC but it has not been formally admitted yet. Uganda, Kenya and Tanzania also share Lake Victoria, African largest fresh water body which is as well the main source of River Nile, the second longest river in the world. There are many other fresh water masses scattered around the countries, making them the Great Lakes region of East and Central Africa. Three of the countries (Kenya, Uganda and the DRC) as well as Somalia, in addition, lie astride the Equator, thus enjoying a unique location at the heart of Sub-Saharan Africa.

As a result of its location, Uganda has a varied but generally modified equatorial climate. The Uganda Bureau of Statistics (UBOS) projects the country's population to have reached 45.5 million in July, 2023. UBOS projects that about 10 million out of this population was living in the Greater Kampala Metropolitan Area (GKMA), comprised of the Kampala Capital City Authority (KCCA) together with the districts of Mukono, Mpigi and Wakiso. The country is endowed with substantial natural resources, including fertile soils, regular rainfall as well as deposits of cobalt, copper, gold, graphite, gypsum, iron, lead, limestone, marble, phosphates, sand, wolfram and other minerals. Besides, in 2006 petroleum oil

and natural gas were discovered and heightened activities leading to their extraction, refining and use or export are underway.

The authorities consider foreign investment as a key to broadening the financial basis of the Ugandan economy, which has remained heavily dependent on official transfers, and to ease the constraints imposed by low domestic savings. Investment inflows are also projected to help with industrial and technical adjustments, facilitate structural diversification, and improve the market and export performance of emerging new industrial and services activities. The Government of Uganda (GoU) is committed to developing the country's private sector and enhancing social service delivery.

**According to the World Bank, Uganda's economy is recovering from a sharp contraction due to the Corona Virus Disease 2019 (COVID-19) shock that had slowed the growth to its lowest in three decades. As restrictions were loosened, business and trading conditions improved both locally and globally, allowing investments to pick up in the fourth quarter of 2020, Uganda advanced by 6.2 per cent year-on-year in the first quarter of 2021. All of the country's economic sectors have been liberalised for investment, allowing for unfettered capital inflow and outflow.**

In addition to its membership of the EAC, Uganda is a member of the Common Market for Eastern and Southern African states (COMESA). Under the EAC Treaty, Uganda is committed to a Common Market for goods and services in all the member states. Under the COMESA Treaty (Chapter II(5)(ii) (a), Uganda is also committed to promoting and protecting foreign investment. Like other members, it has undertaken, inter alia, to extend

**“fair and equitable treatment to private investors”, create “a predictable, transparent, and secure investment climate” and remove “administrative, fiscal and legal restrictions to intra-Common Market investment”**

(Article 158 to 162).

Uganda is as well a founding member of the Inter-Governmental Authority on Development (IGAD), an eight-country block including governments from the Horn of Africa, Nile Valley, and the African Great Lakes. It is also a member of the Organization of Islamic Cooperation (OIC) and the United Nations (UN).

Uganda benefits from quota- and duty-free product access into the USA through the Africa Growth and Opportunity Act (AGOA) and the Generalised Scheme of Preferences (GSP) under the European Union and from the Duty Free Tariff Preference (DFTP) scheme of India and the Duty Free Quota Free (DFQF) scheme of China.

Uganda has one of the best investment climates in the East African region and there

have been consistently high levels of growth in the state’s Foreign Direct Investment (FDI) stock, on account of perceived political stability and consistent macroeconomic policy for the past three decades. The security of investment is guaranteed by both the Investment Code Act of 1991 and the 1995 Ugandan Constitution (as amended). Uganda is also a signatory to a number of noteworthy global investment-related organisations. Moreover, an 100% foreign ownership of companies is possible, even with a 10-year tax holiday for those who invest in Export Promotion Zones (EPZs). The country also produces more than 15,000 university graduates every year, providing a strong core of educated workers to its labour force.

**The GoU established the Uganda Investment Authority (UIA) in 2001 to help investors and promote investment in Uganda. Although doing business in Uganda remains relatively cumbersome, these administrative measures have helped to streamline business operations.**

Although Ugandan laws, policies and regulations are generally favourably to foreign investors, revisions are required. Foreign participation in every industrial sector is permitted under the Investment Code, with the exception of those involving national security or requiring ownership of land/property.

## The UIA license requires investors to commit more than US\$100,000 over three years.

Uganda provides investors a variety of fiscal and non-fiscal incentives. However, manufacturing, on the other hand, is not one of the four priority sectors that get special consideration. The priority sectors are information and communication technology, tourism, value-added agriculture, and value-added investments in mineral extraction.

The country's fiscal incentive package for both local and foreign investors offer excellent capital recovery terms, especially for medium to long term investors whose projects need major plant and machinery investments as well as extensive training. In Kampala, 50% of capital allowances for plants and machinery are deductible from a company's income on a one-time basis; elsewhere in Uganda, 75% of those capital allowances are deductible. Up to 100% of training costs are deductible on a one-time basis.

A range of annual VAT deferments, deductions, exemptions, and depreciation allowances also exist, resulting in investors often paying

no tax at all in the first year of their investment, and usually paying substantially less than the 30% corporate tax rate in the subsequent years of their investment. The government also provides a 10-year tax holiday for investors engaged in the export-oriented production and, if the investment is located more than 25kilometres away from Kampala, for Agroprocessing investors.

The Ugandan Shilling fluctuates based on market conditions with minimal intervention from the government. We expect a gradual depreciation of the shilling against the US dollar over the coming years. The potential for sharper depreciations remains elevated, with dry weather posing risks of greater than projected inflation and weaker exports.

Uganda keeps open capital accounts, and Ugandan law places no limitations on capital transfers in and out of the country unless the investor benefited from tax incentives on the initial investment, in which case the investor must

obtain from the UIA a 'certificate of approval to externalise funds'. Investors can obtain foreign exchange and make transfers at commercial banks without approval from the Bank of Uganda in order to repatriate profits and dividends and make payments for imports and services.

While Ugandan law does not prohibit foreign investors from repatriating their funds, a foreign investor who benefits from incentives granted under the Investment Code Act still needs authorisation from the UIA before he or she can repatriate any funds. Even when the UIA grants authorisation, it only applies to repatriation for particular purposes as specified under the 'certificate of approval to externalise funds'. Foreign investors may also remit funds through a legal parallel market including convertible negotiable instruments.

**Uganda has decreased the amount of bureaucracy required to obtain licenses and permissions in order to make doing business in the country easier. The Uganda Investment Authority established the One-Stop Centre by amending the Investment Act of 2019 to provide investors with a single point of access for information and service transactions. It also houses Government and Private Sector institutions in charge of facilitating investment.**



# General Country Information

Official Name	Republic of Uganda
Political System	Republic with decentralised district/city local governments
Governance System	Multiparty
Capital	Kampala
Languages	Official Language: English. Second Official Language: Kiswahili. Predominate indigenous language: Luganda.
Surface Area	241,555 Square Kilometres
Area covered by dry land	196,237 Square Kilometres
Area covered by open water	37,460 Square Kilometres
Area covered by wetlands	7,621 Square Kilometres
Built up area (2017)	1,387 Square Kilometres
Area covered by agricultural land	106,662 Square Kilometres (2017)
July 2023 projected population	45.5 million (From 2014 Census)
Time Zone	+3 hours GMT (Nairobi)
Climate	Tropical climate with double maxima rainfall from March to May and September to November
Main Religions	84.4% Christianity, 13.7% Islam 1.9% Others
Currency	Uganda Shilling (UGX) 1 USD = 3,820 UGX (July, 2022)
Inflation Rate	10.7 percent (October, 2022)
Central Bank Rate	10 percent (October, 2022)
Country Calling Code	+256
GDP (Nominal)	\$45.7 billion (June 2022)
GDP (PPP) Per Capita	\$1,046 (June, 2022)
Driving lane	Left
Internet TLD	.ug
Human development rank	159 out of 187 (2021)
Ease of doing business rank	12 out of 183 for ease of doing business (2021)

Sources: World Bank, MoFPED, UBOS, UIA and Transparency International



# Geography

**U**ganda is a country in the East African Community (EAC), a regional economic block aspiring towards political federation. The country is bordered exclusively by other EAC member countries. To the east is Kenya while to the south is Tanzania and Rwanda is to the south-west, the Democratic Republic of Congo (DRC) is to the west and the Republic of South Sudan (RSS) is to the north. The country lies from about 1° South to about 4° North of the Equator latitude and from about 30° East to about 35° East of the Greenwich longitude. North-east of Kenya is formerly war-torn Somalia that applied to join the EAC in July, 2022 but at the time of writing this book is yet to be admitted.

## Landscape

Uganda has a diversified geography that includes volcanic hills, mountains and lakes. The country sits at an average of 900 metres Above Sea Level (ASL). However, it has mountains that rise to 5,109 metres ASL on the DRC border (Mt Rwenzori) and to 4,321 metres ASL on the Kenya border (Mt Elgon). It also has a Rift Valley that lies as low as 621 metres ASL, only a few hundreds of metres from the peaks of Rwenzori and occupied by Lake Albert which is shared almost longitudinally with the DRC.

## Lakes and rivers

Although landlocked, Uganda contains many other large lakes than Albert. Much of the south-east corner the country is, for instance, occupied by Lake Victoria, Africa's largest and the world's third largest fresh water mass. Kampala, Entebbe, Jinja and Masaka are among Uganda's biggest urban areas by population and they are all located on the northern and north-western shores of the lake which also has groups of islands such as Buvuma and Kalangala with a high tourism potential. Lake Kyoga is in the centre of the country and is surrounded by extensive marshy areas. Other lakes are Edward and George also at or near the border with the DRC. Lake Bunyonyi, on the other hand is near Rwanda and Tanzania while Lake Bisina is an extension of Kyoga.



Uganda lies almost completely within the Nile basin. The Victoria Nile drains from Lake Victoria into Lake Kyoga then into Albert. The river then runs northwards into the RSS to (original) Sudan, Egypt and the Mediterranean Ocean. The south-western slopes of Mt Elgon are drained by Sipi, Sironko, Namatala, Manafwa, Lwakhakha and a number of their tributaries which together pour either directly into the Kyoga or first into Bisina then into Kyoga. The north-eastern slopes of Mt Elgon are, however, drained by the Suam River, part of the internal drainage basin of Lake Turkana of northern Kenya. The extreme north-eastern part of Uganda drains into the Lotikipi Basin, which is primarily in Kenya which has no outflow except by evaporation.

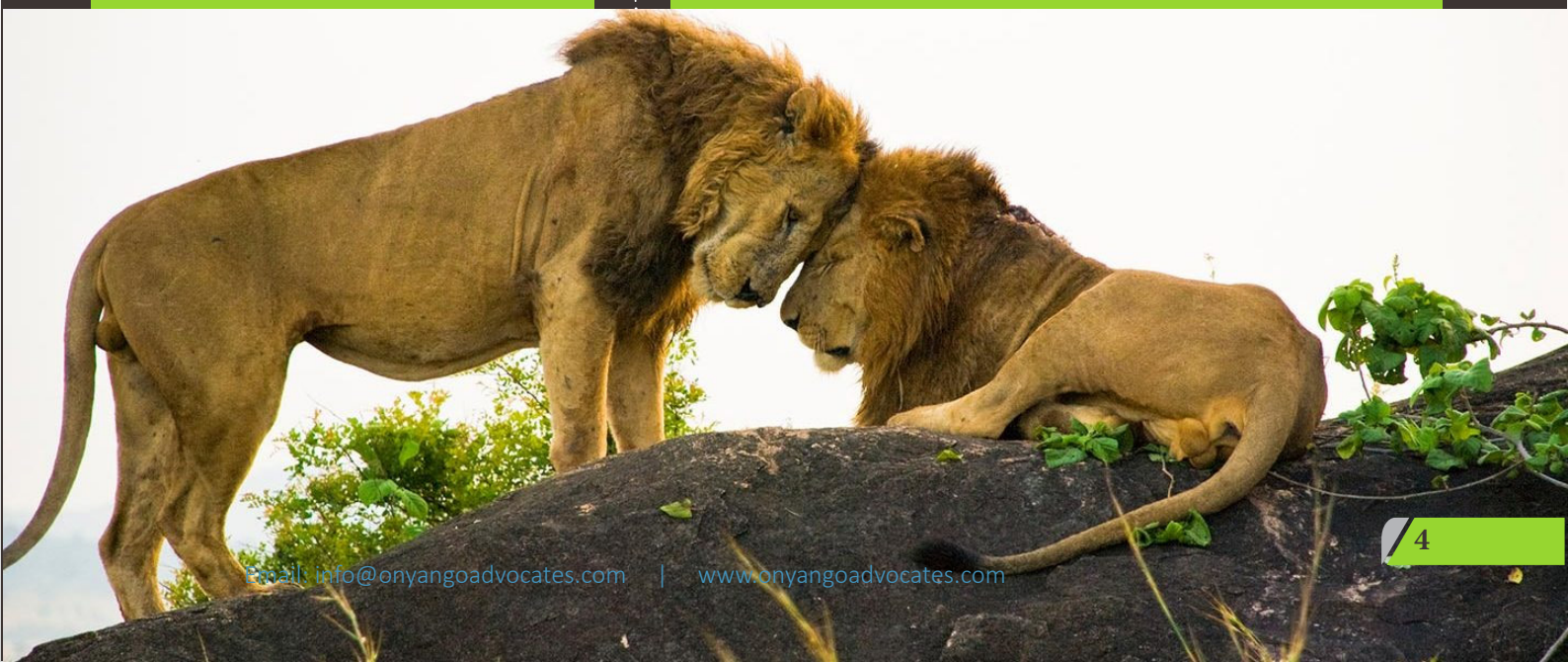
## Biodiversity and conservation

Uganda has 60 protected areas, including ten national parks. Those are Bwindi Impenetrable National Park and Rwenzori Mountains National Park (both UNESCO World Heritage Sites), Kibaale National Park, Kidepo Valley National Park, Lake Mburo National Park, Mgahinga Gorilla National Park, Mount Elgon National Park, Murchison Falls National Park, Queen Elizabeth National Park, and Semliki National Park. The country is home to a vast



number of species, including a population of mountain gorillas in Bwindi, gorillas and golden monkeys in the Mgahinga and hippos in the Murchison Falls.

The country had a 2019 Forest Landscape Integrity Index mean score of 4.36/10, ranking it 128th globally out of 172 countries.





# WHY UGANDA?

## Basic Population Characteristics

Uganda's population grew from 5 million persons in 1948 to 44.2 million persons in 2022. According to the 2014 National Population and Housing Census (NPHC), the mid-year 2023 population is projected at 45.5 million persons. Females account for 51% of the total population and males 49%. Wakiso is the most populated district, with a projected population of 3.59 million persons in mid-2023, followed by Kampala City with a 1.76 million persons. Obongi district has the least population, projected at 52,300 persons in mid-2023.

- Distribution of population by age-group shows that there are more male children aged less than 15 years compared to females; thereafter females dominate from age group 20-24 years and above
- About eight out of every 10 persons is less than 35 years of age
- *There are about One million persons aged 65 years and above, with females being the majority (57%) compared to males (43%)*
- Only 0.5% of the population are aged 80 years and above, with about three out of every five of them being female.
- Sex Ratio is 97%, thus for every 100 females there are 97 males.
- *About 27% of the population live in urban areas.*
- *The Dependency Ratio reduced to 92 % in 2019/20 from 97% recorded in 2016/17*
- *Average household size is 5 persons, with Teso sub-region having the highest average household size (5.9 persons).*
- The complete breakdown of the population per district/city is attached as Appendix 1.

Migration is the movement of people across a specified boundary of the country for the purpose of establishing a new residence. Migration can either be internal or international. A migrant is a person who changes his/her usual place of residence by crossing an administrative boundary and residing in a new area for a period of not less than six months or intends to stay in the new area for a period not less than six months. The migration patterns of Uganda show that in 2019/20:

- **5% of the population migrated, a majority of them (42%) moving from one rural area to another rural area.**
- **About 12% of the migrants moved from a rural to an urban area while 18% moved from an urban to rural area.**
- **30% of the people migrating did so to join or follow family members.**
- **24% migrated in search of work, 21% for marriage and 3% due to land related issues.**

## Marital patterns of the population show that:

- The median age at first marriage (for persons aged 25 -49 years) is at 19 years for women and 23 years for men.
- 60% of pregnant women attend antenatal care (ANC) visits for at least four (4) or more times as recommended during their entire pregnancy, an increase from 48% in 2011.
- The total number of children a woman can produce during her lifetime subject to the prevailing mortality patterns has declined to about five children per woman from seven children per woman in 1991.

## The life expectancy of the population shows that:

- The average life expectancy at birth has improved to 63.7 years from 50.4 years in 2002.
- At birth females have a longer life expectancy than their male counterparts **3**
- Female life expectancy increased from 52.0 years in 2002 to 64.5 years in 2016.
- Male life expectancy was 62.8 years in 2016 compared to 48.8 years in 2002.



# A young and literate population

**16.5 million**

Uganda has one of the world's highest population growth rates (3.32% per annum as of 2022) and also enjoys a solid 89.6% literacy rate in the 18-24 age group, well above the 84% global average. This population dynamism, coupled with a relatively high literacy rate, helps to enhance the earning power of the country's 16.5 million-strong workforce. Indeed, Uganda's population is a strategic advantage for investors, one that can be leveraged to meet local and international human resource demands in numerous sectors by using the vast number of educated individuals.

Ugandan youths are among the most enterprising in the world, as seen by the high proportion of self-employed people. According to labour surveys, up to 70 percent of young people believe there are good business opportunities, and that they have the ability to establish and run a business, underlining the potential of a favourable demographic dividend.

**strong workforce.**

# Urban Population



Uganda's urban population has grown from around one million in 1980 to about 12 million in 2022, accounting for about 25 percent of the total population.

The significant change in urban population numbers can be attributed to:

- Establishment and gazettement of former rural areas as new or expanded urban areas such as town councils, municipal councils and cities;
- Natural population growth (difference between the number of live births and number of deaths); and
- Rural-urban migration.

## Qualified Human Resources

Uganda's human resource development is guided by three elements: the 30-year National Human Resource Development Strategy, 10-year National Human Resource Plan and the 5-year Sectoral Human Resource Development Plan. These give the strategic direction and interventions for sustainable human resource development and are informed by the patterns in human resource supply and demand. The plans include medium-to-long-term priority interventions for the important catalytic areas of the economy and serve as the foundation for aligning human resource demands with the national development agenda, annual plans, and budgets.

To meet the growing need for a literate, qualified and productive labour force, the government has invested extensively in universal primary and secondary education. The policy of liberalisation has created remarkable changes

in the education sector in the past 10 years and has expanded the education system by encouraging private investment in the sector. Approximately 78% of young people aged 13-18 years are currently attending school. There are 3,220 secondary schools (government and private), 20,314 primary schools (government and private), 142 technical and other tertiary institutions (government and private) and 53 universities (government – 9; private – 44). Even then, Uganda has just secured a loan of US\$75.8 million and a grant of US\$47.8 million for the Uganda Secondary Education Expansion Project (USEEP). The loan will be used to build 116 new lower secondary schools in areas where there is unmet demand while the grant will be for improvement of 61 existing lower secondary schools in Refugee Hosting Areas (RHAs). In the new schools, classrooms, multifunctionary laboratories, toilets and teachers' housing will be constructed. The funding is also intended to build the capacity of teachers in all public and private lower secondary

schools to deliver lessons by use of modern technology. As a result, the country will retain cutting edge competitiveness as a top education destination in East Africa.

Therefore, the benefits of employing or using Ugandan workers include the fact that:

- Uganda's population is set to reach 45 million in 2023, giving it the fastest-growing labour force in the region;
- There is the ready availability of skilled managerial labour across sectors, as well as semi and unskilled labour for labour-intensive industries; and
- Uganda has the lowest costs for unskilled and skilled labour in the region.

# The Economy

Uganda has a mixed economy system in which there is a variety of private freedoms, combined with centralised economic planning and government regulation. With a strong emphasis on export promotion, Uganda's GDP has been continuously rising and had reached US\$45.7, according to the Ministry of Finance, Planning and Economic Development (MFPED). The Trading Economics global macro models and analysts' forecasts that it will be growing at 6.46 percent per annum by 2023

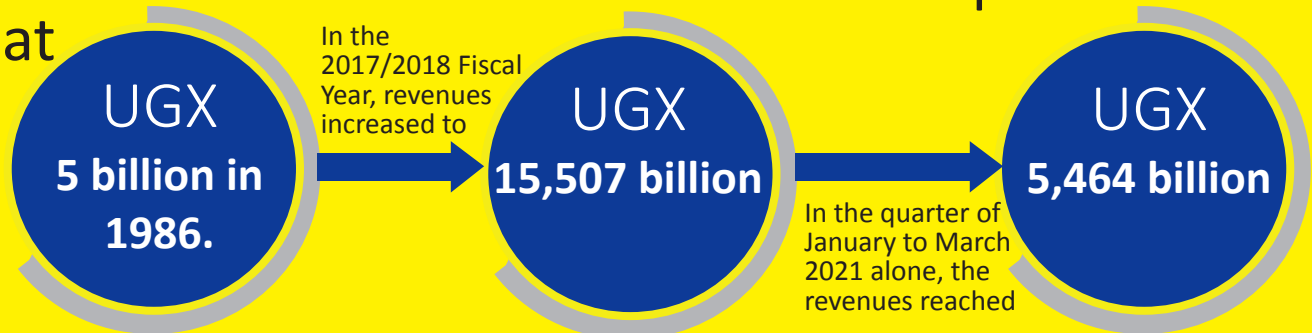
The following export product groups represent the highest dollar value in Ugandan global shipments during 2020. Also shown is the percentage share each export category represents in terms of overall exports from Uganda.

1. Gems, precious metals: US\$1.8 billion (43.9% of total exports);
2. Coffee, tea, spices: \$600.7 million (14.5%);
3. Fish: \$124.9 million (3%);
4. Cereals: \$102.4 million (2.5%);
5. Cocoa: \$99.4 million (2.4%);
6. Mineral fuels including oil: \$98.6 million (2.4%);
7. Dairy, eggs, honey: \$76.9 million (1.9%);
8. Sugar, sugar confectionery: \$76 million (1.8%);
9. Salt, Sulphur, stone, cement: \$75.8 million (1.8%);
10. Beverages, spirits, vinegar: \$71.8 million (1.7%).

Uganda's top 10 exports accounted for 75.8% of the overall value of its global shipments. Gems and precious metals represent the fastest grower among the top 10 export categories, up by 44.6% from 2019 to 2020. This increase was propelled mostly by higher international sales of gold. In second place for improving export sales were beverages, spirits, and vinegar via a 36.8% gain. Uganda's cocoa exports saw the third-fastest increase in value (27.4%).

# Favourable Taxation

Revenue mobilisation has risen steadily during the last decade. Revenue collection peaked at



This means that Uganda's revenue has increased by more than 3,000 times in a single generation. Uganda's prudent economic management, coupled with the use of various policy reforms has resulted in a sound economy. Fiscal reforms significantly increased tax revenue collection, allowed fiscal consolidation, kept inflation in single digits, buoyed foreign reserves and kept exchange rates competitive, supporting the growth of exports. Uganda's tax-to-GDP ratio stands at 12.99%. The government now plans to continue growing revenues until it can fully finance its national budget.

The tax system is premised on the following principles:

- Protection of taxpayers against double taxation;
- Prevention of fiscal evasion;
- Promotion of free flow of international trade and investment and transfer of technology;
- Prevention of discrimination between domestic and foreign investors; and
- Providing a reasonable level of legal and fiscal certainty in the treatment of international transactions.

Uganda's tax policy, in accordance with international standards, comprises a variety

of tax instruments, including direct personal and corporate income taxes, as well as indirect taxes such as excise duties and value-added taxes.

## Double Taxation Agreements

The country has so far negotiated and entered into 15 Double Taxation Agreements with Belgium, China, Denmark, Egypt, India, Italy, Mauritius, Netherlands, Norway, Seychelles, South Africa, United Arab Emirates, United Kingdom and Zambia. In addition, there is a Double Taxation Agreement within the East African Community.

# Market Access

The population of Uganda is predicted to double in the next three decades. The market's strength is greatly influenced by this population size, and the economic ability or purchasing power it contributes to produce a sustainable market.

Uganda's market access is greatly enhanced by its membership in the following regional economic communities:

- The EAC, provides access to more than 300 million people (2022). The bloc will a total area of 4.8 million square kilometres has established a Customs Union, with One-Stop Border Posts, and a Common External Tariff with a triple band structure: for raw materials and capital goods (0%), intermediate goods (10%) and final goods (25%), as well as a Sensitive Items list.
- The region has also developed an export promotion strategy, which focuses on a two-pronged approach to product and market diversification aimed at improving the quality of existing exports and focusing on ways to extend the market for exports as well as promoting an export discovery process that has the broadest impact and where support will be in the form of non-discriminatory targeted public goods.
- The Common Market for Eastern and Southern Africa (COMESA), which reaches from Egypt, Libya, and Tunisia in the north to the southern states of Zimbabwe and Zambia and includes all current EAC member states. It covers 21 countries with a population of almost 550 million. The bloc is focused on increasing trade among its members. COMESA recently adopted an industrial strategy with an emphasis on local content as the stimulus for industrial growth in the region. Investors with industries in the region are set to gain from this policy.



**The African Continental Free Trade Area (AfCFTA), which was established in 2018, brings together 54 African countries with a combined population of over one billion people and a combined GDP of more than US\$3.4 trillion.**

**The AfCFTA objectives are to:**

- **Create a single continental market for goods and services, with free movement of businesspeople and investments, paving the way for accelerating the establishment of the Continental Customs Union and the African Customs Union;**

- Expand intra African trade through better harmonisation and coordination of trade policies, instruments, and facilitation between regional economic communities across Africa;
- Resolve the challenges of multiple and overlapping memberships in RECs and expedite regional and continental integration processes; and
- Enhance competitiveness at the industry and enterprise-level by exploiting opportunities for scale production, continental market access and better reallocation of resources.

Uganda is also benefitting from other multilateral arrangements including:

- The COMESA-SADC-EAC Tripartite Free Trade Area, a market of more than 500 million people with a combined GDP of over US\$800 billion; and
- Africa, Caribbean, Pacific and European Union (ACP-EU) Partnership, which offers benefits, especially to exporters of fruits and vegetables.

The ACP-EU Partnership is based on the Cotonou Partnership Agreement, which was first signed in 1963 then renewed on 23<sup>rd</sup> June, 2000 in Cotonou, Benin, between the EU (with 28 members at the time but now the United Kingdom has left) and 79 countries in Africa, the Caribbean, and the Pacific (ACP). ACP-EU represents more than 1.5 billion people. The partnership focuses on the eradication of poverty and inclusive sustainable development for ACP and EU countries. It is divided into three key areas: development cooperation, political dialogue, and trade.

# East African Regional Integration



Uganda is a member of the East African Community (EAC) along with Burundi, the Democratic Republic of Congo (DRC), Kenya, Rwanda, South Sudan and Tanzania. Although Somalia has applied for membership, it has not yet been admitted. The EAC aims at achieving free trade among the member states, a customs union, a common market, an economic union (single market) and eventually a political federation. To accelerate economic growth and development, it means

that the EAC partner states maintain a liberal stance towards free movement of persons, labour, goods, services and capital. The community aspires towards the right of citizens of the member states to establish their residences and businesses anywhere in the region. The underlying principles of the Community include non-discrimination of citizens of partner states on grounds of nationality, equal treatment of nationals of

other states, transparency in conduct of matters related to other states and the sharing of information necessary for the smooth implementation of the programmes and projects in the Community. Uganda's centrality of geographical location in relation to other EAC member states, therefore, means that any investment in the country guarantee proximity to the entire EAC market.



## Other International investment and business protocols

Uganda is a signatory to major international investment and business protocols, including:

- Multi – lateral Investment Guarantee Agency (MIGA);
- Overseas Private Investment Corporation (OPIC) of USA;
- Convention on the Recognition and Enforcement of Foreign Arbitral Award (CREFAA);
- Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC);
- International Centre for Settlement of Investment Disputes (ICSID);
- Trade Related Investment Measures (TRIMS) Agreement;
- General Agreement of Trade in Services (GATS);
- Trade related Aspects of Intellectual Property Rights (TRIPS) Agreement;
- Duty and quota free access into China (quota free access for over 650 products);
- The African Growth and Opportunity Act (AGOA) of the United States;
- Generalised System of Preferences (GSP) scheme with European Commission; and
- EU (Everything but Arms) markets.

## Rapidly Increasing Foreign Direct Investment

According to the findings of the Bank of Uganda (BoU) Foreign Direct Investment (FDI) Survey, the stock of foreign direct investment in enterprises that responded increased by 7.4 percent from UGX36,202.7 billion as at end 2017 to Shs.38,869.8 billion as at end 2018. The increase in the FDI stock was due to new equity investment (share capital) totalling to Shs.1,264.5 billion during 2018, primarily by enterprises involved in the mining and real estate activities. Furthermore, Shs.1,013.5 billion was received during 2018 in the form of other capital, which comprise of loans and trade credit from their foreign

affiliates. Reinvested earnings during the year amounted to Shs.814.7 billion. Other changes which constitute of movements in financial positions arise for reasons other than transactions between residents and non-residents resulted in a net revaluation loss of Shs.426,8 billion. This was as a result of Shs.430 billion net revaluation loss in equity while valuation

changes attributed to debt from affiliated enterprises amounted to net revaluation gain of Shs.4.3 billion.

The top ten sources of FDI flows to Uganda in 2018 were the Netherlands (28.7 percent), Mauritius (14.7 percent), China (13.7 percent), the United Kingdom (7.4 percent), Kenya (6.2 percent), Australia (5.9 percent), South

Africa (4.5 percent), the United States of America (3.8 percent), Switzerland (3.8 percent) and France (3.1 percent). These ten countries accounted for 92.0 percent of all FDI inflows in 2018

# The Fight Against CORRUPTION

According to the Transparency International 2021 rankings, Uganda ranks at 144 out of 180 countries on the Corruption Perception Index. The country has, nevertheless, established various institutions to combat corruption, and these include the Inspectorate of Government (IG) and the State House Anti-Corruption Unit (SHACU). So, the ranking alone should not discourage investors.

# OPPORTUNITY AREAS IN UGANDA



Uganda's Vision 2040 focuses on strengthening the economy fundamentals in order to take advantage of the numerous opportunities.

## Agriculture, Animal Industry and Fisheries

Uganda is an agricultural country. The peasant economy of the country relies very heavily of the small scale tilling of the soil and the free range herding of animals. It also, however, depends on fishing in the countries many swamps, rivers and lakes.

### Arable Agriculture

There is potential in investment in large scale farming as well as in the manufacture of implements for agro-processing.

### Animal Industry

The modernisation of animal husbandry, processing of meat for cattle, goats, pigs, chicken and even rabbits all have room for investment. The country's semi-arid zone stretch stretches diagonally from the south-west corner where the borders of Uganda, Rwanda and the DRC converge to the north-west corner where the borders where the borders of Uganda, South Sudan and Kenya converge.

### Fisheries

Hitherto, the Ugandan fisherfolk have largely depended on the harvest of wild resources in the water bodies. However, these resources are getting exhausted and there is now need for cage farming of the resources in addition to their processing, transportation, preservation and marketing.

*Image 1: Smoked Tilapia fish on sale. Uganda's agriculture, animal industry and fisheries products all require investment in value addition in order to prevent post-harvest losses and fetch better world prices.*



Although agriculture contributes only 32% to the Gross Domestic Product (GDP), it provides livelihoods to about 72% of Uganda's population. Uganda is a major producer of coffee, bananas, and oil seed crops (sesame, soybean, sunflower etc.). It is also a major producer of other crops like tea, cotton, organic cotton, tobacco, cereals, fresh foods and vegetables, nuts, essential oils, flowers, poultry, and freshwater fish. The MoFPED projects the agriculture, animal industry and fisheries sector to grow by 4.3 percent during the FY2022/23, largely as a result of growth in food and cash crop production, livestock as well as recovery in fishing. The recovery in fishing follows the tightened regulations imposed by the Government on perpetrators of poor fishing habits.

➤ However, reliance on natural weather conditions, continued use of outdated methods and equipment as well as lack of adequate post-harvest technologies limit productivity. The Ugandan Government is

promoting agriculture commercialisation by, for instance, encouraging the use of irrigation and mechanised farming. So, modernisation of this agriculture, animal industry and fisheries presents great opportunities for investment. There are investment opportunities in:

- Commercial farming in both crops and animal industries as well as aquaculture;
- Value addition (agro-industries, agro-food industries);
- Manufacturing of inputs such as improved seeds, fertilisers and pesticides;
- Cold storage facilities and logistics;
- Farm machinery manufacturing and assembly;
- Packaging; and
- Irrigation schemes.

# Financial Intermediation Services

The banking, insurance and other financial intermediation services sector in Uganda is very dynamic. To begin with, there has been an increasing tendency to create seamlessness or convergence in the delivery channels, for instance, by banks selling insurance (bacsurance), mortgage and even tuition fees products. Secondly, there has also been increasing use of technology to conduct business.

## Banking

The Bank of Uganda (BoU) regulates all the development and commercial banks in Uganda. Because of the good regulatory environment, clients can now confidently bank by telephone, by internet or by neighbourhood agencies with adequate firewalls to prevent fraud. Besides, the financial services are also creating multiple channels through which a client can reach them to make an enquiry of file a complaint, among them email, WhatsApp and Facebook. And there are strong customer analytics capabilities to support strategic decision making.

Competition from non-traditional suppliers of financial services is also getting stiffer by the day. Among the non-traditional suppliers are Savings and Credit Cooperative Societies (SACCOS), Financial Technology (Fintech) companies and telecommunication

companies. In fact, clients can now lie on their beds, apply for a loan using a mobile phone, receive it and use the proceeds to pay school dues of a child two hundred kilometres away within just three minutes.

Financial information governance is also undergoing tremendous improvements. The Bank of Uganda (BoU) first licensed only one credit reference bureau in 2008 by 2012 the market for credit reference had so multiplied that another bureau had to be licensed. But some financial institutions are not even waiting for such references. Instead they are converting digital trails to financial tracks for client credit records. Even verbal promises are now becoming good enough to guarantee repayment if the borrower's date of birth, residence, educational attainment, profession and telephone contacts can be identified by use of a National Identification Number (NIN).

Increasingly, cashless transactions are also now in the vogue. Swipe cards are now accepted in a number of urban supermarkets although in the rural areas this is not yet the case. But it is not unheard of in the deepest rural areas for somebody to take a drink or a haircut and offer to pay by mobile wallet.



## Insurance

The Insurance Regulatory Authority (IRA) regulates the insurance industry in accordance with the principles of insurable interest, proximate cause, indemnity, subrogation and payment of premiums. As the petroleum oil and natural gas industry matures, there will be great need for innovative insurance products to undertake cover for the unprecedented risks involved, especially in the extraction, storage, processing and transportation.

### Other financial intermediation services

These include among others housing finance, leasing and mortgaging. To date the only way Ugandans could afford acquiring shelter, means of transport and manufacturing machinery has been through paying cash. With modernisation, this is bound to change and that change can only occur if innovative products along those lines are introduced.

# Education and Sports

Education is the process of acquiring knowledge, skills and attitudes necessary for self-sustenance. In Uganda, the education cycles involve a three-year pre-primary school cycle, a seven year primary school cycle, a four year lower secondary school or tertiary cycle, a two year upper secondary school or tertiary institution cycle and a post-secondary or tertiary education cycle of between two and six years depending on the course of study. In the country, games and sports are best promoted through the education system as it has the most youthful people who can effectively compete.

## Education

Uganda's educational system, while weak in many areas, has witnessed tremendous improvement in recent years. The educational system is designed so that children spend seven years in primary school, four years in lower secondary school, two years in upper secondary school and two to five years in post-secondary education and training. In 1997, the government started free Universal Primary Education (UPE) for all children. This development has had a significant impact. In 1986, barely two million children were attending primary school. But by 1999, this number had increased to six million children and has continued rising. Following the significant gains in access to primary education since the introduction of UPE, Uganda became the first country in sub-Saharan Africa to implement Universal Post-Primary Education and Training (UPPTE) in 2007. This bold step by the Government of Uganda resulted in a nearly 25% rise in lower secondary school enrolment between 2007 and 2012. The result of UPE and UPPTE was that, according to the 2002 National Population and Housing Census (NPHC), Uganda had a literacy rate of 66.8 percent (76.8 percent male and 57.7 percent female). Public spending on education was at 5.2 percent of the 2002–2005 GDP.

The National Council for Higher

Education (NCHE) website listed 46 private accredited universities as of 2020, indicating a substantial vacuum for exploitation in terms of tertiary education based on the number of students graduating from the secondary schools.



Image 2: Students attending an academic seminar. With Uganda's population growing at 3.3 percent per annum, more educational facilities are required each passing year.

## Sports

Uganda has in these last few years come up on the international sporting stage because of athletics. The country's gold medalists include John Akii-Bua (male, 400 metres hurdles in 1972 Olympics), Stephen Kiprotich (male, 10,000 metres marathon in 2012 Olympics), Peruth Chemutai (female, 3,000 steeple chase in 2020 Olympics) and Joshua Cheptegei (male, 5,000 metres marathon in 2020 Olympics, and 10,000 metres marathon in 2024 Olympics). Uganda will also be co-hosting the Africa Cup of Nations (AFCON) in 2027 alongside Kenya and Tanzania. There are, therefore, opportunities for investment in sporting facilities that can nurture more talent here.



# Energy and Mineral Development



Image 4: Loading stone slabs for transportation to a building site. Stones are among the very large variety of minerals into which value could be added for local use and export.

## Power and Energy

Uganda is richly endowed with abundant power and energy resources, which are evenly distributed across the country. These include hydro, biomass, solar, wind, geothermal and peat energy as well as fossil fuels.

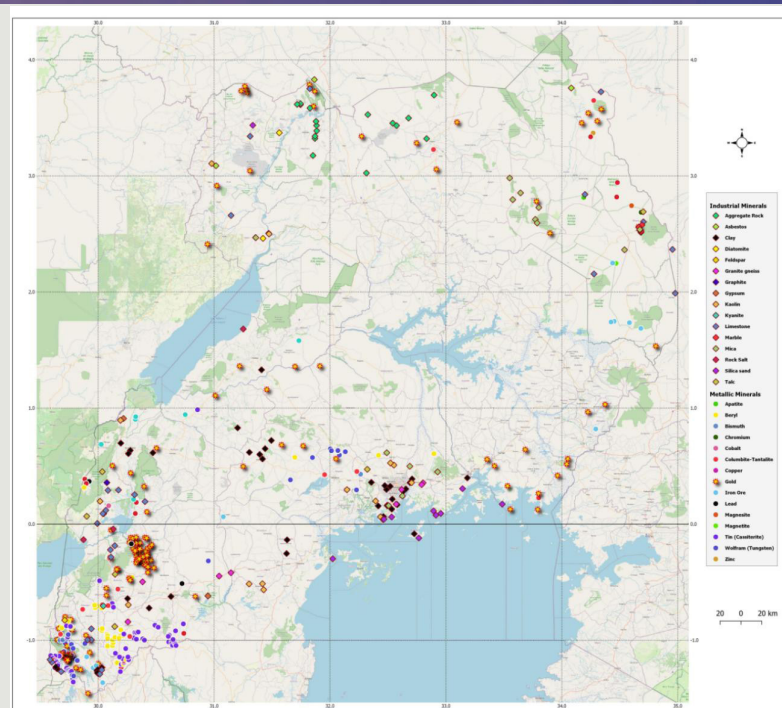
In the 1980s, charcoal and wood provided the majority of Uganda's energy. However, existence of large quantities of petroleum oil and natural gas has discovered in the Lake Albert area, with an estimated 95 million cubic metres (3.4×10<sup>9</sup> cu ft) barrels of crude.

On 13 September 2016, Uganda and Tanzania signed an agreement to construct a 1,445-kilometre crude oil pipeline worth \$3.5 billion. The East African Crude Oil Pipeline (EACOP) will be the first of its kind in East Africa connecting Uganda's oil-rich Hoima region with the Indian Ocean via Tanzania's Tanga port.

Currently, the overall capacity of electricity generation is 1,200MW. 17 hydro and solar power projects are now under construction, an extra 800MW will be added to the national grid. The Government is expanding the network with 726.3 kilometres of new electricity transmission lines.

Uganda has a significant amount of untapped renewable energy resources for energy production and provision of energy services. The overall Government Policy on renewable energy's role in the national economy is to make contemporary renewable energy a significant part of the national energy consumption. The renewable energy sources in the country include solar, wind, water and geothermal energy which all present enormous investment opportunities.

## Mining



More than 80% of the country has been surveyed for mineral quantities and locations. According to the new geo-data, Uganda has vast untapped mineral deposits of gold, oil, high grade tin, tungsten/wolfram, salt, beryllium, cobalt, kaolin, iron ore, glass sand, vermiculite, phosphates (agricultural fertiliser), uranium and rare earth elements. There are also significant quantities of clay and gypsum.

Investment opportunities abound in mining and mineral processing with special incentives granted to the mining sector, including writing off of capital expenditures in full.

The Uganda Mining Act of 2003 and Mining Regulation 2004 grant five types of mining rights. These include:

- Prospecting License;
- Exploration License;
- Retention License;
- Mining Lease; and
- Location License.

Details are available on the website [www.energyandminerals.go.ug](http://www.energyandminerals.go.ug).

An offshore oil and gas platform is silhouetted against a vibrant sunset sky. The platform features a central derrick, several cranes, and a complex network of pipes and structural beams. The sun is low on the horizon, creating a warm orange and yellow glow that reflects on the calm sea. The overall scene is dramatic and industrial.

# Oil and Gas

The oil and gas sector has the potential to contribute significantly to inclusive growth in the country, with investments ranging from US\$15 to US\$20 billion expected over the next three to five years. The discovery of 6.5 billion barrels of oil, 1.2 billion barrels of which are recoverable, is expected to stimulate two major investments: An oil refinery that will process 60,000 barrels per day and the 1,445-kilometre oil pipeline connecting Hoima in Uganda to Tanga Port in Tanzania.

Petroleum laws are in place, and the Ministry of Energy and Mineral Development (MEMD) has established a communication desk to disseminate information about the oil and gas sector. There are investment opportunities in the sector's middle and downstreams. A modern airport is being built in Kabaale village, Hoima, to facilitate direct international flights in and out of the petroleum oil and natural gas mining areas. A refinery is also planned for construction not too far away. Uganda's policy on local content will open

up many opportunities for both investors and Ugandans. Opportunities, therefore, exist in Kabaale and surrounding areas for community development, transportation infrastructure improvement and the establishment of a petroleum-based industrial park.

More information on the sector can be got from the Website: [www.petroleum.go.ug](http://www.petroleum.go.ug)

# Gender, Labour and Social Development

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## Gender

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Uganda has a very robust gender, labour and social development environment. The 2007 National Gender Policy aims to reduce gender inequalities so that all women and men, girls and boys, are able to move out of poverty and to achieve improved and sustained livelihoods. It as well aims to increase knowledge and understanding of human rights among women and men so that they can identify violations, demand, access, seek redress and enjoy their rights. Other aims include to strengthen women's and capacities in decision making for their meaningful participation in administrative and political processes as well as to address gender inequalities and ensure inclusion of gender analysis in macro-economic policy formulation, implementation, monitoring and evaluation. Gender also takes care of the special interest groups such as the children, the elderly and the persons-with-disabilities (PWDs). Any laws, policies, programmes and processes, therefore, bear this in mind. Based on this, there are opportunities for investment in, for instance, multi-purpose community centres and specialised babies homes, youth centres and old people's homes.

## Labour

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Uganda also has robust that provide for the right of every person in the country to practice his or her profession and carry on any lawful occupation, trade or business. Every worker also has a right to form or join a trade union of his or her choice for the promotion and protection of his or her economic and social interests. Besides, every worker in Uganda has a right to collective bargaining and representation as well as the right to withdraw his or her labour in accordance with the law. Moreover, every woman who is a worker has a right to be accorded protection during pregnancy and after birth, again in accordance with the law. Here there are opportunities for establishment of labour training facilities, employment advisory centres and recruitment agencies.

## Social Development

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Uganda also has a number of policies and laws governing the social development sector. Those policies and laws, for instance, empower communities such as the vulnerable and marginalised groups for wealth creation and inclusive development. The laws guarantee among others the freedom to belong to a cultural community and to worship in a way that best befits the individual provided that does not interfere with the rights and freedoms of others. The opportunities to set up religious establishments here are enormous. Also, investors could choose to go into development of sports stadia, musical ensembles and entertainment halls.

# Health and Fitness



Image 5: Vaccination against the Corona Virus Disease 2019 (Covid19). There is always one health challenge or the other into which there is need for investment.

Uganda has a national health service that cascades from the national referral hospitals down to the regional and district hospitals to the health centres at constituency, subcounty and parish level. In the past two years, the country has been able to successfully handle the Covid19 and the Ebola epidemics through that referral system. However, there is also need for expansion, especially at specialist facilities and in the use of telemedicine.

## Information and Communication Technology

Information and Communication Technology (ICT) refers to the different mechanisms that support transition of information to facilitate governance, business and social services.

### Communications

According to Uganda Communications Commission (UCC), the country has 33 telecom operators. By March 2018, the number of mobile phone subscribers had risen to 24.8 million, representing a penetration rate of 70.9 percent. According to Daily Monitor newspaper, the number of mobile telephone customers is expected to reach 25.5 million by June 2020. By the end of September 2020, that figure had risen to 26.5 million. Mobile phones account for more than 95 percent of all internet connections.



Image 6: An Information and Communication Technology (ICT) Learning Centre. To keep up to the international game needs investment in better facilities than this.

Uganda's National Backbone Infrastructure, an initiative aimed at connecting all major towns in the country to an optical fibre cable-based network and to connecting Government institutions to the e-Government Network, has now been expanded to districts across the country. The government and private sector have built approximately 5,110 kilometres of fibre optic cables laid out across the country, providing seamless connections. In addition, 4G technologies have been deployed to provide higher internet speeds, with the goal of transforming access to public and private spectrums as well as boosting e-commerce to enhance economic growth and efficiency. Uganda's ICT sector is one of the most vibrant within the region and a fast-growing sector in the economy, offering numerous opportunities.

Solid legal and regulatory frameworks are supporting growth in this sector. It is also connected to the three marine fibre optic cables off Africa's east coast in the Indian Ocean. The newly developed and quantitative ICT infrastructure is ready to accommodate further investment. Uganda is positioning itself as a hub for business processing and management outsourcing in East Africa. Agriculture, health, tourism, banks, insurance, and public administration offer the most prospects for business process outsourcing and ICT services. Domestic opportunities have been identified in the areas of:

- Digitalisation of services;
- Healthcare services for the ageing;
- Productivity Solutions;
- Web applications;
- Software Development;
- Ware housing; and
- Network Integrations.

# Film

The Ugandan film industry is relatively young. It is growing swiftly, but still faces a number of obstacles. The development of film festivals such as Amakula, Pearl International Film Festival, Maisha African Film Festival and Many Human Rights Festival demonstrates support for the sector. Filmmakers, on the other hand, face competition from marketplaces in other African countries on the continent, such as Nigeria and South Africa, as well as big budget Hollywood films.

The local film industry is divided into two groups of filmmakers. The first is the filmmakers who use the Nollywood video film era's guerrilla approach to film making, churning out a picture in around two weeks and screening it in makeshift video halls. The second is the filmmaker who has the film aesthetic, but with limited funds has to depend on the competitive scramble for donor cash.

Although the Ugandan cinema is evolving, it still faces major challenges. Along with technical problems such as honing acting and editing skills, there are funding, government support and investment issues to contend with. There are no schools in the country dedicated to film, banks do not lend to film initiatives, and distribution and marketing of movies is still weak. The Uganda Communications Commission (UCC) is preparing regulations starting in 2014 that require Ugandan television to broadcast 70 percent Ugandan content and of this, 40 percent to be independent productions. With the emphasis on Ugandan Film and the UCC regulations favouring Ugandan productions for mainstream television, and successful in the near future, Ugandan film may become more

## Lands, Housing and Urban Development

There are four or so types of land tenure in Uganda and those determine what an investor can do or cannot do on the land. Admittedly, land tenure comprises some of the most complex set of laws, policies and practices in the country and an investor is advised not to venture into an enterprise without getting legal counsel here.

### Land

The Land Act (1998) provides for four types of land tenure systems in Uganda. Those are the Customary system, the Leasehold system, the Freehold system, the Mailo land system and the Public land system. It is under such tenure systems under which land can be acquired, owned, utilized and disposed off. If you do not belong to any of the systems of tenure, you do not own land in Uganda. However, you can only be defined as a tenant on a property, a squatter or bona-fide occupant as may the law determine based on circumstances of occupancy. Uganda is relatively a vast country with lots of un-utilized and underutilized land. Uganda's land to a bigger scope is fertile and very excellent for large scale industrialization, residential setups and farming. The Act grants all legitimate and bonafide occupants property rights, establishes land tribunals and decentralizes land administration - which is alright, on the surface until you find courts of law congested as a result of disputes arising from one or the other of the grants.

# Housing

Local authorities in Uganda are empowered to approve building plans. Any person who intends to construct housing is required to apply for a permit to the local authority in the area where the person intends to construct. The application form includes:

- Name as well as physical and postal address of the applicant
- Copy of the land title or other proof of ownership of the land
- Name of the landowner, the land title or other proof of ownership of the land and a statement of the legal relationship between the applicant and the landowner in cases where the applicant is not the owner of the land on which the building operation is to be carried out

- Name, registration number and a copy of the practicing certificate of the architect and his or her signature, and official stamp of the Uganda Society of Architects and in the case of an engineer, a certificate of good structural practice
- Such number of copies of building plans and other documents as may be required by regulations and
- A letter from the Chairperson of the Village Council of the area in which the building operation is to be carried out.

Where the building is a multi-storied structure or building, the application must also include:

- A structural design and plans, stamped by a registered structural engineer including the name, registration number and his or her signature, a copy of the registration

- certificate and a copy of the structural design calculations
- A geotechnical report made by a geotechnical laboratory accredited by the ministry responsible for works and endorsed by a registered geotechnical engineer and
- Where there are any excavations, a design of the soil support system and protection of the adjacent structures, endorsed by a registered geotechnical or structural engineer.
- A Building Control Officer may reject the application giving reasons in writing for the rejection, if the application made to the local authority does not comply with the requirements of the building Act.

The local authority may, upon receipt of an application for a permit, issue a building permit to the applicant within thirty days after the date of receipt of the application. Where the local authority issues a permit, it endorses its approval on the building plan and other documents returns one endorsed copy each of the building plan and other documents to the applicant. Moreover, the local authority issues the permit upon such terms and conditions as it determines. Investors are, therefore, advised to prepare for a rather lengthy process of approval for the building plans before the actual construction begins.



Image 7: Construction work ongoing. Uganda has high demand for investment in modern construction technology.

## Urban Development

Urbanization is often linked with economics – increased job opportunities, a centralized market, better pay and higher individual wealth have all drawn people into cities. And for a long time, these pull factors are what caused cities to grow. There are four types of urban areas in Uganda - the Kampala Capital City Authority (KCCA), the regional cities (such as Arua, Fort Portal, Gulu, Jinja, Lira, Masaka, Mbale, Mbarara, Moroto and Soroti), the municipalities and the town councils. But while urban areas are gazetted under the law, there are other rural areas (especially near Kampala) that have many hallmarks of urban areas - among them dense populations, improved housing with good sanitation and motorable roads all year round. And there are many gazetted areas which are urban only in name while the infrastructure is worse than in some rural areas - sparse populations, grasshatched housing with poor sanitation and roads that are not motorable at any time of the year. Investors, therefore, have many opportunities in the development of modern urban infrastructure.

# Tourism, Wildlife and Antiquities

Tourism thrives in Uganda due to the abundance of wildlife and antiquities. Tourism is the act and process of spending time away from home in pursuit of recreation, relaxation, and pleasure, while making use of the commercial provision of services. People travel to see foreign places, interact with other people as well as taste foods and drinks from other environs. In Uganda, foreign tourists are attracted by the good all year round climate, the abundance of a variety of foods and drinks and the hospitality of its people. However, the facilities in most areas are still rudimentary and need a lot more investment.



Image 8: Tourists climbing a hill. Uganda has a huge but mostly untapped tourism potential.

## Tourism

Tourism in Uganda is focused on Uganda's landscape, wildlife and culture. It was a major driver of employment, investment and foreign exchange, contributing 4.9 trillion Ugandan shillings (US\$1.88 billion or €1.4 billion as of August 2013) to Uganda's GDP in the Financial Year 2012/13. The Uganda Tourism Board (UTB) is in charge of tourism related information in Uganda. The UTB information shows that Uganda is blessed with pristine scenic beauty comprising of forests, hills and mountains, rivers, and lakes, each with great tourism potential. Uganda has landscapes ranging from white-capped Rwenzori mountains and the Great Rift Valley in the west to the vast peniplains with inselbergs cropping out of them in the north-east. Those landscapes host pristine scenic beauty comprising of forests,

hills and mountains, rivers, and lakes. National parks and game reserves with photo safaris through them as primary attractions because in some of them such as the Bwindi Impenetrable National Park (BINP) and the Mgahinga Gorilla National Park (MGNP) live the Mountain Gorilla. The country one of the only three countries with the world's known population of endangered mountain gorillas. Uganda has 50% of the gorillas while the remaining 50% is shared between neighbouring Rwanda and the Congo DR. In the country's national parks, game viewing is the most popular tourist activity. This is due to the country's diverse wildlife, which includes the rare Ishasha tree-climbing lions, white rhinoceros,

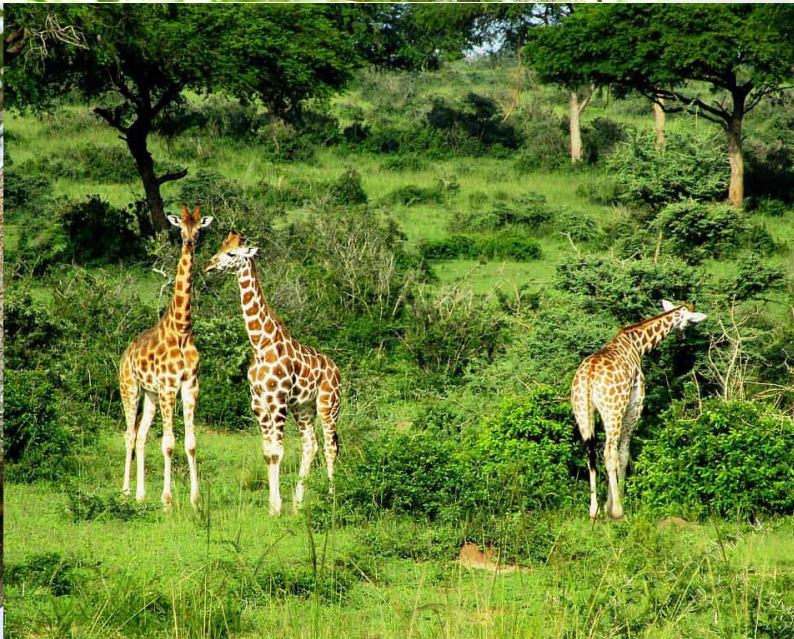
and elephants. Besides, Uganda is a birding paradise. It is home to 11% of the world's bird species (a total of 1,060 bird species) by virtue of having over 1073 recorded bird species and, therefore, ranking 16th internationally and 4th in Africa's bird species.

Uganda having some of the oldest cultural kingdoms in Africa also has many cultural sites which in addition to the wide variety of rites, dances, foods and drinks present unrivaled cultural tourism opportunities. The Uganda Martyrs' Shrines in Namugongo, for instance, is visited by millions of local and international religious tourists because it has the spots where Kabaka Mwanga persecuted the early Christian and Moslem converts. The site where Bishop Hannington was murdered in Mayuge and the Source of the Nile where Mahtma Gandhi's ashes were poured are other cultural tourism destinations.

Tourist numbers are steadily increasing and are projected to have reached 1.5 million per year, contributing 7.7% to GDP. So, tourism is a rapidly growing sector. Investment opportunities range from the construction of high-quality accommodation facilities, operation of tour and travel circuits (bicycle tours, air balloon travel, marine activities on Lake Victoria and river rafting on the Nile River) as well as the development of specialised eco and community tourism facilities and faith-based tourism.

# Wildlife

Uganda's wildlife comprises Carnivores such as lions, leopards, African wildcats, cheetahs and hyenas. Among its herbivores are buffalos, elephants, giraffes, hippos, rhinos, zebras and antelopes. Uganda has reptiles, some of them carnivores such as crocodiles, pythons, snakes and monitor lizards while others such as chameleons are omnivorous. Among its birds are the African eagle, the vultures, the weaver birds, the turacos and the crested cranes. However, conservation of those species has increasingly become challenging and investments in that direction are bound to pay off handsomely.



# Antiquities

These include ideas, practices and objects from earlier periods. These are especially located in places thought to have been sites of Uganda's earliest civilisations. The Bunyoro Kitara dynasty presents Uganda with places such as Bigo bya Mugenyi in Ssembabule, Nakayima tree in Mubende and Amabere ga Nyina Mwiru in Kabarole where myth and fact interact. On the slopes of Mount Elgon in eastern Uganda, there are numerous caves said to have hosted early man and, therefore, a few relics such as earthen cooking pots survive there.

# Trade, Industry and Cooperatives

Most of the Asian Tigers have been able to thrive because of the development of their Trade, Industry and Cooperatives (TIC). Uganda, too, aspires to develop that sector by attracting more investors to get involved in it.

## Trade

Uganda has robust trade with the Europe Union (EU), China and Asia. However, this trade is unbalanced because the country imports more from those countries that it exports. Moreover, it also exports raw materials rather than semi-finished goods. So, investment is needed in systems

that attempt to balance this trade especially by adding growing non-traditional, higher value crops such as Hass avocado and macadamia nuts as well as by adding value to traditional crops such as coffee, cotton and tea before exporting them.



Image 9: Inside a cotton textiles factory. Uganda's climate is suitable for large scale cotton farming.



# Cooperatives

Uganda has a long history of producer cooperative societies and unions. Those unions were established to grow, process and market the traditional cash crops such as coffee, cotton, tea and tobacco. But the cooperatives have fallen on hard times, resulting from the political turmoil of the 1970s and 1980s. Some of their property has been laid to waste while other property has been vandalised. However, by the nature of ownership of cooperatives, it can be very difficult for foreign investors to get involved in them except as joint partners.

## Works and Transport

Works and transport comprises some of the biggest national budget allocations of Uganda.



*Image 10: A bicycle repairer at work. Such basic means or rural transport are still imported from abroad and an investment into local iron and steel industry could save huge foreign exchange costs, create jobs and improve mobility.*

## Works

Uganda has traditionally relied on Kenya for access to the Indian Ocean port of Mombasa. Efforts have intensified to establish a second access route to the sea via the lakeside ports of Bukasa in Uganda and Musoma in Tanzania, which are linked by railway to Arusha in the Tanzanian interior and to the port of Tanga on the Indian Ocean.

The Ugandan Government places a high value on infrastructure. Infrastructure development has contributed significantly to increasing productivity in recent years by providing efficient connectivity and easing the movement of commodities and the provision of services. Infrastructure funding currently comprises about 32.8% of the Government's total annual expenditure.

## Transport

Entebbe International Airport, located 25 miles (40 kilometres) southwest of Kampala, serves as Uganda's principal entry, and exit point for international traffic. In 2017, airport traffic reached 1.53 million passengers, an increase of 8% over the previous year.

The air transportation system is served by 47 aerodromes spread evenly across the country. The Uganda's Civil Aviation Authority (CAA) owns, operates, and manages 14 of them. To encourage trade and tourism, the Government has designated five other airports as entry/exit (international) points. Arua, Gulu, Pakuba, Kidepo and Kasese are among. The remainder of the aerodromes are owned, operated, and managed by the private sector and local authorities. To fully assist the aviation industry, the government has revived the national carrier, Uganda

Airlines. Uganda Airlines joins the 12 commercial airlines currently operating at Entebbe International Airport, which will further support the aviation industry and develop the international airport into an international hub in order to meet the desired targets of 3.5 million passengers and 100,000 metric tonnes of cargo per year. It is also developing Hoima International Airport of the Albertine region in the western Uganda to serve the oil industry.

Road transportation is the most essential way of transportation in Uganda. Road traffic handles 95% of all freight and passenger traffic. The national roads account for around 17% of the road network, yet it carries over 80% of overall traffic. There are 83,000 private automobiles in Uganda which equates to 2.94 cars per 1000 inhabitants.



The entire length of Uganda's road network is 144,785 kilometres, of which 5,111 kilometres are paved with the remainder are gravel or earth roads. The Government's goal is to increase the length of paved roads under the national road network to 6,000 kilometres by 2020 and 20,000 kilometres by 2025. Physical works on three oil roads totalling to 363 kilometres out of 600 kilometres are under way to the Government's aim of beginning commercial oil production by 2020. This will aid the establishment of an oil and gas industrial park in western Uganda, as well as the promotion of new commercial ventures.

Uganda's rail network in is approximately 783 miles (1,260 kilometres) long. The longest main line is from Tororo to Kampala (155 miles or 249 kilometres), followed by the western line from Kampala to Kasese (207 miles or 333 kilometres) while the northern line from Tororo to Pakwach is 398 miles or 641 kilometres.

The Ugandan government is committed to developing the national railway system as the most effective mode of transport. The competitiveness and industrialisation agenda of the country informs this commitment. The rail sub-sector is scheduled to undergo significant changes, notably the transition from the meter gauge rail (1 067mm) to the standard gauge (1 435mm). Higher operational speeds and compatibility with regional railways will be enabled by this adjustment. The Government rehabilitated and restored the ancient Meter Gauge Railway (MGR), resulting in the reopening of the Kampala - Port Bell - Mwanza - Dar-es-Salaam route in June 2018, with a goal of promoting regional trade. The Government aims to increase the percentage of freight cargo transported by rail from 10% to about 20%.

Water transportation is one of Uganda's quickest and cheapest means of transport. The country's waterways, particularly Lake Victoria, provide a cost-effective

alternative form of transportation for passengers and freight within Uganda and its neighbours. The country has 18 inland water ports spread across the different water bodies, the majority of which are on Lake Victoria and are plied by over 170 vessels conveying an estimated 6 to 8 million passengers per year.

To improve the mobility of both passenger and cargo traffic, the Government is expanding investment in water transportation infrastructure. The sub-sector contains 10 ferry routes connecting to national roadways that span 110 kilometres across lakes and rivers. The underutilised infrastructure is a viable investment opportunity, particularly for the growing tourism market and intra-regional trade. In order to improve safety on water bodies, the Government has mandated that all water vessels be registered, with the goal of ensuring safety of boats, passengers, and properties. This is in addition to other projects such as the planned rehabilitation of Port bell and Jinja ports.

# Water and Environment

Water is very important for drinking, washing and general sanitation in households, propagation of plants and animals in farming and for other diverse purposes in industrial processes. But how that water is extracted, used and disposed off may either improve or deteriorate the environment.

## Water

According to a 2006 published report, the Ugandan water supply and sanitation sector has achieved significant improvement in urban areas since the mid-1990s, with significant gains in coverage as well as in operational and commercial performance. Commercialisation and modernisation of the National Water and Sewerage Corporation operating in cities and bigger towns, as well as decentralisation and private sector engagement in small towns, were among the sector changes implemented between 1998 and 2003.

Despite the fact that these reforms have garnered substantial international attention, 38 percent of the population still had no access to better water sources in 2010. Figures on access to improved sanitation have varied widely. In 2011, it was 70 percent in rural areas and 81 percent in urban areas, according to government figures,

but only 34 percent according to UN figures.

The water and sanitation sector was identified as a critical area under the 2004 Poverty Eradication Action Plan (PEAP), the country's principal poverty-fighting policy document. A comprehensive expenditure framework was implemented in 2006, according to a published study, to co-ordinate financial support from external donors, the national government and non-governmental organisations. The PEAP estimated that increasing water supply coverage up to 95 percent would require approximately US\$1.4 billion, or US\$92 million per year, between 2001 and 2015, with rural areas requiring US\$956 million, urban areas and large towns requiring US\$281 million, and small towns requiring US\$136 million.

As the country strives to boost productivity in the agricultural and industrial sectors, the provision of water for production (WfP) is critical. There has already been significant investment in the country to create and upgrade water sources to facilitate irrigation and water provision for livestock.

### The upgrading of water production facilities has already led to the following achievements:

- Increased the functionality of WfP facilities from 86.1 to 86.7% in 2017/18;
- Increased the cumulative WfP storage to 39.3 million m<sup>3</sup> from 38.2 million m<sup>3</sup>;
- Established 40 farmer field schools at the existing WfP facilities;
- Construction of one irrigation scheme and one earth dam;
- Constructed 13 communal valley tanks, 106 valley tanks on individual farms and 14 wind powered watering systems; and
- Initiated feasibility studies for five multi-purpose mega irrigation schemes.

## Rural Water Supply

The Department of Rural Water Supply and Sanitation Department (DRWSS), which is part of the Ministry of Water and Environment's Directorate of Water Development, is in charge of providing safe water and sanitation services in rural areas throughout the country. The department coordinates the use of the District Water and Sanitation Conditional Grant (DWSCG) to District Local Governments (DLGs), providing support to the planning and development of water supply and sanitation projects (large gravity flow schemes, large motorised piped water schemes and solar powered mini-piped water systems), as well as the promotion of appropriate technologies and sanitation practices in rural areas.

The provision of rural water supply and sanitation encompasses entire communities or villages (at the level of Local Council with scattered populations in settlements of up to 1,500 people, and Rural Growth Centres with populations of between 1,500 and 5,000 people). According to the Sector Performance Report 2018, the rural population is predominantly served by borehole technology.

The main technology options used for water supply improvements in rural areas include deep boreholes (44%), shallow wells (24%), and protected springs (21%). Others include tap stands/

kiosks of piped schemes and rainwater harvesting tanks (11%). However, Sustainable Development Goals (SDG) No.6 to achieve universal and equitable access to safe and affordable drinking water for all by 2030, which can only be achieved through piped water supplies.

Therefore, opportunities exist in:

- Installation of water supply and storage systems in both rural and urban areas;
- Installation of water sanitation services;
- Construction of piped water systems;
- Construction of Water

for Production facilities (including "off-farm" facilities- the development of water sources and bulk transmission to farm gates - and "on-farm" facilities, which refers to irrigation infrastructure, water use and management;

- Construction of boreholes, including motorised ones, shallow wells, and protected springs; and
- Construction of tap stands/ kiosks of piped schemes and rainwater harvesting tanks and gravity flow schemes.

## Environment

The water masses, plants and air surrounding us comprise the environment. There are plenty of opportunities in the planting of trees to protect that environment and, in turn, the harvesting of the trees to make timber and other building products. Besides, forests are great source of food such as honey, mushrooms and bamboo.



# Science, Technology and Innovation

The National Science, Technology and Innovation Policy was established in 2009.

Its primary mission is to ‘strengthen national capabilities to generate, transfer and utilise scientific knowledge, skills and technologies to ensure sustainable utilisation of natural resources for the realisation of Uganda’s development objectives.’

The policy precedes Uganda Vision 2040, which was launched in April 2013 with the goal of transforming ‘Ugandan society from a peasant to a modern and prosperous country within 30 years,’ according to the Cabinet. Uganda Vision 2040 pledges, among others, to boost the private sector, improve education and training, upgrade infrastructure and the underdeveloped services and agriculture sectors, foster industrialization and promote good governance. Oil and gas, tourism, minerals, and information and communication technologies (ICTs) are all potential economic development areas.

Uganda was ranked 114th in the Global Innovation Index in 2020, down from 102nd in 2019. Between 2008 and 2010 research funding increased from 0.33% to 0.48% of GDP. Over the same period, the number of researchers more than doubled (in head counts) from 1 387 to 2 823, according to the UNESCO Institute for Statistics. This reflects an increase from 44 to 83 researchers per million inhabitants over the same period. One in every four researchers is a female.



# Set Up and Exit One Stop Centre

Uganda has reduced the amount of bureaucracy required to obtain licences and permits in order to make it easier to do business in the country. The Uganda Investment Authority (UIA) established the One-Stop Centre by amending of the Investment Act, 2019 providing investors with a single access point for information and service transactions for investors. It also houses Government and private sector institutions that are in charge of investment facilitation.

## The Centre has 12 agencies:

- Uganda Registration Services Bureau (URSB), which is mandated to register all business entities in Uganda which are required by law to be registered;
- The Uganda Revenue Authority, which issues a tax identification number. This can be processed on-line via the Uganda Revenue Authority website [www.ura.go.ug](http://www.ura.go.ug) or physically at the Centre;
- The Kampala Capital City Authority for trading and occupation permits;
- The Directorate of Citizenship and Immigration Control, which deals with visa and work permits for expatriate staff;
- The Ministry of Lands, Housing and Urban Development for processing land occupancy and ownership certificates, including land in industrial parks and other facilities;
- The National Environment Management Authority, which deals with Environmental Impact Assessments (EIAs);
- The Uganda National Bureau of Standards (UNBS) for certifying standards and quality of goods;
- The utility companies, UMEME (for power) and National Water and Sewerage Corporation;
- The Kampala Capital City Authority (KCCA); and
- The Uganda Free Zone Authority (UFZA).

## **Diamond Trust Bank,**

**a regional financial services institution, and Giants Club of Uganda, an international conservation agency, both have offices there.**

In addition to their statutory mandates, these various institutions, play complementary roles in the broader objective of supporting and facilitating investment in Uganda through the formation of an enabling business environment. Business registration, tax, environmental impact assessments, immigration, product certification services, trading licences, banking services, and access to electricity and water services are among the services provided by the One-Stop Centre. The Giants Club of Uganda showcases investment opportunities in the tourism sector. As a result, the Centre thus ensures that all licences and permits required to operate in Uganda are easily obtained under one roof. The majority of the services are now available online through the eBiz platform, [www.ebiz.go.ug](http://www.ebiz.go.ug).

## **Business Registration**

in Uganda, company registration is the initial step to formalising a business. The URSB is mandated by the Registrations Services Act to register all business entities in Uganda.

The Business Registry is responsible for the registration of:

- Public /Private Companies.
- Legal Documents (e.g. Constitutions, Agreements Deeds, Powers of Attorney, etc).
- Security Documents (e.g. Mortgages, Chattels Debentures, etc).

# Registering a Local Company



To Register a Local Company limited by shares, one needs to Reserve the name to be used and then file the following documents with the Registrar of Companies:

- Companies Registration Form (s.18).
- Memorandum and Articles of Association (if any).
- Other Company forms.

A1 – Statement of Nominal Capital.

To register a Local company limited by guarantee, one needs to reserve the name to be used and then file the following documents with Registrar of Companies:

- Company Registration Form (s.18); and
- Memorandum and Articles of Association.

When you have all the documents ready, you can either pick assessments forms from our office or do self-assessment and pay registration fees and stamp duty. To complete the registration process, the Registrar issues an official certificate of incorporation to the newly formed company within two business days.

After the company has been registered, the following forms must be filed (Company Returns).

- Company Form 20 – Particulars of Directors and Secretaries (Within 14 days)
- Company Form 18 – Notice of Situation of Registered Office & Postal Address (within 14 days)
- Company Form 10 – Return of allotment (within 60 days)
- Form of Annual Return for a company limited by shares (to be filed once every year).

## Registering a Foreign Company

A foreign company is one that is incorporated in another country than its own. In order to conduct business in Uganda, such a company must be registered.

To register a foreign company, the following documents are required:

- Certified copies of Memorandum of Articles of Association/Charter/ Constitution and Certificate from the country of origin duly witnessed.
- Registration forms:
  - Form 24 – Particulars of Directors and Secretary;
  - Form 13 – Statement of all subsisting charges;
  - Form 25 – List of Names and Address of Persons Resident in Uganda authorized to accept service on behalf of the company; and
  - Form 26 – Address and Principal Office of Company.

When you have all the required documentation, you may either do self-assessment or pick up assessment forms from the URSB office and pay the required fees. A certificate of registration will be issued within two business days of registration.

An One-Stop Centre (OSC) Registration Services Bureau Officer is available to assist and offer advice to prospective investors. The necessary company formation documents can be downloaded from [www.ursb.go.ug](http://www.ursb.go.ug).

## Selected Fees Payable to the URSB

Matter	Amount (UGX unless otherwise specified)
<b>Reserving a name</b>	35,000
Making a request to the registrar to approve and reserve a company name or change a company's name	
<b>Registration and stamp Duty fees</b>	
The registration of a company with a nominal share capital of less than UGX 5,000,000	105,000
The registration of a company with a nominal share capital exceeding UGX 5,000,000	1.5% of the nominal share capital
The registration of a company without nominal share capital	105,000
The registration of any increase in share capital made after the first registration of the company	1% of the amount by which the increased share capital exceeds the share capital on the preceding registration
Registration of the increase of share capital of a company	20,000
Stamp duty on the increase of share capital	0.5% on the amount of increase on share capital
Stamp duty for a company without share capital (Limited by Guarantee)	35,000
<b>Registering company forms and resolutions</b>	
The certification of any company document (3 copies)	35,000
Every extra copy	10,000
<b>Transferring shares</b>	
The registration of any document effecting a transfer of shares (3 copies)	35,000
Every extra copy	10,000
Stamp duty on transfer of shares	1.5% of the amount being transferred
<b>Registering Foreign Companies' Memorandum, Constitution, Charter or any other</b>	
Registering a certified copy of the charter, statute or memorandum and articles of the company or other instrument constituting or defining the constitution of the company (3 copies)	US\$350
Every extra copy	US\$10
<b>Registering Document under Part X</b>	
Registering any other documents such as Forms 13, 24, 25, 26 and resolution required to be delivered to the registrar under part X of the Act (3 copies)	US\$70 for a set of three forms each
Every extra copy	US\$10
<b>Registration of Annual Returns</b>	
For a company limited by shares	55,000
For a company Limited by Guarantee (audited accounts to be attached)	35,000
Filing for exemptions for a Commonwealth country	US\$55
Filing Audited accounts for a non-Commonwealth country	US\$55

For additional information please visit [www.ursb.go.ug](http://www.ursb.go.ug)



# Acquiring an **INVESTMENT LICENCE**

Foreign Investors are required to acquire an investment licence from the Uganda Investment Agency (UIA), as it is the instrument that legalises the investment in Uganda.

**To get an investment licence from the UIA, Foreign investors are required to commit a minimum of US\$250,000 in anticipated investment, whereas minimum investment required for Local investors is US\$ 50,000.**

Persons seeking to engage in trade do not need a UIA licence but must demonstrate access to US\$100,000 operating capital before trading licences and the recommendations for work permits can be issued by local authorities.

The Investment Licence will be issued within two days after receiving and verification of the required documentation and evidence indicating registration of the business, a business and investment plan, evidence of funds and proof of location.

Online applications for investment licences can be submitted to the UIA. After submitting all the required documentation along with the filled form, the license is issued for free within two business days.

## **Documentation required includes:**

- **Copy of the Certificate of Incorporation;**
- **Copy of the Memorandum and Articles of Association;**
- **A brief business plan;**
- **Proof of financial ability to implement proposed project i.e. bank statement or letter project support from a bank; and**
- **Proof of proposed physical location of project.**

## Regulatory Licences

There are some sectors that require regulatory approvals from the relevant entities. These include energy generation, mining, banking, air transport, pharmaceuticals production, education and health. Before applying for the Investment License, regulatory approvals, permits, or licenses must be obtained. The majority of the secondary licences required for conducting business in Uganda can be provided at the UIA's One-Stop Centre. The OSC Staff are available to assist the investors with these regulatory approvals.

Detailed requirements are available from [www.ugandainvest.go.ug](http://www.ugandainvest.go.ug).

# Immigration Services

The Directorate of Citizenship and Immigration Control is represented within the OSC in order to expedite the requisite immigration documentation required for foreign investors. A Principal Immigration officer in the OSC is always available to handle the processes of visa renewals, special passes, dependant passes and their renewal, work permit issuance and renewal as well as certificates of residence for eligible investors and their overseas employees, among others.

## Entry Permit

Visas and work permits are usually issued as single entry permits for potential investors looking into the possibility of establishing or carrying out any business, trade or profession in Uganda. Multiple entry visas can be granted to business executives who anticipate making multiple visits. Foreign visitors to Uganda must obtain visas from Uganda's Diplomatic and Consular Missions abroad prior to their travel. Visas can be obtained at the point of entry in cases where foreign nationals do not have access to Uganda's diplomatic and consular missions abroad. Every year, different classes of work permits are issued. More information is available on the website: [www.immigration.go.ug](http://www.immigration.go.ug).

The entry permits, which are primarily in five classes, are laid out in the table below:

Class	Persons Covered
A	Persons in Government services, UN organisations, the African Union, the Preferential Trade Area and other Institutions approved by the minister
A2	Contracting companies of the said organisations and Government contract agencies
B-F	Investors in various sectors
G1	NGOs, religious organisations and missionaries
G2	Employees in private organisations/companies

Source: Uganda Investment Authority

Investors and employees are obliged by law to post a security bond equal to the cost of a single economy class ticket to their home country. If necessary, the money would be used to pay expenses incurred or that may be paid by the Government in connection with the maintenance and/or repatriation of the individual for whom the deposit was made. Class A entry permits are free of charge. The other classes must pay the published rates in foreign currency or the local currency equivalent.

## Current Visa Rates

Type of Visa	Amount
Single-entry Visa	US\$50
Multiple entry visa (6, 12 months)	US\$100

Citizens of some countries, including the EAC, COMESA and some Caribbean countries, are exempted from visa fees.



# Environmental Compliance

The National Environment Management Authority (NEMA) is a government institution that was established as the primary agency in Uganda charged with the responsibility of coordinating, monitoring, regulating, and supervising

environmental impact/mitigation compliance and management. NEMA is responsible for ensuring that all investments have a minimal impact on the environment. Following assessment and acceptance of environmental audits conducted by NEMA-

authorized experts, EIA studies and Resettlement Action Plans (RAP), NEMA issues environmental clearance certificates.

More Information is available on the NEMA website: [www.nemaug.org](http://www.nemaug.org) or e-mail [info@nemaug.org](mailto:info@nemaug.org).



## Uganda Taxation Structure

The Uganda Tax System can be summarised within Six (6) major Elements

- Individual and Corporate income tax;
- Value added tax (VAT) on goods and services;
- Import and Excise duties;
- Stamp duty;
- Pay As You Earn (PAYE) for employees; and
- Rental Tax for rental property owners.

An OSC tax official is available to assist and provide tax advice. Applications for Tax Identification Numbers (TIN) can be done on-line, and the guidelines can be accessed via the URA website [www.ura.go.ug](http://www.ura.go.ug).

# Land for Investment

The Ministry of Lands and Urban Development is mandated

“To ensure a rational, sustainable and effective use and management of land and orderly development of urban and rural areas as well as safe, planned and adequate housing for socio-economic development”.

The ministry has two departments that are directly related to land acquisition for investment:

- The Department of Land Administration - responsible for supervision of land administration institutions and valuation of land and other properties; and
- The Department of Land Registration - responsible for issuance of certificates of titles, general conveyance, keeping custody of the national land register, coordination, inspection, monitoring, and back-up technical support relating to land registration and acquisition processes.

Land in Uganda is under four (4) major land tenure systems which may be available for investment purposes. These are:

- Leasehold Tenure - one-party grants to another the right to exclusive possession of land for a specified period, usually in exchange for the payment of rent. The longest lease term is 99 years.
- Freehold Land Tenure - Originating in the Constitution and written law, this is only available to citizens of Uganda and may involve either a grant of land in perpetuity, or for a lesser specified time period.
- Mailo Land Tenure- arising out of the 1900 Buganda Agreement and, therefore,

is only applicable to some parts of the country, can be held in perpetuity, is almost identical to freehold tenure but, unlike some freeholds, is registered

- Customary Tenure- held communally in some parts of the country while in some it belongs to a particular clan and in others it is held by individuals, the rules widely vary in different parts of the country.

A Land Registrar in the OSC is always available to guide and assist investors on land leasing and registration requirements during the land acquisition procedures. More Information on acquiring land for investment is available on the website: [www.mlhud.go.ug](http://www.mlhud.go.ug).

## Land in Industrial Parks

Uganda prioritises investment in industrial parks as a strategy for adding value to agricultural products, light manufacturing as well as turning minerals into finished products.

# LEGAL FRAMEWORK AND PROCEDURES

Investments in the country are governed by the Investment Code Act Cap 74, and Uganda Investment Authority is the country's major Investment Promotion Agency (IPA). It's a One-Stop Centre (OSC) that promotes, attracts, facilitates, registers, monitors, and evaluates all types of investments and economic activities in Uganda. In addition, it promotes policies and measures designed to boost investment projects in Uganda. Investments in Uganda are guaranteed under the 1995 Constitution (as amended) and under the Investment Act, Cap 74. The country is a signatory to major international investment treaties and related institutions such as:

- Multilateral Investment Guarantee Agency (MIGA);
- Overseas Private Investment Corporation (OPIC) of the USA;
- Convention on the Recognition and Enforcement of Foreign Arbitral Award (CREFAA);
- Islamic Corporation for the Insurance of investment and Export Credit (ICIEC); and
- World Trade Organization (WTO) agreements such as ICSID, TRIMS, GATS, and TRIPS.

## Salient features of the Investment Code Act

Under the Investment Code, "foreign investor" means:

- a person who is not a citizen of Uganda;
- a company, other than a company referred to in subsection (2), in which more than 50 percent of the shares are held by a person who is not a citizen of Uganda; or
- a partnership in which the majority of partners are not citizens of Uganda.

## Regulation of foreign investment

Upon compliance, the Bank of Uganda shall issue a certificate of remittance to the foreign investor. The Bank of Uganda shall then go ahead to lodge an application, in writing, to the immigration department. The application shall contain the certificate of remittance and other information that may be required by the department. The Immigration and Citizenship Department may issue an entry permit to a foreign investor if the requirements of this section and immigration regulations are met.

Following the receipt of an entry permit, the investor must submit a written application for a trading licence to the local authority where the business will primarily be conducted.

## Application for an investment licence

An application for an investment license shall be made in writing to the UIA Executive Director and shall contain the following information:

- The name and address of the proposed business enterprise, its legal form, its bankers, the name and address of each director or partner, as the case may be, and the name, address, nationality and shareholding of any shareholder who is not a citizen of Uganda;
- The nature of the proposed business activity and the proposed location where that activity is to be carried on;
- The proposed capital structure, amount of investments and the projected growth over the next five years or more;
- The estimated number of persons to be employed;
- The qualifications, experience, nationality and other relevant particulars of the project management and staff;
- The incentives for which the applicant expects to qualify and the details of such qualifications; and
- Any other information relating to the viability of the project or other matter as the applicant considers relevant to his or her application.

## Appraisal of applications

The authority shall, when examining a request for an investment licence in accordance with the provisions of the Code, conduct an evaluation of the proposed business enterprise to determine whether or not it is able to contribute to the following goals:

- The generation of new earnings or savings of foreign exchange through exports, resource-based import substitution or service activities;
- The utilisation of local materials, supplies and services;
- The creation of employment opportunities in Uganda;
- The introduction of advanced technology or upgrading of indigenous technology;
- The contribution to locally or regionally balanced socioeconomic development; or
- Any other objectives that the authority may consider relevant for achieving the objects of the Investment Code.

# INVESTMENT LICENCE

After the applicant for an investment licence and the authority have reached an agreement on the terms and conditions of the investment licence as well as the incentives, if applicable, the authority shall issue to the applicant an investment licence which shall:

- Authorize the holder of a licence to make all arrangements necessary for establishing the business enterprise described in the licence;
- Contain the terms and conditions of the investment licence and incentives, if any;
- Have a validity of not less than five years from the date of issue; and
- Contain any other information or details as may be prescribed.

## Extension of validity of investment licence

If the holder of an investment licence is unable to commence operating on the date that the validity of his or her investment licence begins or within the period of time that the licence is valid, the holder of the investment licence may apply to the authority for an extension of the period of time that the licence is valid, providing reasons for why the extension is necessary.

If satisfied with the reasons given under subsection (1), the authority shall extend the validity of the licence for a period it deems reasonable.

If, for any reason, the holder of an investment licence ceases to operate the enterprise to which the licence relates, he or she must notify the authority in writing and shall be entitled to all rights and be liable to all obligations accrued under this Code up to the date he or she ceases to operate the enterprise, and his or her licence shall be deemed to have expired on that date.

Where a holder of an investment licence does not commence operations within the period of validity of his or her licence and:

- No application has been made for its extension; and
- The licence has not been surrendered, the authority may, subject to the rights of innocent third parties, declare anything done or any benefit obtained under the licence to be void ab initio and notify the holder of the licence accordingly.

## Implied terms and conditions of investment licence

An investment licence may also contain any of the following undertakings by the investor:

- To maintain proper financial and accounting records, returns, samples and data relating to the operations of the business enterprise; or
- To permit the authority or its employees or agents' reasonable access to monitor the operations of the business enterprise.

**Subject to any agreement between the authority and the investor, a licence may contain any of the following undertakings by the investor:**

- **To invest not less than a specified amount whether in cash or in relation to the value of machinery, buildings, or other assets;**
- **To employ and train citizens of Uganda to the fullest extent possible with a view to the replacement of foreign personnel as soon as may be practicable;**
- **To purchase goods or services produced or available in Uganda if in terms of price, quality or availability, those goods and services are competitive with similar imported goods and services used in the business enterprise; or**
- **To take necessary steps to ensure that the operations of his or her business enterprise do not cause injury to the ecology or environment.**

## Revocation of licence

Where an investment licence has been issued and it is later discovered that it was issued as a result of a materially false or fraudulent representation or in consequence of incorrect information supplied by the investor, the authority shall give written notice to the investor requiring him or her to show cause within a reasonable time why the licence should not be revoked.

If an investor violates any provision of this Code or the terms and conditions of his or her investment licence, the authority may issue a written notice to the investor requesting the investor to show cause within a reasonable time why the licence should not be cancelled.

## Exemption of investors from import duties and sales tax

- An investor importing any plant, machinery, equipment, vehicles, or construction materials for an investment project shall benefit from the concessional rates of import duty and other taxes as may be specified in the Finance Acts from time to time.
- For the purpose of this section, where the new investment involves two or more phases, all those phases shall be treated as forming part of the new investment.

## First arrival privileges

**A foreign investor who possesses an investment licence and his or her expatriate staff shall be exempted from the payment of import duty and sales tax payable on the following items imported within twelve months from the date of first arrival:**

- **One motor vehicle for his or her personal use; and**
- **Personal and household effects.**

## Additional incentives for certain exporters

A holder of a certificate of incentives shall be entitled to a drawback of duties and sales tax payable on imported inputs used in the production of goods for export, in accordance with any applicable law imposing such duties and taxes.

## Obtaining credit from domestic sources by foreign investors

A foreign investor who holds an investment licence may obtain credit from domestic financial institutions for the business enterprise to which the licence relates, up to the limit established by the Bank of Uganda in

consultation with the authority, taking into account the amount of foreign capital invested in the business enterprise.

A foreign investor who obtains credit in accordance with solely for the purpose of carrying out

the activities specified in the investment licence.

The authority may for the purposes of this section appoint its officer or agent to verify the due application of the credit obtained under subsection (1).

## Protection in case of compulsory acquisition

The business enterprise of a licenced investor under this Code, or an interest or right over any property or undertaking constituting part of that enterprise, shall not be compulsorily taken possession of, or acquired unless in compliance with the Constitution of Uganda.

When a licensed business enterprise of an investor or an

interest or right over property forming part of that enterprise is compulsorily taken possession of or acquired, compensation in respect of the fair market value of the enterprise specified in the enterprise or an interest or right over property forming that enterprise shall be paid within a period not exceeding twelve months from the date of taking

possession or acquisition.

Any compensation that is paid out to the investor in accordance with provision shall be freely transferable outside of Uganda and shall not be subject to any exchange control restrictions under the Exchange Control Act or any law made under that Act.

## Settlement of disputes

When a dispute arises between a foreign investor and the authority or the government regarding a licensed business enterprise, every effort must be taken to reach an amicable resolution through negotiations.

A dispute between a foreign investor and the authority or the Government about a licensed business enterprise that cannot be resolved through negotiations may be submitted to arbitration in accordance with the following procedures, as mutually agreed upon by the parties:

- In accordance with the International Centre for the Settlement of Investment Disputes Rules of Procedure for Arbitration;
- Within the framework of any bilateral or multilateral agreement on investment protection to which the government and the country of which the investor is a national are parties; or
- In accordance with any other international machinery for the settlement of investment disputes.

The licence in respect of an enterprise may stipulate the particular mode of arbitration to be resorted to in the case of a dispute relating to that enterprise, and that specification shall constitute the consensus of the Government, the authority or their respective representatives and the investor to submit to that mode and forum of arbitration.

In the event that the parties to a dispute cannot agree on the mode or forum for arbitration, the party aggrieved by compulsory acquisition or possession or the amount of compensation payable, or in respect of any other matter relating to the business enterprise

may apply to the High Court for the determination of any of the following:

- His or her interest or right;
- The legality of the taking of the possession or acquisition of the property, interest or right;
- The amount of compensation to which he or she is entitled and the prompt payment of that compensation; and
- Any other matter in dispute relating to the business enterprise.

## Appendix 1: Uganda's Mid-Year Population Projections

Year	2023			2024			
	District/City	Male	Female	Total	Male	Female	Total
1	Abim	90,500	92,300	182,800	96,000	97,600	193,600
2	Adjumani	114,100	125,900	240,000	114,500	126,700	241,200
3	Agago	127,300	135,200	262,500	129,000	137,000	266,000
4	Alebtong	141,100	145,300	286,400	144,600	148,600	293,200
5	Amolatar	91,400	90,600	182,000	93,500	92,400	185,900
6	Amudat	76,000	75,900	151,900	78,700	79,100	157,800
7	Amuru	114,100	118,400	232,500	116,700	121,000	237,700
8	Apac	124,100	125,500	249,600	128,100	129,400	257,500
9	Kwania	115,900	118,700	234,600	118,900	121,600	240,500
10	Dokolo	115,300	117,600	232,900	118,300	120,400	238,700
11	Gulu City	110,300	115,200	225,500	113,200	118,100	231,300
12	Gulu	62,500	64,500	127,000	64,100	66,100	130,200
13	Omoro	107,200	109,200	216,400	110,600	112,600	223,200
14	Kitgum	114,100	118,800	232,900	115,500	120,200	235,700
15	Koboko	144,100	143,400	287,500	149,300	148,300	297,600
16	Kole	153,700	155,100	308,800	158,100	158,900	317,000
17	Kotido	106,300	113,400	219,700	108,500	115,400	223,900
18	Lamwo	70,500	77,600	148,100	70,900	78,400	149,300
19	Lira City	124,700	137,600	262,300	127,600	141,000	268,600
20	Lira	123,500	130,200	253,700	126,400	133,400	259,800
21	Maracha	104,400	115,100	219,500	106,100	116,800	222,900
22	Moroto	60,300	66,000	126,300	61,500	67,300	128,800
23	Nakapiripirit	62,200	65,900	128,100	64,700	68,500	133,200
24	Nabitaluk	49,500	53,000	102,500	51,900	55,200	107,100
25	Napak	75,400	90,800	166,200	76,400	92,300	168,700
26	Nebbi	149,400	156,900	306,300	153,400	160,700	314,100
27	Pakwach	108,300	110,700	219,000	112,400	114,200	226,600
28	Nwoya	157,000	157,300	314,300	172,600	172,700	345,300
29	Otuke	74,600	76,000	150,600	77,600	79,000	156,600
30	Oyam	241,200	250,400	491,600	247,500	256,700	504,200
31	Pader	100,200	106,500	206,700	101,500	108,100	209,600
32	Yumbe	357,800	417,200	775,000	375,000	440,200	815,200
33	Zombo	149,600	156,500	306,100	153,600	160,300	313,900
34	Moyo	58,200	58,200	116,400	59,500	59,300	118,800
35	Obongi	26,800	25,500	52,300	27,300	25,900	53,200
36	Arua City	185,700	203,800	389,500	190,600	208,800	399,400
37	Arua	81,400	87,000	168,400	83,300	89,000	172,300
38	Terego	122,200	129,300	251,500	125,000	132,000	257,000
39	Madi Okollo	87,000	89,800	176,800	89,000	91,900	180,900
40	Kaabong	63,200	71,200	134,400	64,500	72,600	137,100
41	Karenga	36,000	37,100	73,100	36,900	37,900	74,800
42	Amuria	123,300	125,200	248,500	127,400	129,000	256,400
43	Kapelebyong	56,600	55,900	112,500	58,300	57,200	115,500

Year	2023			2024		
District/City	Male	Female	Total	Male	Female	Total
45 Bududa	155,800	151,400	307,200	162,300	157,500	319,800
46 Bugiri	264,100	272,300	536,400	274,000	281,800	555,800
47 Bukedea	144,200	147,600	291,800	150,000	153,100	303,100
48 Bukwo	70,500	66,700	137,200	73,900	69,700	143,600
49 Bulambuli	131,300	133,200	264,500	137,300	139,200	276,500
50 Busia	204,800	211,900	416,700	210,500	217,100	427,600
51 Butaleja	164,900	167,300	332,200	170,600	172,500	343,100
52 Buyende	232,600	235,800	468,400	242,200	244,900	487,100
53 Iganga	212,600	224,200	436,800	218,500	229,800	448,300
54 Bugweri	99,400	106,200	205,600	101,800	108,500	210,300
55 Jinja City	137,300	143,600	280,900	139,100	145,200	284,300
56 Jinja	126,000	128,900	254,900	127,500	130,400	257,900
57 Kaliro	157,400	160,500	317,900	162,400	165,400	327,800
58 Katakwi	105,400	104,300	209,700	108,100	106,500	214,600
59 Kibuku	135,900	142,300	278,200	140,700	147,000	287,700
60 Kween	61,300	56,700	118,000	62,900	57,900	120,800
61 Luuka	135,500	146,100	281,600	137,800	148,400	286,200
62 Manafwa	92,000	94,300	186,300	93,900	96,100	190,000
63 Namisindwa	124,300	123,600	247,900	127,200	126,000	253,200
64 Mayuge	300,600	314,600	615,200	309,100	322,900	632,000
65 Mbale City	163,900	184,800	348,700	168,300	190,400	358,700
66 Mbale	139,100	151,900	291,000	142,900	156,100	299,000
67 Namayingo	124,700	122,700	247,400	126,600	124,000	250,600
68 Namutumba	167,800	168,600	336,400	173,200	173,400	346,600
69 Ngora	87,300	91,100	178,400	89,500	93,100	182,600
70 Serere	198,300	203,500	401,800	205,800	210,700	416,500
71 Sironko	147,000	143,500	290,500	149,800	145,800	295,600
72 Soroti City	37,800	39,400	77,200	38,900	40,600	79,500
73 Soroti	160,300	163,500	323,800	165,800	168,600	334,400
74 Tororo	312,500	327,200	639,700	319,400	334,000	653,400
75 Pallisa	196,800	202,700	399,500	204,900	210,600	415,500
76 Butebo	61,900	63,800	125,700	62,600	64,400	127,000
77 Kapchorwa	66,500	67,400	133,900	68,300	69,000	137,300
78 Kumi	153,500	156,000	309,500	157,900	159,800	317,700
79 Kamuli	295,400	300,700	596,100	302,100	306,300	608,400
80 Kalaki	77,900	77,500	155,400	80,800	80,200	161,000
81 Kaberamaido	74,600	74,100	148,700	77,700	76,800	154,500
82 Buhweju	77,500	79,400	156,900	79,600	81,500	161,100
83 Buliisa	91,000	80,300	171,300	95,500	83,500	179,000
84 Bundibugyo	140,000	145,000	285,000	143,700	148,300	292,000
85 Bushenyi	125,700	128,500	254,200	126,600	129,200	255,800
86 Hoima City	65,300	70,000	135,300	67,300	72,200	139,500
87 Hoima	142,100	135,700	277,800	147,000	139,800	286,800
88 Kikuube	213,500	200,900	414,400	223,900	210,400	434,300

Year	2023			2024		
District/City	Male	Female	Total	Male	Female	Total
90 Isingiro	321,800	336,300	<b>658,100</b>	332,400	346,800	<b>679,200</b>
91 Kabale	124,600	132,300	<b>256,900</b>	126,000	133,400	<b>259,400</b>
92 Fort Portal City	60,200	61,900	<b>122,100</b>	61,400	62,900	<b>124,300</b>
93 Kabarole	118,900	116,500	<b>235,400</b>	120,800	118,600	<b>239,400</b>
94 Kanungu	140,100	149,300	<b>289,400</b>	142,000	151,200	<b>293,200</b>
95 Kasese	416,900	427,000	<b>843,900</b>	425,600	434,700	<b>860,300</b>
96 Kibaale	120,800	114,000	<b>234,800</b>	127,900	120,200	<b>248,100</b>
97 Kiryandongo	172,300	166,900	<b>339,200</b>	177,000	170,800	<b>347,800</b>
98 Kisoro	149,300	182,900	<b>332,200</b>	151,700	185,800	<b>337,500</b>
99 Kyegegwa	279,100	272,800	<b>551,900</b>	300,700	293,200	<b>593,900</b>
100 Kyenjojo	296,600	287,800	<b>584,400</b>	307,400	297,200	<b>604,600</b>
101 Masindi	188,600	178,300	<b>366,900</b>	193,300	182,300	<b>375,600</b>
102 Mitooma	95,000	103,900	<b>198,900</b>	95,700	104,500	<b>200,200</b>
103 Ntoroko	42,200	38,500	<b>80,700</b>	43,100	39,000	<b>82,100</b>
104 Ntungamo	277,100	292,100	<b>569,200</b>	281,800	296,400	<b>578,200</b>
105 Rubirizi	72,800	78,700	<b>151,500</b>	74,000	79,900	<b>153,900</b>
106 Rukungiri	164,800	177,200	<b>342,000</b>	166,000	178,200	<b>344,200</b>
107 Sheema	109,100	117,200	<b>226,300</b>	110,000	117,900	<b>227,900</b>
108 Rubanda	102,200	111,200	<b>213,400</b>	103,100	111,700	<b>214,800</b>
109 Kakumiro	307,400	294,500	<b>601,900</b>	333,200	318,000	<b>651,200</b>
110 Kagadi	234,000	240,700	<b>474,700</b>	241,600	248,200	<b>489,800</b>
111 Rukiga	52,000	55,200	<b>107,200</b>	52,300	55,400	<b>107,700</b>
112 Bunyangabu	104,500	103,500	<b>208,000</b>	106,800	105,400	<b>212,200</b>
113 Mbarara City	115,700	119,000	<b>234,700</b>	117,600	120,900	<b>238,500</b>
114 Mbarara	87,000	92,300	<b>179,300</b>	88,700	93,900	<b>182,600</b>
115 Rwampara	75,000	78,100	<b>153,100</b>	76,500	79,700	<b>156,200</b>
116 Kiruhura	107,400	97,900	<b>205,300</b>	110,800	100,900	<b>211,700</b>
117 Kazo	120,800	119,600	<b>240,400</b>	125,000	123,400	<b>248,400</b>
118 Kamwenge	186,000	186,000	<b>372,000</b>	192,900	191,900	<b>384,800</b>
119 Kitagwenda	98,400	99,400	<b>197,800</b>	101,800	102,500	<b>204,300</b>
120 Bukomansimbi	80,100	78,300	<b>158,400</b>	80,400	78,300	<b>158,700</b>
121 Butambala	56,100	54,800	<b>110,900</b>	56,700	55,200	<b>111,900</b>
122 Buvuma	81,200	73,000	<b>154,200</b>	85,800	77,700	<b>163,500</b>
123 Gomba	95,100	85,200	<b>180,300</b>	96,400	85,800	<b>182,200</b>
124 Kalangala	42,100	32,400	<b>74,500</b>	43,400	33,600	<b>77,000</b>
125 Kalungu	93,700	95,500	<b>189,200</b>	94,300	96,000	<b>190,300</b>
126 Kayunga	213,400	213,700	<b>427,100</b>	216,800	216,300	<b>433,100</b>
127 Kiboga	95,300	88,000	<b>183,300</b>	97,500	89,700	<b>187,200</b>
128 Kyankwanzi	171,400	152,500	<b>323,900</b>	179,400	158,900	<b>338,300</b>
129 Luwero	281,500	276,600	<b>558,100</b>	287,500	281,700	<b>569,200</b>
130 Lwengo	145,700	151,500	<b>297,200</b>	146,700	152,200	<b>298,900</b>
131 Lyantonde	60,500	59,100	<b>119,600</b>	62,100	60,500	<b>122,600</b>
132 Masaka City	115,100	122,100	<b>237,200</b>	117,300	124,100	<b>241,400</b>
133 Masaka	66,000	61,600	<b>127,600</b>	67,200	62,600	<b>129,800</b>

Year	2023			2024		
District/City	Male	Female	Total	Male	Female	Total
135 Mukono	366,100	391,400	<b>757,500</b>	374,800	401,200	<b>776,000</b>
136 Nakaseke	142,200	112,700	<b>254,900</b>	146,800	115,000	<b>261,800</b>
137 Nakasongola	122,900	110,500	<b>233,400</b>	126,400	113,000	<b>239,400</b>
138 Rakai	169,400	169,500	<b>338,900</b>	173,100	172,600	<b>345,700</b>
139 Kyotera	136,100	135,000	<b>271,100</b>	137,900	136,300	<b>274,200</b>
140 Ssembabule	161,800	157,500	<b>319,300</b>	165,900	161,100	<b>327,000</b>
141 Kampala City	836,700	929,800	<b>1,766,500</b>	849,500	944,100	<b>1,793,600</b>
142 Mubende	326,800	315,000	<b>641,800</b>	343,000	329,900	<b>672,900</b>
143 Kassanda	176,000	158,100	<b>334,100</b>	180,300	160,800	<b>341,100</b>
144 Wakiso	1,663,200	1,856,100	<b>3,519,300</b>	1,766,700	1,974,300	<b>3,741,000</b>
145 Mityana	193,700	185,100	<b>378,800</b>	196,600	187,300	<b>383,900</b>
146 Buikwe	246,200	253,600	<b>499,800</b>	250,300	257,700	<b>508,000</b>
<b>Total</b>	<b>22,445,900</b>	<b>23,116,100</b>	<b>45,562,000</b>	<b>23,139,600</b>	<b>23,791,300</b>	<b>46,930,900</b>

Source: Uganda Bureau of Statistics

## Appendix 2: Uganda Priority Areas of Investment

1. Crop processing;
2. Processing of forest products;
3. Fish processing;
4. Steel industry;
5. Chemical industries;
6. Textile and leather industry;
7. Oil milling industry;
8. Paper production;
9. Mining industry;
10. Glass and plastic products industry;
11. Ceramics industry;
12. Manufacturing of tools, implements, equipment and machinery;
13. Manufacture of industrial spare parts;
14. Construction and building industry;
15. Meat processing;
16. Tourism industry;
17. Real estate development industry;
18. Manufacture of building materials industry;
19. Packaging industry;
20. Transport industry;
21. Energy conservation industry;
22. Pharmaceutical industry;
23. Banking;
24. High-technology industry; and
25. Telecommunication services.

## Appendix 3: Uganda's Tax Incentives/Exemptions

### A GUIDE ON TAX INCENTIVES

Tax incentives and non-tax incentives are available to both foreign and local investors. The benefit for local investors is that they can access the tax incentives with a lower minimum capital requirement. Local and foreign investors can equally access non-tax incentives like land in the industrial parks, facilitation for infrastructure needs and policy advocacy for conducive environment.

### TAX INCENTIVES UNDER DOMESTIC TAXES

INCOME TAX			
Beneficiary	Incentives	Period of Incentive	Conditions for the Tax Incentive
1. Developer of an industrial park/free zone	Exemption of income derived from renting out or leasing facilities established in an industrial park or free zone.	10 years	Must invest a minimum of USD 50m for foreign investors or USD 10m for EAC citizens, Incentive takes effect from the date of commencement of construction. Also applies to an existing investor making an additional investment of the same value.
2. Operator in an Industrial Park or Free Zone who invests in processing agricultural products; manufacturing or assembling medical appliances, medical sundries or pharmaceuticals, building materials, automobiles and house hold appliances; manufacturing furniture, pulp, paper, printing and publishing of instructional materials; manufacturing chemicals for agricultural use, industrial use, textiles, glassware, leather products, industrial machinery, electrical equipment, sanitary pads and diapers; establishing or operating vocational or technical institutes; or carrying on business in logistics and warehousing, information technology or commercial farming or manufacture of tyres, foot ware, mattresses or tooth paste; manufactures chemicals for agricultural use, industrial use, textiles, glassware, leather products, industrial machinery, electrical equipment, sanitary pads and for diapers	Income derived by a person from undertaking any of the listed business activities in the Industrial Park or Free Zone.	10 years	<p>Must invest a minimum of USD 10m for foreign investors and USD 300,000 for EAC citizens or USD 150,000 where the investment is made upcountry.</p> <p>Incentive takes effect from the date of commencement of the specified business, same incentives applies to an existing operator in an Industrial Park or Free Zone.</p> <p>The investor must use at least 70% of locally sourced raw materials and employ at least 70% EAC citizens who must take up at least 70% of the wage bill.</p>

<p>3. Investor outside an industrial park or free zone carrying out activities as in 2 above.</p>	<p>Income derived by a person from undertaking any of the specified business activities.</p>	<p>10 years</p>	<p>Must invest a minimum of USD 10m for foreign investors and USD 300,000 for EAC citizens or USD 150,000 where the investment is made upcountry.</p> <p>Incentive takes effect from the date of commencement of the specified business, same incentives applies to an existing operator in an Industrial Park or Free Zone.</p> <p>The investor must use at least 70% of locally sourced raw materials and employ at least 70% EAC citizens who must take up at least 70% of the wage bill.</p>
<p>4. Exporters of finished consumer and capital goods.</p>	<p>Income derived from the exportation of finished consumer and capital goods.</p>	<p>10 years</p>	<p>Exemption valid from the beginning of the investment. Investor must export at least 80% of production. Investor must apply for and be issued with a certificate of exemption.</p>
<p>5. Collective Investment Schemes to the extent of distribution</p>	<p>Income tax exemption for Collective Investment Schemes</p>	<p>Indefinite</p>	<p>Must be licensed to operate as a collective investment scheme. Participants in the scheme should not have day to day control over the management of the property. Participants contributions and ultimate income/ profits must be pooled Property must be managed as a whole by the operator of the scheme</p>
<p>6. Mining and petroleum operators</p>	<p>Special income tax deductions allowed and exemptions: Carry forward losses, 100% depreciation rate for depreciable assets acquired for mining exploration, deduction for contribution made by a licensee to a rehabilitation fund in accordance with an approved rehabilitation on amounts withdrawn from a rehabilitation fund to meet expenditure incurred under an approved rehabilitation plan, 10% withholding tax on</p>	<p>Indefinite</p>	<p>Mining and petroleum operators</p>

	payments made to sub- contractors as a final tax as opposed to 15%, deduction of social infrastructure costs incurred in accordance with the mining lease.		
7. Aircraft Operators	Income Tax exemption for Aircraft Operators	Indefinite	Applies to persons engaged in air transport for domestic and international traffic or aircraft leasing.
8. Private employers of persons with disabilities (PWDs)	Deduction of 2% Income tax for employers that employ PWDs	Indefinite	5% of employees must be PWDs
9. Non-profit making Organizations	Income tax exemption	Indefinite	Where the Commissioner has issued a written ruling stating that it is exempt
10. Compliant taxpayers	6% WHT exemption on payment for goods and services and professional fees	12 months renewable	Where the Commissioner is satisfied that the taxpayer has regularly complied with the obligations under the tax laws
11. All taxpayers	100% deduction of Scientific research expenditure	Indefinite	A person who incurs expenditure for scientific research
12. All taxpayers	100% deduction of training expenditure	Indefinite	Employers who train permanent residents or provide tertiary education not exceeding in the aggregate 5 years
13. All taxpayers	Initial allowance and Depreciation allowance: Initial Allowance - capital deduction of 50% of qualifying Plant & machinery and 20% on Industrial building placed in the radius of 50Km outside the boundaries of Kampala. Person who places depreciable assets in service e.g. computers, automobiles, specialized trucks, tractors, plant and machinery used in farming, manufacturing or mining operations, trailers and trailer mounted containers; and Industrial building deduction of 5% on cost of	Indefinite	All taxpayers with depreciable assets

	construction straight line method for 20 years.		
14. All taxpayers	Carry forward losses: Assessed loss is carried forward as a deduction in the following year of income.	Duration of the loss	All taxpayers
15. Investor established in a country with which Uganda has a DTA	Double Taxation Agreements (DTA): Investors from countries with active DTA's with Uganda i.e. United Kingdom, Denmark, Norway, South Africa, India, Italy, Netherlands and Mauritius. Withholding tax rates applicable to dividends, interests, management fees and royalties are 10% except UK at 15%	Duration of the DTA	Beneficial owner of investment as defined in the Income Tax Act established with economic substance in a country with which Uganda has a DTA.
16. Foreign transporters	Exemption of income derived from transportation of passengers or goods or mail embarked outside Uganda	Indefinite	Transportation of passengers or goods or mail must have embarked outside Uganda

**VAT ACT**

<b>Beneficiary</b>	<b>Incentives</b>	<b>Period of Incentive</b>	<b>Conditions for the Tax incentive</b>
1. Developer of an industrial park or free zone	No VAT on any payment for feasibility studies, design construction services, construction materials and earth moving equipment and machinery.	Duration of the development	The investment must be at least USD 50m. The development must be for an industrial park or free zone.
2. Investment in processing agricultural products; manufacturing or assembling medical appliances, medical sundries or pharmaceuticals, building materials, automobiles and house hold appliances; manufacturing furniture, pulp, paper, printing and publishing of instructional materials; establishing or operating vocational or technical institutes; or carrying on business in logistics and warehousing,	No VAT on the supply of feasibility study and design services and on the supply of locally produced raw materials and inputs.	Indefinite	Must invest a minimum of USD 10m for foreign investors and USD 300,000 for EAC citizens or USD 150,000 where the investment is made upcountry.  Incentive takes effect from the date of commencement of the specified business, same incentives applies to an existing operator in an Industrial Park or Free Zone.

<p>information technology or commercial farming; manufactures tyres, footwear, mattresses or toothpaste; manufactures chemicals for agricultural and industrial use, textiles, glassware, leather products, industrial machinery and electrical equipment, sanitary pads and diapers.</p>			<p>The investor must use at least 70% of locally sourced raw materials and employ at least 70% EAC citizens who must take up at least 70% of the wage bill.</p>
<p>3. The supply of services to a manufacturer other than the manufacturer above.</p>	<p>No VAT on the supply of feasibility study or to undertake design and construction</p>	<p>Indefinite</p>	<p>Must invest a minimum of USD 30m for foreign investors and USD 5 m for a local investor. In case of any other manufacturer from the date on which the manufacturer makes an additional investment equivalent to USD 30m for a foreign investor or USD 5 m for a local investor. The investor must use at least 70% of locally sourced raw materials subject to their availability, capacity to employ at least 70% EAC citizens who must take up at least 70% of the wage bill.</p>
<p>4. Developer of a hotel or tourism facility</p>	<p>No VAT on the supply of feasibility study, design and construction services; or on the supply of locally produced materials</p>	<ul style="list-style-type: none"> <li>• Duration of the development</li> </ul>	<p>The hotel developer must invest at least USD 8m. The feasibility studies must be for the development of a hotel or tourism facility or the supply of machinery and equipment furnishings or fittings (not available on the market). The hotel or tourism facility must have a room capacity exceeding 30 guests. A developer of a facility for meetings, conferences and exhibitions whose investment capital is not less than one</p>

			million United States Dollars.
5. Developer of a hospital facility	No VAT on supply of feasibility study, design and construction services; or the supply of locally produced materials; or the supply of machinery and equipment or furnishings and fittings	• Duration of the development	Must invest at least USD 5 million. The feasibility study must be for the development of a hospital facility; or the construction of hospital premises and other infrastructure; or supply of the machinery, equipment, furnishings and fittings for use in the hospital facility. The hospital should have the capacity to provide specialized medical care.
6. Agriculture	VAT Exemption on agricultural supplies: animal feeds and premixes, crop extension services, irrigation works and sprinklers, supply of agriculture insurance, etc. VAT Exemption on liquified gas and denatured fuel ethanol from cassava	Indefinite	Taxpayers in agricultural sector.
7. VAT Registered taxpayers	VAT registered persons claim all the VAT incurred.	Indefinite	Turnover of UGX 150m in any 12-month period for first time registration, ability to keep proper books of accounts and making taxable supplies.
8. Contractors to licensees undertaking mining/ petroleum operations	Deemed VAT: Tax payable on supply by a contractor to a licensee undertaking 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	Duration of the investment	Contractors to licensees undertaking mining/ petroleum operations
9. Contractors executing aid- funded projects	Deemed VAT: Tax payable on a tax able 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	Duration of the project	Contractors executing aid- funded projects

	and exclusively for the aid funded project.		
10. Contractor or licensee or a person providing business process outsourcing services.	Input tax credit on imported services.	Indefinite	Persons providing services to the licensees in mining operations or licensees in petroleum operations. Persons granted mining rights or with whom the Government has entered into a petroleum agreement. Persons providing business process outsourcing services.
11. Energy industry	Supply of any goods and services to contractors and subcontractors of hydroelectric power, solar power, geothermal power, or bio gas and wind energy projects is exempt from VAT.	Indefinite	Energy industry
12. Insurance Industry	Life, medical, micro, aircraft and reinsurance services is exempt from VAT.	Indefinite	Insurance services
13. Manufacturers of medicines	The supply of drugs, medicines and medical sundries manufactured in Uganda are zero- rated	Indefinite	Manufactured in Uganda
14. Importers of medicines	VAT exemption at importation	Indefinite	Imported
15. Exporters	Zero rating	Indefinite	All exporters
16. Aviation industry	Zero rating of supply of leased aircraft, aircraft engines, spare parts for aircraft, aircraft maintenance equipment and repair services	Indefinite	Aviation industry
Suppliers to government	Cash basis accounting for VAT on supplies made to government	Indefinite	VAT registered suppliers
Suppliers of oxygen for medical use	Exempting the supply of oxygen	Indefinite	Oxygen for medical use
Suppliers of assistive devices for persons with disability.	Exempting the supply of assistive devices for persons with disability.	Indefinite	Assistive devices must be for use by persons with disability
Aircraft operators	Exempting airport user service charges.	Indefinite	For services charged by the Civil Aviation Authority
Suppliers of educational materials	Zero rating of supply of educational materials.	Indefinite	Includes educational materials manufactured in Uganda and the partner states of the EAC
Suppliers and manufacturers of menstrual cups	Zero rating the supply of menstrual cups and inputs for their manufacture	Indefinite	Suppliers and manufacturers of menstrual cups

STAMP DUTY ACT			
Beneficiary	Incentives	Period of Incentive	Tax incentive
1. Developer of an industrial park/free zone	No Stamp duty on debentures, lease of land, Increase of share capital, transfer of land.	Duration of development	Must invest a minimum of USD 50m and incentive takes effect from the date of commencement of construction.
2. Manufacturers	<p>Nil stamp duty on execution of the following documents;</p> <p>i) debenture; whether a mortgage debenture or not, being of a marketable security - of total value;</p> <p>ii) further charge; any instrument imposing a further charge on a mortgaged property -of total value;</p> <p>iii) lease of land - of total value;</p> <p>iv) increase of share capital;</p> <p>v) transfer of land;</p> <p>vi) an agreement to provide services on conducting a feasibility study or developing a design for construction</p>	Duration of development	Must invest a minimum of USD 35m
3. Operator within an industrial park or free zone or an operator of a single factory or other business outside the industrial park who invests 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, operating vocational or technical institutes.	No Stamp duty on debentures, lease of land, Increase of share capital, transfer of land.	Duration of activity	<p>Must invest a minimum of USD 10m for foreign investors and USD 300,000 for EAC citizens or USD 150,000 where the investment is made upcountry.</p> <p>Incentive takes effect from the date of commencement of the specified business, same incentives applies to an existing operator in an Industrial Park or Free Zone.</p> <p>The investor must use at least 70% of locally sourced raw materials and employ at least 70% EAC citizens who must take up at least 70% of the wage bill.</p>

## A GUIDE ON TAX INCENTIVES

4. Hotel or tourism developer	Nil Stamp Duty on debenture, further charge, lease of land, increase of share capital, transfer of land and agreement to provide services on conducting a feasibility study or developing a design for construction.	Duration of the development	Must invest at least USD 8m. Hotel or tourism facility should have room capacity exceeding one hundred guests
5. Hospital facility developer	Nil Stamp Duty on debenture, further charge, lease of land, increase of share capital, transfer of land and agreement to provide services on conducting a feasibility study or developing a design for construction.	Duration of the development	a. Must invest at least USD 5m. b. Develop a hospital at the level of a national referral hospital with capacity to provide specialized medical care
6. Strategic investments (specified in Item 60 A (iii) of the Second Schedule of the Stamp Duty Act)	Nil stamp duty	Indefinite	Investor must have a. Capacity to use at least 50% of the locally produced raw materials, subject to availability b. Have capacity to use 50% of raw materials sourced locally and; c. Be able to employ a minimum of 100 citizens
Loan applicants/credit offering institutions	NIL stamp duty on an agreement relating to the deposit of title-deeds, pawn pledge-of the total value.	Indefinite	Agreement relating to the deposit of title-deeds, pawn pledge-of the total value.
Loan applicants/credit offering institutions	NIL stamp duty on security bond or mortgage deed.	Indefinite	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 a surety to secure a loan or credit facility-of entry value.
Agricultural insurance policies	NIL stamp duty on agricultural insurance policies	Indefinite	Agricultural insurance policies

# INTERNATIONAL TRADE TAXES

AGRICULTURAL SECTOR		
	Description	Tax incentive
	<p>Hoes</p> <p>A hoe is a long-handled gardening tool with a thin metal blade, used mainly for weeding and breaking up soil.</p>	<ul style="list-style-type: none"> <li>VAT Exempted when imported by dealers under the VAT Act.</li> <li>Exempted from all taxes when imported by persons engaged in agriculture under the 5<sup>th</sup> Schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	<p>Ploughs, Harrows, seeders, planters and transplanters, manure spreaders and fertilizer distributors</p>	<ul style="list-style-type: none"> <li>VAT Exempted when imported by dealers under the VAT Act.</li> <li>Exempted from all taxes when imported by persons engaged in agriculture under the 5<sup>th</sup> Schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	<p>Agricultural sprayers</p>	<ul style="list-style-type: none"> <li>VAT Exempted when imported by dealers under the VAT Act.</li> <li>Exempted from all taxes when imported by persons engaged in agriculture under the 5<sup>th</sup> Schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	<p>Fertilizers</p> <p>A fertilizer is any material of natural or synthetic origin (other than liming materials) that is applied to soils or to plant tissues (usually leaves) to supply one or more plant nutrients essential to the growth of plants</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5<sup>th</sup> Schedule of the East African Community Customs Management Act, 2004 upon approval by the Ministry of Agriculture, Animal Industry and Fisheries.</li> </ul>
	<p>Refrigerated Trucks</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	<p>Agricultural chemicals (fungicides and pesticides)</p>	<ul style="list-style-type: none"> <li>VAT Exempted when imported by dealers under the VAT Act.</li> <li>Exempted from all taxes when imported by persons engaged in agriculture under the 5<sup>th</sup> Schedule of the East African Community Customs Management Act, 2004.</li> </ul>

	Veterinary Chemicals (Acaricides)	<ul style="list-style-type: none"> <li>VAT Exempted when imported by dealers under the VAT Act.</li> <li>Exempted from all taxes when imported by persons engaged in agriculture under the 5<sup>th</sup> Schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	Agricultural Tractors	<ul style="list-style-type: none"> <li>VAT Exempted when imported by dealers under the VAT Act.</li> <li>Exempted from all taxes when imported by persons engaged in agriculture under the 5<sup>th</sup> Schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	Aluminum Cans for the dairy industry	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	Imported inputs and implements by persons engaged in horticulture, agriculture or floriculture and aquaculture sector e.g. hatching eggs, day old chicks, semen, fish eggs, Fry/fingerling (young fish), seeds, green houses/ materials used in construction of green houses, flower cuttings, incubators, hatcheries etc.	<ul style="list-style-type: none"> <li>Exempted from all taxes when imported by persons engaged in horticulture, agriculture, aquaculture or floriculture under the 5<sup>th</sup> Schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	Cold Rooms A cold room in which a low temperature is maintained (as for refrigeration)	<ul style="list-style-type: none"> <li>Import Duty is 0% in accordance with the EAC CET. Helps on post-harvest management and cold chain storage of agricultural products such beef, chicken, fish etc</li> </ul>
	Poultry parent stock imported by persons engaged in poultry farming. A broiler and layer breeder farms raise parent stock which produce fertilized eggs. A broiler/layer hatching egg is never sold in shops and is not meant for human consumption but for hatching into day old chicks.	<ul style="list-style-type: none"> <li>VAT Exempted when imported by dealers under the VAT Act.</li> <li>Exempted from all taxes when imported by persons engaged in agriculture under the 5<sup>th</sup> Schedule of the East African Community Customs Management Act, 2004.</li> </ul>

	<p>Seeds for sowing, spores and cut plants</p> <p>A seed is an embryonic plant enclosed in a protective outer covering.</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under fifth schedule of the East African Community Customs Management Act, 2004 upon approval by Ministry of Agriculture Animal Industry and Fisheries.</li> </ul>
	<p>Breeding animals</p> <p>Breeding stock is a group of animals used for the purpose of planned breeding.</p>	<ul style="list-style-type: none"> <li>VAT Exempted when imported by dealers under the VAT Act. Exempted from all taxes when imported by persons engaged in agriculture under the 5th Schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	<p>Preparations for cleaning Dairy apparatus</p> <p>Example PFANZITE POWDER DAIRY DETERGENT.</p> <p>Pfanzite is a highly chlorinated, powdered manual cleaner designed especially for cleaning bulk tanks, the Surge bucket milker and utensils.</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	<p>Fish, Crustaceans and Molluscs, fresh (dead or live) chilled or frozen caught and landed by canoes or vessels registered and based in a Partner State</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	<p>Feeds for Poultry and Livestock Poultry</p> <p>Feed is food for farm poultry, including chickens, ducks, geese and other domestic birds. Modern feeds for poultry consist largely of grain, protein supplements such as soybean oil, meal, mineral supplements, and vitamin supplements</p>	<ul style="list-style-type: none"> <li>VAT Exempted when imported by dealers under the VAT Act. Exempted from all taxes when imported by persons engaged in agriculture under the 5th Schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	<p>Machinery for processing dairy products</p>	<ul style="list-style-type: none"> <li>VAT Exempted when imported by dealers under the VAT Act.</li> <li>Import duty is 0%, under East African Community Common External Tariff VAT Exempted.</li> </ul>

	Packing material of any kind designed for packaging goods for export	<ul style="list-style-type: none"> <li>Exempted from all taxes when imported with an intention of packaging goods meant for export.</li> </ul>
	The supply of irrigation works, sprinklers and ready to use drip lines	VAT Exempted when imported by dealers under the VAT ACT. Exempted from all taxes when imported by persons engaged in agriculture under the 5th schedule of the East African Community Customs Management Act, 2004

**MANUFACTURING SECTOR**

Description	Tax incentive
Raw materials used in production of goods meant for export.	<ul style="list-style-type: none"> <li>Duty draw back i.e. customs refunds of all or part of any import duty paid on material inputs imported to produce goods for export or used in a manner for a purpose prescribed as condition for granting duty draw back.</li> </ul>
Plant, machinery, equipment and raw materials used in production of goods for export.	<ul style="list-style-type: none"> <li>Manufacturing under bond facility. A facility extended to manufacturers to import plant, machinery, equipment and raw materials tax free, for exclusive use in the manufacture of goods for export.</li> </ul>
White refined sugar for Industrial use. The industrial sugars category includes sweeteners that service food and confectionary manufacturers, as well as the catering, baking, pharmaceutical and beverage industries	<ul style="list-style-type: none"> <li>Duty remission to 10% on imported white refined industrial sugar for industrial use.</li> </ul>
Paper for use in the manufacture of exercise books and textbooks. An exercise book or composition book is a notebook that is used in schools to copy down school work and notes.	<ul style="list-style-type: none"> <li>Imported at import duty rate of 0% under duty remission scheme for one year.</li> </ul>

	<p>Stranded wire used in manufacture of tyres.</p> <p>A stranded wire as opposed to solid wire is a composite of a bundle of small gauge wires wrapped in a particular pattern inside insulation to make a larger conductor.</p>	<ul style="list-style-type: none"> <li>• Duty remission at 0% for manufacturers of motor vehicle tyres for one year.</li> </ul>
	<p>Treads for cold retreading used in retreading of tyres.</p> <p>The tread of a tyre or track refers to the rubber on its circumference that contacts the road or the ground.</p> <p>Retread, also known as “recap,” or a “remold” is a re-manufacturing process for tyres that replace the tread on worn tyres.</p>	<ul style="list-style-type: none"> <li>• Duty remission to 0% for</li> <li>• manufacturers of motor vehicle tyres under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	<p>Raw materials for manufacture of aluminium cans for the dairy industry. Aluminium can is a bucket, pail, or other container made of aluminium that is used for holding or carrying liquid, food, beverage etc.</p>	<ul style="list-style-type: none"> <li>• Duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	<p>Unassembled (Complete Knocked Down) motor cycle kits imported by approved local assemblers of motor cycles.</p>	<ul style="list-style-type: none"> <li>• Imported at import duty rate of 10% under duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	<p>Unassembled (Complete Knocked Down) bicycle kits imported by approved local assemblers of bicycles.</p>	<ul style="list-style-type: none"> <li>• Imported at import duty rate of 0% under duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	<p>Raw materials and inputs used in the assembly of transformers and switch gear.</p>	<ul style="list-style-type: none"> <li>• Imported at import duty rate of 0% under duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	<p>Raw materials for manufacture of sanitary towels and tampons</p>	<ul style="list-style-type: none"> <li>• Remission of import duty rate of 0% under duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>

	Inputs used for the production of solar panels	<ul style="list-style-type: none"> <li>• Remission of import duty rate 0% under duty remission of scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Component parts and inputs for the assemblers of refrigerators and freezers.	<ul style="list-style-type: none"> <li>• Remission of import duty rate of 10% under duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Inputs and raw materials to use in the manufacture of food supplements for infants and nutrient deficient persons	<ul style="list-style-type: none"> <li>• Remission of import duty rate of 0% under duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Scrap batteries for manufacture of lead batteries	<ul style="list-style-type: none"> <li>• Remission of import duty rate of 0% under duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Inputs used in the production of gas cylinders imported by manufacturers of such cylinders	<ul style="list-style-type: none"> <li>• Duty remission to 0% under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Inputs for the manufacture of dry cell batteries.	<ul style="list-style-type: none"> <li>• Duty remission to 0% under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Inputs for manufacture of matches and match boxes.	<ul style="list-style-type: none"> <li>• Duty remission to 0% under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>

	Inputs for the manufacture of deep cycle batteries	<ul style="list-style-type: none"> <li>Duty remission to 0% under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Materials for manufacture of mosquito nets	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	Inputs for use in the manufacture of medical diagnostic kits imported by manufacturers of medical diagnostic kits as approved by a Director medical services	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	Packing materials and raw materials for the manufacture of medicaments	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	Iron and steel products for manufacture of automobile leaf springs, bolts and nuts	<ul style="list-style-type: none"> <li>Duty remission on inputs to 0% under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Trigger spray and lotion pumps for the manufacture of cosmetic containers	<ul style="list-style-type: none"> <li>Duty remission on inputs to 0% under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Noodles for the manufacture of toilet soap	<ul style="list-style-type: none"> <li>Duty remission to 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>

	Umbrella heads for roofing nails	<ul style="list-style-type: none"> <li>Import duty remitted from 25% to 10% for the manufacture of roofing nails.</li> </ul>
	Glucose Syrup	<ul style="list-style-type: none"> <li>Import duty is applicable at a rate of 0% for one year.</li> </ul>
	Odiferous mixtures of a kind used as raw materials in food and drink industries	<ul style="list-style-type: none"> <li>Duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Inputs for the manufacture of toothbrushes	<ul style="list-style-type: none"> <li>Granted duty remission at 0% on inputs for the manufacture of tooth brushes under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Nylon yarns for the manufacture of fishing nets.	<ul style="list-style-type: none"> <li>Duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Inputs imported by a manufacturer for the use in the manufacture of agricultural equipment.	<ul style="list-style-type: none"> <li>Duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Inputs used in the manufacture of pesticides, fungicides, insecticides and acaricides as approved by the Ministry of Agriculture	<ul style="list-style-type: none"> <li>Granted duty remission at 0% on inputs used in the manufacture of pesticides, fungicides, insecticides and acaricides as approved by the Ministry of Agriculture.</li> </ul>

	Inputs used in the manufacture of energy stoves.	<ul style="list-style-type: none"> <li>Granted duty remission at 0% on inputs used in the manufacture of energy saving stoves.</li> </ul>
	Roofing tiles coated with acrylic paint and the weather side coated with natural sand granules	<ul style="list-style-type: none"> <li>Inputs for the manufacture of roofing tiles to be imported at a duty rate of 0% for one year.</li> <li>Inputs for the manufacture Roofing tiles coated with acrylic paint and the weather side coated with natural sand granules to be imported at a duty of 0% for one year.</li> </ul>
	Jacquard material for making spring mattresses (printed with Logo)	<ul style="list-style-type: none"> <li>Import duty applicable at a rate of 10% for one year instead of 25%.</li> </ul>
	Weave fabrics of polyester staple fibre Woven Grey Fabric of higher (finer) yarn counts for wet.	<ul style="list-style-type: none"> <li>Import duty applicable at a rate of 10% instead of 25% for one year.</li> </ul>
	Poly Cotton Material for making mattresses	<ul style="list-style-type: none"> <li>Import duty applicable at a rate of 10% for one year. To support the textile sector by increasing availability of these materials.</li> </ul>
	Catalytic preparations for the manufacture of foam and spring mattresses	<ul style="list-style-type: none"> <li>Granted remission of duty from 10% to apply a duty rate of 0% for one year for the manufacture of foam and spring mattresses.</li> </ul>
	Other springs and leaves for the manufacture of foam and spring mattresses	<ul style="list-style-type: none"> <li>Granted remission of duty from 25% to 10% for one year for the manufacturers of foam and spring mattresses</li> </ul>

	Poly Vinyl Alcohol	<ul style="list-style-type: none"> <li>Import duty applicable at a rate of 0% instead of 10%.</li> </ul>
	Wheat Grain	<ul style="list-style-type: none"> <li>Import duty is applicable at a rate of 10% instead of 35% for one year.</li> </ul>
	Barley	<ul style="list-style-type: none"> <li>Import duty is applicable at a rate of 10% instead of 25% for one year.</li> </ul>
	Aerosol cans	<ul style="list-style-type: none"> <li>Duty remission to 0% instead of 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Organic surface-active agents (Anionic) (LABSA)	<ul style="list-style-type: none"> <li>Duty remission to 0% instead of 10% for one year for manufacturers of detergents and liquid soaps under the duty remission scheme, in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Organic surface-active agents (Cationic)	<ul style="list-style-type: none"> <li>Duty remission to 0% instead of 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Textile garments coated with gum for direct use in the manufacture of books	<ul style="list-style-type: none"> <li>Duty remission to 0% instead of 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>

	Duplex boards	<ul style="list-style-type: none"> <li>Duty remission to 0% instead of 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Inputs for assembly of ships	<ul style="list-style-type: none"> <li>Duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Inputs for assemblers of equipment specially designed for use by disabled, blind and physically handicapped persons	<ul style="list-style-type: none"> <li>Duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Inputs for manufacture of filters	<ul style="list-style-type: none"> <li>Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Groats and meal of wheat	<ul style="list-style-type: none"> <li>Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Unassembled speakers (CKD) inputs for assembly of speakers	<ul style="list-style-type: none"> <li>Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Unassembled (CKD) hot water kettles- inputs for assembly of hot water kettles	<ul style="list-style-type: none"> <li>Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Unassembled (CKD) DVD players - inputs for assembly of DVD players	<ul style="list-style-type: none"> <li>Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>

	Unassembled flat iron (CKD)- inputs for assembly of flat iron	<ul style="list-style-type: none"> <li>Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Unassembled (CKD) blenders - inputs for assembly of blenders	<ul style="list-style-type: none"> <li>Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Unassembled (CKD) LED, CFL bulbs - inputs for assembly of LED & CFL bulb	<ul style="list-style-type: none"> <li>Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Unassembled floor, table and wall fans	<ul style="list-style-type: none"> <li>Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Unassembled Cookers	<ul style="list-style-type: none"> <li>Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Listed inputs for the manufacture of furniture	<ul style="list-style-type: none"> <li>Granted duty remission rate of 0% and 10% under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Steel Blanks for Spoons and forks	<ul style="list-style-type: none"> <li>Granted duty remission rate to 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Stranded wire, ropes and cables for the manufacture of toughened and laminated glass	<ul style="list-style-type: none"> <li>Granted duty remission rate to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>

	Other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials. Of poly (vinyl butyral) for the manufacture of Toughened and laminated glass.	<ul style="list-style-type: none"> <li>Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Non-wired glass for the manufacture of Toughened and laminated glass.	<ul style="list-style-type: none"> <li>Granted duty remission of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in a non- aqueous medium for the manufacture of decorative aluminium panels	<ul style="list-style-type: none"> <li>Granted duty remission to 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Aluminium plates, sheets and strip of a thickness exceeding 0.2 mm of aluminium alloy for the manufacture of decorative aluminium panels	<ul style="list-style-type: none"> <li>Granted duty remission to 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Listed inputs for the manufacture of baby diapers	<ul style="list-style-type: none"> <li>Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Acrylic polymers for manufacture of paints	<ul style="list-style-type: none"> <li>Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	Listed inputs for the manufacture of textiles (garments)	<ul style="list-style-type: none"> <li>Granted duty remission to 0% and 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004</li> </ul>

	Listed inputs for the manufacture of footwear (shoes)	<ul style="list-style-type: none"> <li>Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004</li> </ul>
	Inputs for the manufacture of edible salt of sub-heading 2501.00.00	<ul style="list-style-type: none"> <li>Granted duty remission to 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004</li> </ul>
	Inputs for the assembly/ manufacture of mobile phones	<ul style="list-style-type: none"> <li>Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004</li> </ul>
	Parts of chains for assemblers of chains for motorcycles, bicycles and industrial machinery	<ul style="list-style-type: none"> <li>Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004</li> </ul>
	Valves and their corresponding component parts used for the manufacture of motorcycle tubes	<ul style="list-style-type: none"> <li>Grant Uganda a remission of duty to apply a duty rate of 0% for one year. These are raw materials for manufacture of motorcycle brake shoes.</li> </ul>
	Brake linings and pads, Brakes and servo-brakes; parts thereof; Other Adhesive Glues	<ul style="list-style-type: none"> <li>Grant Uganda a remission of duty to apply a duty rate of 0% for one year. These are raw materials for manufacture of motorcycle brake shoes.</li> </ul>
	High tensile galvanized wire	<ul style="list-style-type: none"> <li>Granted duty remission to 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004</li> </ul>

	<p>Aluminium wire, not alloyed: -- Of which the maximum cross-sectional dimension exceeds 7 mm</p>	<ul style="list-style-type: none"> <li>Granted a remission of duty from 10% to 0% for one year to only cable manufacturers</li> </ul>
	<p>Wires of alloyed steel</p>	<ul style="list-style-type: none"> <li>Stay of application of the EAC CET rate of 10% and apply a rate of 0% up to 30 June 2023.</li> </ul>
	<p>Other Zinc coated coils</p>	<ul style="list-style-type: none"> <li>Grant Uganda a remission of duty to 0% on Galvanised coils of a thickness of 2.5mm and above for one year. To support the local manufacture of guard rails</li> </ul>
	<p>Listed Packaging materials and plastic materials for coffee</p>	<ul style="list-style-type: none"> <li>Granted a remission of duty to apply a duty rate of a 0% instead of 10%, 10% instead of 25% on packaging material used by domestic processors of coffee, for one year</li> </ul>
	<p>Listed equipment for polishing and Heating gemstones</p>	<ul style="list-style-type: none"> <li>Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004</li> </ul>
	<p>Active yeasts</p>	<ul style="list-style-type: none"> <li>Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004</li> </ul>

	Petroleum jelly	<ul style="list-style-type: none"> <li>Granted duty remission to 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004</li> </ul>
	Polyurethane resins	<ul style="list-style-type: none"> <li>Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004</li> </ul>
	<p>Uncoated/Unbleached Kraft Liner paperboard, in rolls or sheets, Glues based on starch</p> <p>Other plates, films, sheets of plastic, paper or paper board labels whether printed or not</p>	<ul style="list-style-type: none"> <li>Granted duty remission from 35% and 10%, to 10% and 0% respectively for one year for manufacturers of paper bags, corrugated boxes for exporting products, raw materials used in the manufacture of surgical and examination medical gloves under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004</li> </ul>
	Unbleached sack Kraft paper in rolls or sheets	<ul style="list-style-type: none"> <li>Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004</li> </ul>
	Paper and paperboard coated, impregnated or covered with plastics (excluding adhesives)	<ul style="list-style-type: none"> <li>Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004</li> </ul>
	Other plates, sheets, film, foil and strip, of plastic --- unprinted	<ul style="list-style-type: none"> <li>Grant Uganda a remission of duty from 10% to 0% for one year. This is an input material for the label printing sector</li> </ul>
	Mechanically Deboned Chicken Paste (MDM)	<ul style="list-style-type: none"> <li>Granted remission of duty from 60% to 35% for one year on MDM in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>

	<p>Greaseproof papers; and Other, Other Kraft paper and paperboard</p>	<ul style="list-style-type: none"> <li>Grant Uganda aremission of duty from 10% to 0% for one year, packaging material for manufactured cheese in accordance with section 140 of the East African Community Customs Management Act, 2004.</li> </ul>
	<p>Compositing dry toilets</p>	<ul style="list-style-type: none"> <li>Grant Uganda a stay of the application of EAC CET rate of 25% and apply a duty rate of 10% on compositing dry toilets, for one year.</li> </ul>
	<p>Various goods entering export processing zone or Freeport strictly for manufacturing of goods for export. “Export processing zone” means a designated part of Customs territory where any goods introduced are generally regarded, in so far as import duties and taxes are concerned, as being outside Customs territory but are restricted by controlled access</p>	<ul style="list-style-type: none"> <li>Goods entering an export processing zone or a freeport shall be exempt from duty in accordance with the East African Community Customs Management Act</li> </ul>
	<p>Plant and machinery</p>	<ul style="list-style-type: none"> <li>VAT deferment where payment of VAT at importation on specified imports is postponed to a future date. The cost of the plant and machinery should be at least \$22,500 and above.</li> </ul>
	<p>Industrial replacement spare parts</p> <ul style="list-style-type: none"> <li>A spare part is a duplicate part to replace a lost or damaged part of a machine.</li> <li>Parts should be imported as replacement parts used exclusively on industrial machinery classified in Chapters 84 and 85 of the EAC Common External Tariff</li> <li>Should be imported by registered manufacturers</li> <li>Should not be for resale or any other commercial purpose other than for replacement of worn out or obsolete parts of industrial machines subject to such conditions as the commissioner may impose</li> </ul>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.</li> </ul>

	<p>Containers and Pallets used for packaging.</p> <p>Containers, including boxes, tins, bottles, jars and other packages in which any goods not liable to ad valorem duty are packed and imported being ordinary trade packages for the goods contained therein</p> <p>Containers specially designed and equipped for carriage by any mode of transport</p> <p>Imported containers which the commissioner is satisfied on the recommendation of the director veterinary services that it is specially designed for storing semen for artificial insemination</p> <p>Any other packing material of any kind designed for packing goods for export</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.</li> </ul>
	<p>Pallets and pre-packing slings designed for packaging goods for export</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.</li> </ul>

**TRANSPORT SECTOR**

Description	Tax incentive
<p>Free import of aircrafts and aft accessories: These include Aircrafts Aircraft engine, parts and accessories Air navigation instruments Lighting Radio and radar apparatus Equipment for Servicing and maintenance of air crafts Ground signs stairways for boarding aircraft, Catering stores e.g. luncheon boxes, cardboard trays, paper plates, paper napkins, lubricants; staff uniforms; calendars, diaries and pens as promotional materials” for use in airline.</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004</li> </ul>
<p>Specialized aircraft loading and unloading equipment Apron buses essentially for airports</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004</li> </ul>

	Commercial Vehicles of gross weight 20 tonnes and above.	<ul style="list-style-type: none"> <li>Free of import duty for one year, VAT is payable</li> </ul>
	Road Tractors for semi - trailers.	<ul style="list-style-type: none"> <li>Free of import duty for one year, VAT is payable.</li> </ul>
	Goods carrying vehicle with gross vehicle weight exceeding 5 tonnes but not exceeding 20 tonnes	<ul style="list-style-type: none"> <li>Import duty is 10% instead of 25% for one year</li> </ul>
	<p>Ships and other vessels includes the following</p> <ol style="list-style-type: none"> <li>1. Passenger and cargo vessels of all kinds of twenty five tonnage net weight or more</li> <li>2. Cable ships, floating factories, whale catching vessels, trawlers and other commercial fishing vessels EXCEPT sport fishing vessels</li> <li>3. Weather ships, hopper barges, lighters and pontoons (being flat decked vessels used for transportation of persons or goods)</li> <li>4. Ferry boats, parts and accessories EXCEPT batteries and sparking plugs</li> </ol>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004</li> </ul>
	Battery operated vehicles for use in hotels, hospitals and airports.	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004</li> </ul>
	Motorvehicles specially designed for refuse/ garbage collection and disposal imported or purchased by local authorities / persons contracted by local authorities to collect refuse/ garbage.	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004</li> </ul>

**OIL AND GAS SECTOR**

Description		Tax incentive
	<p>Equipment for use in the oil and gas sector. These include: Equipment and inputs and goods for direct and exclusive use in oil, gas or geothermal exploration and development EXCEPT motor vehicles.</p>	<ul style="list-style-type: none"> <li>Exempted of all taxes under the fifth schedule of the East African Community Customs Management Act upon recommendation by a competent authority</li> </ul>

**EDUCATION AND SPORTS SETOR**

Description		Tax incentive
	<p>Educational materials. Annex D to the Florence Agreement Scientific instruments or apparatus, intended exclusively for educational purposes or pure scientific research, provided:</p> <ul style="list-style-type: none"> <li>That such scientific instruments or apparatus are consigned to public or private scientific or educational institutions approved by the competent authorities of the importing country for the purpose of duty-free entry of these types of articles, and used under the control and responsibility of these institutions; That instruments or apparatus of equivalent scientific value are not being manufactured in the country of importation.</li> </ul> <p>Please take note that this is an excerpt of the main text. You are encouraged to look at the whole text for the relevant provision applicable to the goods you have imported.</p>	<ul style="list-style-type: none"> <li>All Approved educational articles and materials as specified in the Florence agreement are tax exempt under the fifth schedule of the East African Community Customs Management Act.</li> </ul>
	<p>One motor vehicle for rally driver and spare parts.</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004</li> </ul>

	One Motor cycle for racing/rally	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004</li> </ul>
	One Bicycle for racing/ rally	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004</li> </ul>
	Exercise books	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004</li> </ul>
	Mathematical sets & geometry sets used in educational services	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff</li> </ul>
	Woodworking machines	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff</li> </ul>
	Welding machines	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff</li> </ul>
	Sewing machines	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff</li> </ul>
	Crayons, coloured 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	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act.</li> </ul>

	services.	
	Textbooks	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff</li> </ul>
	Bible	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff</li> </ul>
	Qu'rans	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff</li> </ul>

**ENERGY SECTOR**

<b>Description</b>		<b>Tax incentive</b>
	<p>Specialized equipment for development and generation of solar and wind energy, including accessories and deep cycle batteries which use and/ or store power. These include:</p> <ul style="list-style-type: none"> <li>• Deep cycle batteries</li> <li>• Solar panels</li> <li>• Direct current inverters</li> <li>• Direct current charge controller</li> </ul>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	Penstock pipes for use in hydro power projects	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0 % under East African Community Common External Tariff .</li> </ul>

	Plastic bag bio gas digesters	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act.</li> <li>Import duty is 0% under East African Community Common External Tariff.</li> </ul>
	Water treatment effluent plant	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>

**HOTEL AND TOURISM**

**Any of the following goods engraved or printed or marked with the hotel logo imported by a licensed hotel for its use:**

Description		Tax incentive
	a) Washing machines Machine for washing clothes, bed linens, etc.	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	b) Kitchen ware Instruments and utensils found in a kitchen, particularly those associated with the preparation and serving of food.	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	c) Cookers Utensil, device, or apparatus for cooking	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>

	<p>d) Fridges and freezers A box, room, or cabinet in which food, drink, etc., are kept cool by means of ice or mechanical refrigeration</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	<p>e) Air conditioning systems A system used for cooling and drying the air in a building, room, etc.</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	<p>f) Cutlery Edged or cutting tools specifically implements for cutting and eating food.</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	<p>g) Televisions A device that receives television signals and reproduces them on a screen</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	<p>h) Carpets A carpet is a textile floor covering typically consisting of an upper layer of pile attached to a backing</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	<p>i) Furniture Large movable equipment, such as tables and chairs, used to make a house, office, or other space suitable for living or working</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	<p>j) Linen and curtains Linen: Sheets, pillowcases, and duvet covers  Curtain: A piece of material suspended at the top to form a covering or screen, typically one of a pair at a window</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>

	<p>k) Gymnasium equipment Exercise equipment is any apparatus or device used during physical activity to enhance the strength or conditioning effects of that exercise by providing either fixed or adjustable amounts of resistance, or to otherwise enhance the experience or outcome of an exercise routine</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	<p>2) Bathrobes</p>	<ul style="list-style-type: none"> <li>Import duty is applicable at a rate of 0 % instead of 25% for one year when imported by a licensed hotel.</li> </ul>
	<p>3) Clothes-dryers</p>	<ul style="list-style-type: none"> <li>Import duty is applicable at a rate of 0% instead of 25% for one year when imported by a licensed hotel.</li> </ul>
	<p>4) Motor car for transportation of tourist imported by tour operators upon recommendation by a competent authority responsible for tourism promotion in a partner state provided the Vehicles meet the following conditions;</p> <p>a) They are four wheel drive with open roof facility for game viewing and have a seating capacity not exceeding 12 passengers.</p> <p>b) They have provisions for camping, rescue and first aid equipment, baggage and compartment and communication fittings.</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>

	<p>c) They are of a colour that blends with the environment where they operate and have a clear and conspicuous label or marking of "Tourist vehicle."</p> <p>d) Any other condition that the commissioner may impose. Provided that duties shall be payable upon disposal for other use or change of use</p>	
	<p>5) Sightseeing buses</p> <ol style="list-style-type: none"> <li>a. Front facing comfortable reclining coach seats.</li> <li>b. Basic lavatory facilities.</li> <li>c. Provisions for first aid equipment, communication fittings and luggage compartment.</li> <li>d. Seating capacity above 20 .</li> <li>e. Any other condition the commissioner may impose or vary.</li> </ol> <p>Provided that duties shall be payable upon disposal for other use or change of use.</p>	<ul style="list-style-type: none"> <li>• Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	<p>6) Overland truck</p> <ul style="list-style-type: none"> <li>• High clearance for off road driving .</li> <li>• Forward facing comfortable reclining coach seats.</li> <li>• Inverter for charging electrical items.</li> <li>• Camping stocks, tents, kitchen and food storage.</li> <li>• Windows for good all round view.</li> <li>• Provisions for first aid equipment, communication fittings and luggage compartment.</li> <li>• Any other condition the commissioner may impose or vary. Provided that duties shall be payable upon disposal for other use or change of use</li> </ul>	<ul style="list-style-type: none"> <li>• Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	<p>7) Tourism boats</p>	<ul style="list-style-type: none"> <li>• Tourism boats imported by a licensed tour operator exempted from taxes under the 5th Schedule of the E A C C MA .</li> </ul>

SECURITY SECTOR		
Description	Tax incentive	
Duty free import of gadgets used in promoting security of public spaces		
	2) Walk through metal detectors Walk through metal detectors used for security screening at access points in prisons, courthouses, and airports to detect concealed metal weapons on a person's body	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	3) CCTV cameras CCTV (closed-circuit television) is a TV system in which signals are not publicly distributed but are monitored, primarily for surveillance and security purposes	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	1) Hand held metal detectors Hand Held Metal Detectors are used by Security, Police and Military officers to carry out a non-invasive search of a person for metallic items	
	4) Bomb detectors A bomb detector is a device that enables non-destructive inspection to determine whether a container contains explosive material. Explosive detectors are commonly used at airports, ports and for border control	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	5) Under carriage Mirror An under vehicle inspection system which is used to detect threats such as bombs that are hidden underneath vehicles	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
HEALTH & MEDICAL SECTOR		
Description	Tax incentive	
<b>Any of the following goods engraved or printed or marked with the hospital logo imported for use in licensed hospitals, as recommended by the Director of Medical Services subject to such conditions and limitations as the Commissioner may impose.</b>		
	a) Shadowless lamps for use in operating theaters	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>

	b) Blood freezers	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	c) Kitchen ware and equipment	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	d) Laundry equipment	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	e) Mattresses and linen	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	f) Bedside screens	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	g) Air conditioners	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	h) Water heating equipments	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	i) Trolleys and stretchers	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	j) Furniture	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>

	2) Packaging material for medicines	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	3) Raw materials for the manufacture of medicaments	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	4) Examination gloves for laboratory and medical use.	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	5) Hospital furniture imported by dealers for supply to licensed hospitals	<ul style="list-style-type: none"> <li>Exempted from excise duty under the Excise Duty Act.</li> </ul>
	6) Medical Autoclaves. A medical autoclave is a device that uses steam to sterilize equipment and other objects. This means that all bacteria, viruses, fungi, and spores are inactivated	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff .</li> </ul>
	7) X-Ray Machines for medical use X ray machine means an electrically powered device producing x rays for the irradiation of a human being or an animal for a therapeutic or diagnostic purpose or for industrial use	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff .</li> </ul>
	8) Chemical Analysers for blood analysis A blood chemistry analyzer may be used to test for many things, such as blood cell counts, therapeutic drug monitoring, illegal drug use, blood typing, protein analysis, checking thyroid function, checking for the presence of antibodies, and, when used by patients at home, for glucose or cholesterol monitoring	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff .</li> </ul>

	<p>9) Ophthalmic instruments and appliances. This device is used to examine the eye.</p>	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0 % under East African Community Common External Tariff .</li> </ul>
	<p>10 ) Dental drill equipment A dental drill or dentist’s drill is a small, high speed drill used during dental procedures, usually to remove decay and shape tooth structure prior to the insertion of a filling or crown. A dental drill may also be used in the cleaning and shaping of root canals during endodontic treatment, or to remove old or temporary fillings or crowns prior to the insertion of new or permanent restorations.</p>	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0 % under East African Community Common External Tariff .</li> </ul>
	<p>11) Ultrasound machinery An ultrasound machine makes images so that organs inside the body can be examined. The machine sends out high-frequency sound waves, which reflect off body structures. A computer receives the waves and uses them to create a picture. The test is done in the ultrasound or radiology department.</p>	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff .</li> </ul>
	<p>12) Syringes A medical device that is used to inject fluid into, or withdraw fluid from, the body. A medical syringe consists of a needle attached to a hollow cylinder that is fitted with a sliding plunger.</p>	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff .</li> </ul>
	<p>13) Cardio graphic machine A machine for recording the beating of the heart.</p>	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff .</li> </ul>

	<p>14 ) Wheel chairs                  A wheelchair is a manually operated or power- driven device designed primarily for use by an individual with a mobility disability for the main purpose of indoor, or of both indoor and outdoor, locomotion.</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	<p>15) Crutches Medical                  Definition of Crutch.                  Crutch: A wooden or metal vertical prop that helps support a disabled person while he or she is walking .                  Arm crutches typically are metal and have a single shaft with a projecting handgrip and a cuff that closes around the arm. Crutches usually have a nonskid rubber tip on the bottom</p>	<ul style="list-style-type: none"> <li>Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004</li> </ul>
	<p>16) Artificial parts of the body (teeth, leg s, joints).                  Dentures, (also known as false teeth), are prosthetic devices constructed to replace missing teeth; they are supported by the surrounding soft and hard tissues of the oral cavity. Conventional dentures are removable (removable partial denture or complete denture.</p>	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff .</li> </ul>
	<p>17) A prosthesis is an artificial device/substitute or that replaces a missing body part such as tooth, leg , arm, knee, facial bone, another joint, hip etc which may be lost through trauma, disease, or congenital conditions</p>	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff .</li> </ul>
	<p>18) Hearing aid.                  A hearing aid is a small electronic device that you wear in or behind your ear. It makes some sounds louder so that a person with hearing loss can listen, communicate, and participate more fully in daily activities.</p>	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff .</li> </ul>

	A hearing aid can help people hear more in both quiet and noisy situations	
	19) Medicated cotton wool	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff .</li> </ul>
	20 ) Medical bandage	<ul style="list-style-type: none"> <li>Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff .</li> </ul>
	21) Refrigeration equipment for dead bodies for use in Hospital, city council or funeral home”	<ul style="list-style-type: none"> <li>Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004 .</li> </ul>
	22) Motor boat ambulance	<ul style="list-style-type: none"> <li>Import duty is 0% under East African Community Common External Tariff and exempted from VAT</li> </ul>

**CONSTRUCTION SECTOR**

	Description	Tax incentive
	<ul style="list-style-type: none"> <li>Specialised vehicles</li> <li>Concrete Mixers – Self propelled</li> <li>Concrete Pumps</li> </ul>	<ul style="list-style-type: none"> <li>The equipment is free of import duty by tariff .</li> <li>VAT is deferrable for VAT registered companies</li> </ul>
	Earth Moving Machinery <ul style="list-style-type: none"> <li>Excavators</li> <li>Bull dozers</li> <li>Angle Dozers</li> </ul>	<ul style="list-style-type: none"> <li>The equipment is free of import duty by tariff .</li> <li>VAT is deferrable for VAT registered companies</li> </ul>
	Cranes for Construction	<ul style="list-style-type: none"> <li>The equipment is free of import duty by tariff .</li> <li>VAT is deferrable for VAT registered companies</li> </ul>

	<p>Scaffolding</p>	<ul style="list-style-type: none"> <li>When obtained from the region of East Africa, they shall be exempted from import duty.</li> </ul>
	<p>Surveying Equipment</p> <ul style="list-style-type: none"> <li>Global Positioning Systems (GPS)</li> <li>Theodolites</li> <li>Line of site equipment</li> <li>Rangefinders They are largely used by road construction firms, surveyors, oil exploration, mining.</li> </ul>	<ul style="list-style-type: none"> <li>The equipment is free of import duty by tariff.</li> <li>VAT is payable</li> </ul>
	<p>Goods Carrying vehicles - Tippers</p> <ul style="list-style-type: none"> <li>Gross Vehicle Weight exceeding 5 tonnes but not exceeding 20 tonnes.</li> <li>Gross Vehicle Weight exceeding 20 tonnes.</li> </ul>	<ul style="list-style-type: none"> <li>Goods carrying vehicle with gross weight exceeding 5 tonnes but not exceeding 20 tonnes import duty is 10% for one year Goods carrying vehicle with gross weight 20 tonnes and more is free of import duty for one year.</li> </ul>
	<p>Temporary imports of Construction Machinery of a specialised nature for use in the construction sector that is not listed above. Terms and conditions as specified in the East African Community-Customs Management Act, 2004 apply.</p>	<ul style="list-style-type: none"> <li>Taxes suspended and goods secured on bond that is cancelled upon re-export.</li> </ul>
	<p>Pipeline construction of oil and gas from Uganda to Dar-es-salaam</p>	<ul style="list-style-type: none"> <li>Inputs for use in the construction of the oil and gas pipeline are exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004 .</li> </ul>
	<p>Hydropower construction equipment and inputs.</p>	<ul style="list-style-type: none"> <li>The supplies for the use in hydropower project are exempted from VAT.</li> </ul>

	<p>Regional Economic Communities (RECs) that include East African Community (EAC), Common Market for East and Central Africa (COMESA). Soon entering the TRIPARTITE that will include EAC, COMESA and SADC (South African Development Co-operation)</p>	<ul style="list-style-type: none"> <li>Imports from the Regional Economic Communities are given preferential import duty treatment.</li> </ul>
	<p>The country has industries for local inputs that are of high quality and manufactured in Uganda. These items when procured locally attract only local taxes.</p>	<ul style="list-style-type: none"> <li>Industries that produce items such as cables, cement, iron bars, pipes, nails, roofing sheets etc</li> </ul>
	<p>Upcoming projects such as Standard Gauge Railway (SGR) are offering opportunities in construction sector.</p>	<ul style="list-style-type: none"> <li>The project if funded by donors shall have its inputs exempted from taxes under the East African Community Customs Management Act, 2004 .</li> </ul>
	<p>Pre-fabricated buildings for factory use imported by registered manufacturers or other entities such as warehouse construction.</p>	<ul style="list-style-type: none"> <li>VAT Deferrable for pre-fabricated buildings for factory use.</li> </ul>
	<p>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</p>	<ul style="list-style-type: none"> <li>VAT is applicable at 0% under the VAT Act.</li> </ul>
	<p>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</p>	<ul style="list-style-type: none"> <li>VAT exempt under the VAT Act Excise duty is nil</li> </ul>

**DISCLAIMER:**

**This information is strictly for purposes of guidance to our clientele and is subject to change on amendment of tax legislations & any other regulations that govern tax administration.**

## Appendix 4: Useful Investment Contacts in Uganda

### Uganda Registration Services Bureau

Tel: +256 414 2235219 / 235915  
Email: [ursb@ursb.go.ug](mailto:ursb@ursb.go.ug)  
<http://www.ursb.go.ug>

### Uganda Revenue Authority

Tel: +256 417 444602 – 417 444620  
Email: [info@ura.go.ug](mailto:info@ura.go.ug)  
<http://www.ura.go.ug>

### Uganda Tourist Board

Tel: +256 414 342196/7  
Email: [utb@tourismuganda.info](mailto:utb@tourismuganda.info)  
<http://www.visituganda.com>

### Uganda Wildlife Authority

Tel: +256 414 3555000, 312 355000  
Email: [info@ugandawildlife.org](mailto:info@ugandawildlife.org)  
<http://www.ugandawildlife.org>

### Directorate of Citizenship and Immigration Control

Tel: +256 414 595945  
Email: <http://www.immigration.go.ug>

### Uganda National Bureau of Standards

Tel: +256 414 505995, 222369  
Email: [info@unbs.go.ug](mailto:info@unbs.go.ug)  
<http://www.unbs.go.ug>

### Bank of Uganda

Tel: +256 414 259090, 312 392000  
Email: [info@bou.or.ug](mailto:info@bou.or.ug) <http://www.bou.or.ug>

### Uganda National Bureau of Statistics

Tel: +256 414 706000  
Email: [ubos@ubos.org](mailto:ubos@ubos.org)  
<http://www.ubos.org>

### Uganda Export Promotion Board

Tel: +256 414 230250, 230233  
E-mail: [helpdesk@ugandaexportsonline.com](mailto:helpdesk@ugandaexportsonline.com)  
<http://www.ugandaexportsonline.com>

### National Environment Management Authority

Tel: +256 414 251064/5/8  
Email: [info@nema-ug.org](mailto:info@nema-ug.org)  
<http://www.nema-ug.org>

### Department of Geological Survey and Mines, Uganda

Tel: +245 414 320656, 312 262902  
Email: [dgms@minerals.go.ug](mailto:dgms@minerals.go.ug)  
<http://www.uganda-mining.go.ug>

### Petroleum Exploration and Production Department

Tel: +256 414 320714  
Email: [communications@petroleum.go.ug](mailto:communications@petroleum.go.ug)  
<http://www.petroleum.go.ug>

### Uganda Manufacturers Association

Tel: +256 414 221034, 287615/2  
E-mail: [administration@uma.or.ug](mailto:administration@uma.or.ug)  
<http://www.uma.or.ug>

### Private Sector Foundation Uganda

Tel: +256 312 263850, 261850  
Email: [snakibuuka@psfuganda.org.ug](mailto:snakibuuka@psfuganda.org.ug)  
<http://www.psfuganda.com>

### Uganda National Chamber of Commerce and Industry

Tel: +256 753 503035  
Email: [info@chamberuganda.com](mailto:info@chamberuganda.com)  
<http://www.chamberuganda.com>

### Uganda Chamber of Mines and Petroleum

Tel: +256 312 516695  
Email: [info@ucmp.ug](mailto:info@ucmp.ug)  
<http://www.ucmp.ug>

**Uganda Communications Commission**

Tel: +256 414 33900/ +256 312 339000

Email: [ucc@ucc.co.ug](mailto:ucc@ucc.co.ug)

<http://www.ucc.co.ug>

**Civil Aviation Authority**

Tel: +256 414 352000/ +256 312 352000

Email: [aviation@caa.co.ug](mailto:aviation@caa.co.ug)

<http://www.caa.co.ug>

**Uganda National Council of Science and Technology**

Tel: +256 414 705500

Email: [info@uncst.go.ug](mailto:info@uncst.go.ug)

<http://www.uncst.go.ug>

**Uganda Coffee Development Authority**

Tel: +256 414 256940/ 312 260470

Email: [ucda@ugandacoffee.org](mailto:ucda@ugandacoffee.org)

<http://www.ugandacoffee.org>

**Cotton Development Authority**

Tel: +256 414 230309/ 414 232968

Email: [cdo@africaonline.co.ug](mailto:cdo@africaonline.co.ug)

<http://www.cdouga.org>

**Diary Development Authority**

Tel: +256 414 343901/3

<http://www.dda.or.ug>

