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Ministry of Finance, Planning &  
Economic Development,  
P.O. Box, 8147  
Kampala, Uganda

## **CERTIFICATE OF FINANCIAL IMPLICATION**

(Made under Section 74 of the Public Finance Management Act, 2015)

**THIS IS TO CERTIFY** that the Bill entitled the Value Added Tax (Amendment) Bill, 2026, has been examined as required under Section 74 of the Public Finance Management Act, Cap. 171. I wish to report as follows: -

### **1. That the Bill has the following objective:**

The main objective of the Bill is to amend the Value Added Tax Act, Cap. 344, to;

- i. Exempt the application of Value Added Tax withholding to a designated person who pays Value Added Tax on taxable supplies and is issued with an e-invoice or e-receipt.
- ii. Increase the Value Added Tax registration threshold from one hundred fifty million shillings to two hundred fifty million shillings.
- iii. Amend Schedule 2 to provide for the Arab Bank for Economic Development in Africa (BADEA) as a Public International Organization.
- iv. Amend Schedule 3 to exempt the supply of goods or services to contractors and subcontractors of nuclear energy projects and for related matters.

### **2. That it is expected to achieve the following outputs:**

The Bill is expected to achieve the following outputs;

- i. Improved tax compliance and efficiency by exempting Value Added Tax withholding where e-invoicing is used to encourage digital compliance, reduce disputes, and simplify tax administration.
- ii. Support for small businesses and growth by raising the VAT registration threshold to relieve smaller firms from compliance burdens, allowing them to grow, formalize gradually, and focus on productivity.

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#### *Mission*

*"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"*

- iii. Lower costs of strategic investments, especially in supplies for nuclear energy projects, attract more investment in the sector and support long-term energy security and industrialization.

**3. Impact on the economy**

The revenue yield from the Bill will be allocated to areas that generate economic output, which will contribute to sustainable economic growth from 6.6% in FY 2025/26 to 10.2% in FY 2026/27. In nominal terms, the size of the economy will increase from Shs. 249.33 trillion by the end of FY 2025/26, to Shs. 288.57 trillion by the end of FY 2026/27. The impact of the proposed changes in the Value Added Tax (Amendment) Bill, 2026, on business, consumption, and welfare will be positive.

**4. That the expenditure plan by major components for the next two years.**

Since these are amendments to the existing tax provisions, there is no expenditure plan specifically different from the overall allocation of Shs 877.30 billion for FY 2025/26 and Shs. 917.40 billion for FY 2026/27 to Uganda Revenue Authority.

**5. That the funding and budgetary implications are the following:**

Funding is going to be through the overall Government budgetary allocations to the Uganda Revenue Authority.

**6. Expected savings and/or revenue to Government:**

The revenue gain expected from the Bill is estimated to be Shs. 353 billion annually.

Submitted under my hand this **27<sup>th</sup> March, 2026**

Matia Kasaija (MP)  
**MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT.**

Received by .....

Date.....

