



## PARLIAMENT OF UGANDA

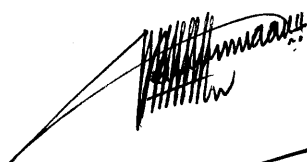
### REPORT OF THE COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT ON THE RECONSIDERATION OF THE EXCISE DUTY (AMENDMENT) BILL, 2016


OFFICE OF THE CLERK TO PARLIAMENT  
APRIL 2016

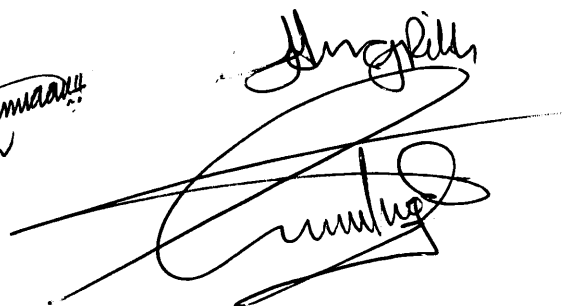
 







  
*Amunduh.*

  
*Amunduh*

**REPORT OF THE COMMITTEE ON FINANCE, PLANNING AND ECONOMIC  
DEVELOPMENT ON THE RECONSIDERATION OF THE EXCISE DUTY  
(AMENDMENT) BILL, 2016**

**1. Introduction**

The Excise Duty (Amendment) Bill, 2016 was returned by His Excellency the President of the Republic of Uganda on 4<sup>th</sup> May 2016 in accordance with Article 91 of the Constitution of the Republic of Uganda.

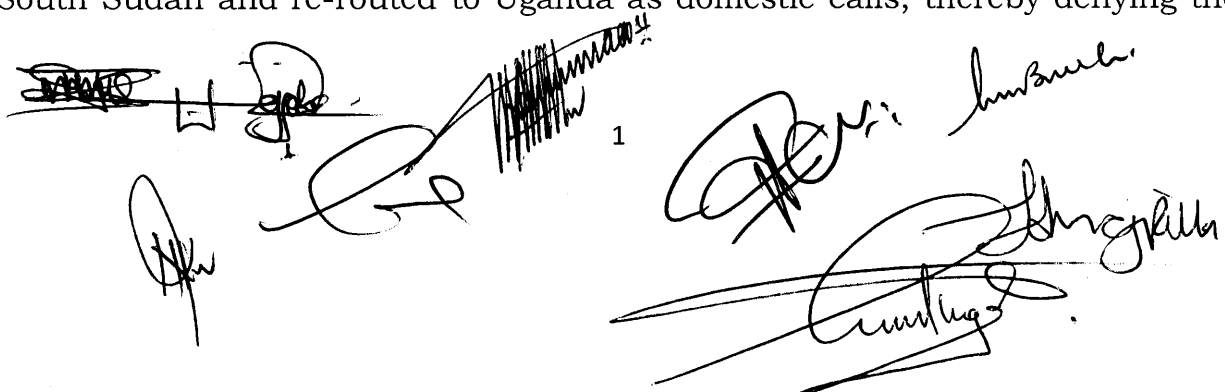
The Bill was referred to the Committee on Finance, Planning and Economic Development in accordance with Rule 132 (2) of the Rules of Procedure.

**2. Methodology**

The Committee held a meeting with the Ministry of Finance, Planning and Economic Development.

**3. Reasons for the return of the Bill**

The repeal of the Excise Duty on international incoming calls was initially proposed because of the sharp decline in revenue since the tax was introduced in FY 2013/14. The revenue yielded was Shs. 68.3bn/- for FY 2013/14 but when Uganda joined the one area network in January 2015, international incoming calls reduced and revenue projected for FY 2015/16 is Shs. 45.9bn. This was attributed to incoming international calls terminating in Kenya and South Sudan and re-routed to Uganda as domestic calls, thereby denying the



1

government of Uganda excise duty and the telecommunication companies in Uganda revenues from incoming calls termination fees.

However, H.E President has been informed that it is not calls being terminated in Kenya and South Sudan that are a problem but rather presence of illegal simboxes, both within Uganda and at the boarder. The Committee was further informed that this vice can be fought as Rwanda and Tanzania have done. Therefore, the removal of excise duty will not lead to an increase of incoming international calls but will benefit the illegal simbox owners and lead to loss of government revenue.

#### **4. Observation and recommendation**

The Committee observed that the problem of reduced revenue was due to lack of enforcement by Uganda Communications Commission. Uganda Communications Commission was allocated funds to purchase equipment to detect the illegal simboxes in 2013. Through this enforcement mechanism, the government will be able to detect all the foreign incoming calls and arrest all the culprits operating illegal simboxes.

#### **5. Recommendation**

The Committee recommends that the Clause 3 paragraph (l) of the Excise Duty (Amendment) Bill, 2016 be deleted.



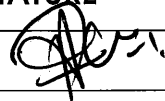
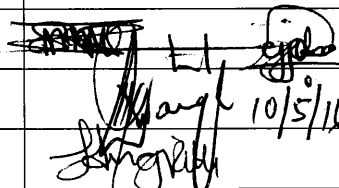
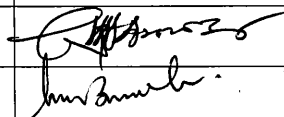
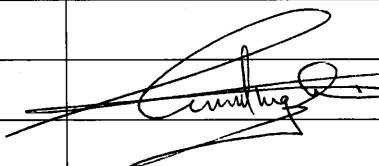

Handwritten signatures and initials are present at the bottom of the page. There are several distinct signatures, including one that appears to be 'H. E. President' and another that looks like 'J. B. Muhesi'. There are also various initials and scribbles, including a large '2' in the center.

### Clause 3

## Justification

3

**REPORT OF THE COMMITTEE ON FINANCE, PLANNING AND ECONOMIC  
DEVELOPMENT ON THE RECONSIDERATION OF THE EXCISE DUTY  
(AMENDMENT) BILL, 2016**

	NAME	CONSTITUENCY	SIGNATURE
1	Hon. Kasule Robert	Kyadondo North	
2	Hon. Okello Anthony	Kioga County	
3	Hon. Musasizi Henry	Rubanda East County	
4	Hon. Kyooma Xavier	Ibanda North County	
5	Hon. Sejjoba Isaac	Bukoto Mid-West	
6	Hon. Lwanga Timothy	Kyamuswa County	
7	Hon. Adong Lilly	Nwoya District	
8	Hon. Katoto Hatwib	Katerera County	
9	Hon. Amos Lugoloobi	Ntenjeru South North	
10	Hon. Emma Boona	Mbarara District	
11	Hon. Ayepa Micheal	Labwor County	
12	Hon. Mugabi M. Martin	Buzaaya County	
13	Hon. Geoffrey Ekanya	Tororo County	
14	Hon. Nathan N Mafabi	Budadiri West County	
15	Hon. Odo Tayebwa	Bushenyi-Ishaka Mun	
16	Hon. Mathias Nsubuga	Bukoto South County	
17	Hon. Judith Franca Akello	Agago District	
18	Hon. Maxwell Akora	Maruzi County	
19	Hon. Ssasaga Isaiah	Budadiri East County	
20	Hon. Kevinah Taaka	Busia Municipality	
21	Hon. Jack Sabiiti	Rukiiga County	
22	Hon. Bagoole John	Luuka County	
23	Hon. Capt. Lakot Susan	UPDF	
24	Hon. Ochwa David	Agule County	