

ACRONYMS

- CAP: Chapter
- LC1: Local Council Chairperson 1
- SDG: Sustainable Development Goals
- UGX: Uganda Shillings
- USD: United States Dollars

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1 INTRODUCTION

The Landlord and Tenant Bill, 2018 was read for the first time on 12th February, 2019 and referred to the Committee on Physical Infrastructure for scrutiny and report back in consonance with Rule 128 of the Rules of Procedure of the Parliament of Uganda.

The Committee considered the Bill and hereby reports.

2 BACKGROUND TO THE BILL

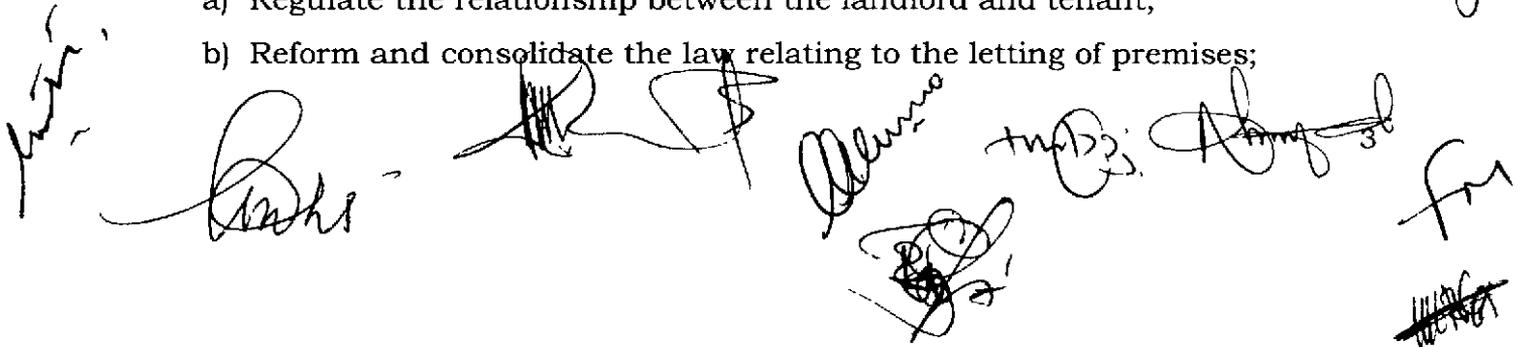
The relationship between landlord and tenant is currently governed by the Rent Restriction Act Cap 231 and the Distress for Rent (Bailiffs) Act, Cap 76 which were enacted in 1949 and 1933 respectively. The Rent Restrictions Act provides for the control rents of dwelling houses and business premises while the Distress for Rent (Bailiffs) Act, provides for the appointment of bailiffs for purposes of distress for rent. Evidently, the two laws are outdated and cover only limited aspects of the landlord and tenant relationship. Accordingly, the rental housing market has been largely left to the interplay of the market forces with very minimal government regulation. This has culminated into strenuous relationships between landlords and tenants characterized by arbitrary evictions and rental increments and the resultant effects such as strikes by tenants especially in the metropolitan areas causing disruptions in the rental housing industry and the economy as a whole.

It is against this backdrop that government has proposed a law to regulate and streamline the landlord-tenant relationship for the orderly and sustainable development of the rental housing industry.

3 OBJECT OF THE BILL

The Landlord and Tenant Bill, 2018 seeks to:

- a) Regulate the relationship between the landlord and tenant;
- b) Reform and consolidate the law relating to the letting of premises;



- c) Provide for the responsibilities of landlords and tenants in relation to the letting of premises; and
- d) Provide for related matters.

4 DEFECTS IN THE EXISTING LAW

Currently, there is no comprehensive law regulating the landlord-tenant relations. The Rent Restrictions Act and the Distress for Rent (Bailiffs) Act, cover only limited aspects of the landlord and tenant relationship. As a result, there is lack of proper regulation of the relationship and hence disharmony among the key players and disruption of the industry.

5 HOW THE BILL ADDRESSES THE DEFECTS IN THE LAW

The Bill seeks to introduce a comprehensive and modern legal framework to enable the relationship of landlord and tenant develop in an orderly manner. The Bill provides for making of tenancy agreements; terms and conditions which form part of, or are to be implied in, every tenancy; responsibilities of landlords and tenants in respect of the payment for utility charges; duties and obligations of Landlords and Tenants; Rent and Security Deposit; Assignment of Tenancy and Sub-leasing of Premise; Termination of Tenancy; Vacation of Premises, Eviction and Related Matters; and General matters.

6 METHODOLOGY

The Committee;

- a) Met with and elicited views from;
 - i) Ministry of Lands, Housing and Urban Development
 - ii) Kampala Capital City Traders Association (KACITA)
 - iii) Association of Real Estate Agents, Uganda (AREA)
 - iv) Uganda Human Settlement Network (UHSNET)
 - v) Professional Real Estate Agents
 - vi) Peace, Reconciliation and Development Organisation
 - vii) Knight Frank

- viii) Property Developers' Voice Uganda Ltd
 - ix) Equal Opportunities Commission
 - x) Namulondo Investments Limited
 - xi) Landlords of Buto Zone, Bweyogerere, Kira Sub-county, Wakiso District
 - xii) Institute of Certified Public Accountants of Uganda (ICPAU-Uganda)
 - xiii) Kampala Arcaders Advocacy Forum (KAAFO)
 - xiv) Private Sector Foundation
 - xv) Uganda Bankers Association
 - xvi) Uganda Law Society
- b) Held a public hearing on 12th February, 2019 where it received and reviewed, and written memoranda submitted by thirty-seven (37) witnesses on the Bill. *A list of the witnesses is attached as Annex A.*
- c) Reviewed relevant literature including the Constitution of the Republic of Uganda, 1995, the Rent Restriction Act Cap 231, the Distress for Rent (Bailiffs) Act, Cap 76 among others.

7 COMPLIANCE WITH HUMAN RIGHTS

Housing has been universally declared as one of the three essential human needs besides food and clothing. The right to adequate housing is also considered a human right under the Universal Declaration of Human Rights (1967) to which the Government of Uganda is a signatory¹. According to General Comment 4 of the United Nations Universal Declaration of Human Rights, the minimum requirements of adequate housing are:-

- a) Legal security of tenure: This embodies the right of persons to be protected from eviction, harassment and other threats;

¹ Universal Declaration of Human Rights, Article 25

- b) Availability of services and infrastructure: Housing should include facilities essential for health, security, comfort and nutrition, safe drinking water, energy for cooking, heating, lighting, sanitation facilities, refuse disposal, storage and emergency services;
- c) Affordability: the cost of adequate housing should not be so high that it compromises the ability of the household to access other basic needs.
- d) Habitability: Housing must protect its inhabitants from cold, damp, heat, rain or other health threats and structural hazards. It must provide adequate space for them.
- e) Accessibility: all people are entitled to adequate housing and disadvantaged groups in particular must be accorded full and sustainable access to housing which may mean granting them priority status in housing allocation or land use planning.
- f) Location: housing should be located in areas with access to employment options health, school, child-care facilities. This service applies equally in rural and urban areas. Housing should not be built on or near polluted sites or sources of pollution.
- g) Cultural adequacy: activities geared towards development or modernization of housing should ensure that the cultural dimensions of housing are not sacrificed, while simultaneously ensuring technical facilities.

The Constitution of the Republic of Uganda, 1995 under General Social and Economic Objectives mandates the state to ensure that all Ugandans have decent shelter² among other basic needs. Arbitrary and forceful evictions have

² Constitution of the Republic of Uganda, 1995, Objective XIV of the National Objectives and Directive Principles of State Policy

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been central to the violation of the right to housing in Uganda. The Bill seeks to guarantee security of occupancy of tenants and habitability of premises which are crucial for the realization of the right to adequate housing.

8 COMPLIANCE WITH THE SUSTAINABLE DEVELOPMENT GOALS

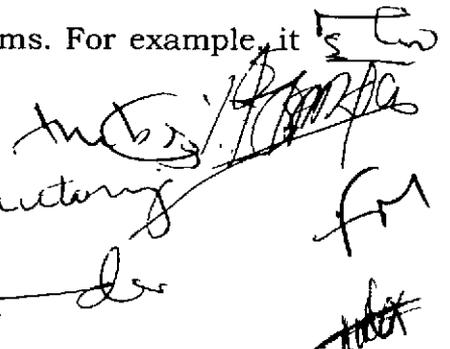
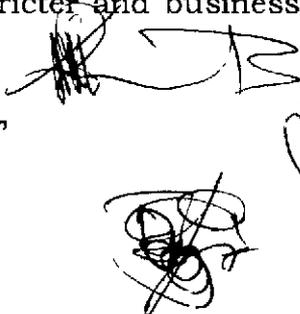
The Bill is in tandem with SDG 11 which aims at making cities and human settlements inclusive, safe, resilient and sustainable, particularly target 11.1 which seeks to ensure access for all to adequate, safe and affordable housing and basic services by 2030. For example, Clause 6 seeks to impose an obligation on landlords to ensure that the rented premises are fit for human habitation and is thus aimed at ensuring the health, safety and security of occupants of rented properties. Therefore, the Bill seeks to streamline landlord-tenant relations in order to provide a conducive environment for the orderly and sustainable development of the rental housing industry to guarantee adequate, safe and affordable housing for all.

9 OBSERVATIONS AND RECOMMENDATIONS

9.1 Delineation of provisions for residential from business tenancies

The Committee takes cognizance of the general view by stakeholders to separate the provisions for residential and business lettings either by creation of separate laws as is the case in other countries where the landlord and tenant relationship is regulated by two separate pieces for legislation. For example, in Kenya, commercial tenancies are regulated by the Landlord and Tenant (Shops, Hotels and Catering Establishments) Act, while residential tenancies are regulated by the Rent Restrictions Act.

The major justification for the delineation is to cater for the intricacies and peculiarities involved in the financing arrangements and management of business tenancies which are different from residential tenancies. Residential tenancies have a higher component of social security considerations while business tenancies have stricter and business-oriented terms. For example, it



is now settled law that tenants of business tenancies require a longer termination notice period (three months) than residential tenancies to avoid business disruptions. Additionally, business premises are often designed and fitted to the specifications of a particular tenant and require a higher security deposit than residential tenancies. Stakeholders were therefore concerned that commingling of residential and business tenancies in one piece of legislation implies that some legal provisions will be applicable to one form of tenancy and inapplicable to the other.

The Committee however observes that enacting separate laws for residential and business tenancies is not feasible since most of the provisions in the Bill are applicable to both tenancies. In any case, several countries such as South Africa have the same law for both residential and business tenancies. The Committee is of the considered view that the peculiarities of the different tenancies can be taken care of within the same law.

9.2 Erosion of the Doctrine of Freedom of Contract

The Committee observes that the landlord and tenant relationship is essentially contractual in nature and is governed by the principle of freedom of contract. Additionally, Uganda is currently a free market economy which guarantees landlords and tenants the freedom to contract on the terms and conditions that are mutually beneficial to them. Therefore, statutory regulation of the landlord and tenant relationship should be confined to circumstances where there is a substantial risk that one party may take an unfair advantage over the other due to the unequal bargaining power that is inherent in such relationships.

The Committee however notes that a number of Clauses in the Bill seek to unduly interfere with the right of the parties to contract freely which is the very essence of free market economies like Uganda. For example, Clauses 3(2), 8(3), 27(3) and 41(6) provide for prescribed formats of tenancy agreements and notices which restricts the freedom of landlords and tenants to decide the

terms and conditions that should govern their relationship. In addition, Clause 11 of the Bill restricts a landlord and a tenant from entering a tenancy agreement unless it is strictly in line with the provisions of the Bill. These Clauses, inter alia, introduce inflexibility and artificiality in commercial transactions which may stifle the growth of the rental housing industry.

The Committee recommends that legal provisions which militate against commercial practice and unduly interfere in the operation of free market choice, should be deleted to stimulate investment in the rental housing industry and foster harmonious co-existence of the sector players.

9.3 The imbalance of interests between landlords and tenants

The Committee notes that while the object of the Bill is to regulate the relationship between landlords and tenants, the bulk of its provisions are skewed heavily in favor of the tenants at the expense of the landlords. For example Clause 6(b) of the Bill seeks to impose a continuing obligation on the landlord to ensure that the premises are kept fit for human habitation during the tenancy which is unfair since it does not envisage circumstances where the tenant negligently damages the rented premises during the tenancy rendering the premises uninhabitable.

Relatedly, Clause 20 seeks to impose an unfair obligation on the landlord to keep the premises safe and free from health hazards. In realistic terms, this provision is impracticable to implement given that the term "health hazard" is not defined and the landlord may not be in position to know whether or not the rented premises constitute a health hazard. Additionally, Clause 51 provides that a landlord shall not subject a tenant to annoyance. These Clauses are not only ambiguous but also impose unfair obligations on the landlord, and interfere with the landlord's enjoyment of the right to property as enshrined in Article 26 of the Constitution.

The Committee re-echoes the resounding call by stakeholders to establish a landlord and tenant law which balances the interests of

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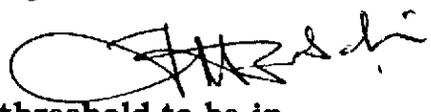
landlords and tenants in free a market economy by ensuring that landlords earn reasonable income from their investments while at the same time protecting tenants against unfair practices and exploitation. The Committee thus recommends that provisions in the Bill which are intended to tilt the balance in favor of one party at the expense of the other should be accordingly deleted.

9.4 Format of Tenancy Agreements

Clause 3 of the Bill provides that a tenancy agreement may be written, oral or implied from the conduct of the parties. The provision is intended to allow the parties room for flexibility and freedom to contract using a format that is convenient for them. The Committee is cognizant that informality of tenancy agreements has been a major cause for disputes between landlords and tenants due to the uncertainties characteristic of informal arrangements. While formalizing all tenancy agreements is highly desirable, it is not achievable in view of the high illiteracy levels in the country.

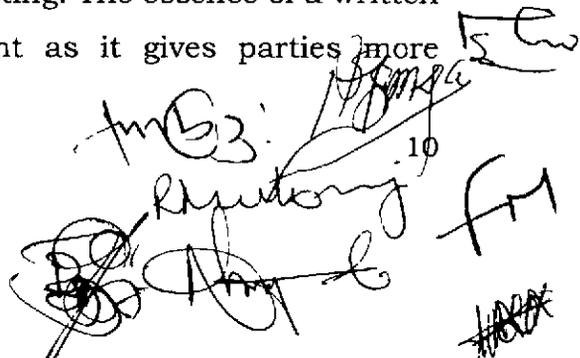
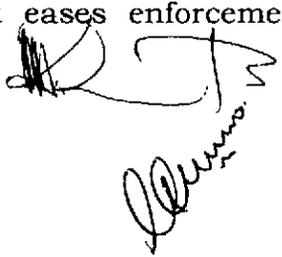
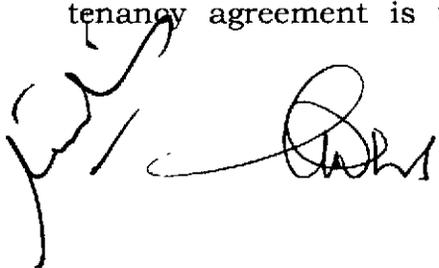
Clause 3 (3) of the Bill seeks to strike a balance between oral and written agreements. It provides that where a tenancy agreement is not in writing, the landlord shall keep a record of the particulars of the parties to the tenancy, the premises comprised in the tenancy and details of the rent payable and the manner of payment.

The Committee is content with Clause 3 as it will militate against the inherent challenges of enforcing unwritten tenancy agreements and will augment government efforts in enforcing payment of rental tax and incidental charges.



9.5 Requirement for tenancy agreements of a certain threshold to be in writing

Clause 4 (a) of the Bill seeks to ensure that tenancy agreements of twenty-five currency points (UGX. 500,000) or more are in writing. The essence of a written tenancy agreement is that it eases enforcement as it gives parties more



certainty thus reducing the risk of disputes. The Committee notes that a similar provision exists in the Contracts Act³.

The Committee is cognizant of the proposal by stakeholders to lower the threshold to ten currency points (UGX. 100,00) as a majority of the landlords in Uganda charge rent in the range of ten currency points and above.

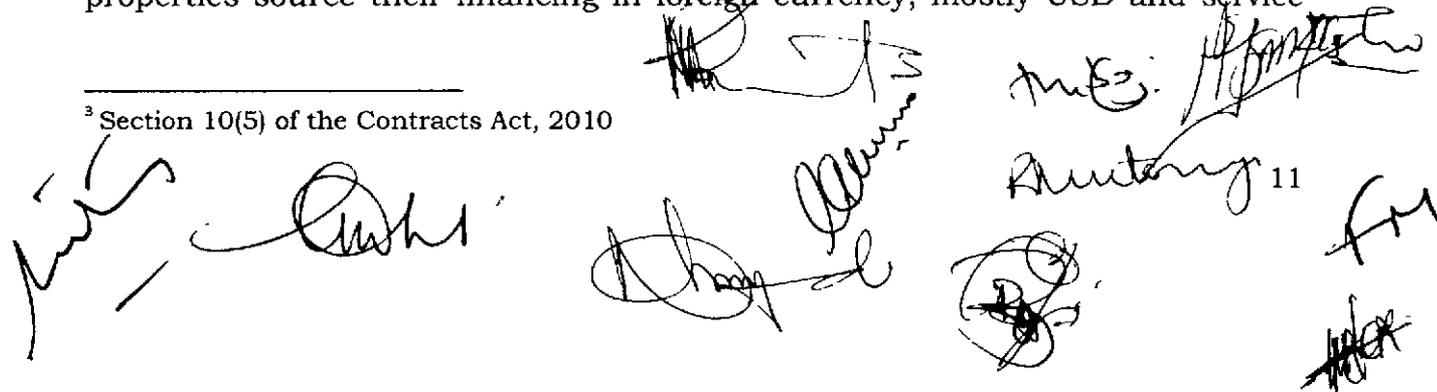
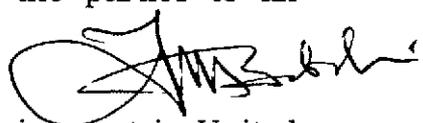
The Committee concurs with the proposal for tenancy agreements of ten currency points or more to be in writing. This will reduce on the informalities in tenancy agreements, streamline landlord and tenant relations and foster harmonious co-existence between landlords and tenants which is crucial for the orderly and sustainable development of the rental housing industry. In addition, formalizing tenant-landlord relations will augment governments efforts in broadening the rental tax base.

9.6 Payment of Rent in Uganda Shillings

Clause 23 (2) of the Bill provides that all rent obligations or transactions shall be expressed, recorded and settled in the shilling unless otherwise provided under any enactment, or is lawfully agreed to between the parties to an agreement under any lawful obligation.

The Committee is cognizant of the current practice of charging rent in United States Dollars and the attendant challenges and inconveniencies of converting Uganda shillings to USD in order to pay rent. In addition, charging rent in foreign currencies is perceived by tenants as a crafty way of raising rental rates on a monthly basis in view of the incessant foreign currency fluctuations which are characteristic of Uganda's economy. In the same vein, the Committee notes that Uganda is a liberalized economy where Foreign Direct Investment has been encouraged to permeate and accordingly, many developers of large-scale properties source their financing in foreign currency, mostly USD and service

³Section 10(5) of the Contracts Act, 2010



the loans in USD therefore compelling them to charge rent in Uganda Shillings would be rather unfair and unreasonable.

The Committee observes that Clause 23(2) seeks to create a balance of interests of both landlords and tenants by protecting tenants who may not wish to pay rent in dollars while at the same time allowing room for flexibility for landlords and tenants who may wish to transact in foreign currencies to do so. While the Committee is content with the spirit of the provision, it proposes that the same be recasted for better clarity.

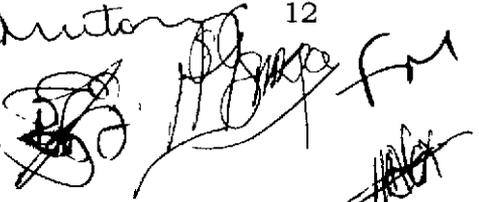
9.7 Payment of Rent in Advance

Clause 25 (1) of the Bill seeks to limit the payment of rent in advance. It provides that a landlord shall not require a tenant in case of a tenancy of more than one month to pay rent more than three months in advance and in the case of a tenancy of one month to pay rent more than two weeks in advance.

The Committee observes that while the Clause is intended to protect tenants from unreasonable demands by landlords for lumpsum rent payments, it restricts the freedom of contract of the parties and discourages longterm tenancies which has adverse effects on the security of tenure of tenants since no landlord would be willing to offer a tenancy longer than the rent payment.

The Committee is cognizant of Clause 25(2) which seeks to allow room for flexibility in cases where the tenant, in his or her discretion in writing, opts to pay rent in advance beyond the prescribed period. However, this leaves the matter to the discretion of the tenant and does not consider the interests of the landlord.

The Committee is therefore of the considered view that the parties should be allowed the freedom to contract out of the statutory limitations on advance payments.



9.8 Placement of a Cap on Rental Increments

Clause 27 of the Bill provides that a landlord shall not increase rent at a rate of more than ten percent annually or such other percentage as may be prescribed by the Minister by statutory instrument.

The Committee notes that the provision is intended to curb the rampant arbitrary and unconscionable rental increments in the country especially in relation to business tenancies. It is worthy to note that the Bill maintains the spirit of Section 2 of the Rent Restriction Act, Cap 231 which prohibits renting out premises at a rent which exceeds the standard rent.

The Committee however observes that rental markets operate within the overall macro-economic environment in the country, therefore capping rental increments distorts the market forces as it does not recognize changes in the costs of finance, inflation and currency fluctuations. This is a disincentive for investment in the real estate industry as it slows down recovery of return on investment.

The Committee further observes that the Bill is already embedded with adequate safeguards against arbitrary rental increments which are intended to mitigate the social dislocation occasioned by the increment. For example, Clause 27 (2) provides that a landlord must give a tenant notice of ninety days while Clause 27 (5) provides that a landlord shall not increase the rent payable under a tenancy at intervals of less than twelve months. In addition, Clause 27 (4) protects tenants under a fixed term tenancy from rental increments before the expiry of the term unless the agreement provides for rent increment within the fixed term.

In view of the foregoing, the Committee recommends that rental increments should be left to the determination of market forces or expressed by the parties by way of agreement.

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9.9 Security Deposits

Clause 32 of the Bill provides that landlords shall require a tenant to pay security deposit for the purposes of securing performance by the tenant of his or her contractual obligation.

The Committee notes that security deposits are currently not regulated by the law, yet most rental agreements require payment of security deposits. The Committee is cognizant of the numerous allegations by landlords of tenants vacating the rented premises with outstanding rents or without undertaking repairs on the rented premises for which they are liable and of security deposits being insufficient to cover the repairs. Tenants on the other hand complain of landlords unlawfully retaining the security deposit at the end of the tenancy or landlords alleging that they applied the security deposit to repair the premises when in fact the premises are not damaged. The Bill seeks to address these among other issues. Clause 32 (3) specifically provides that the landlord shall specify to the tenant in writing the terms and conditions under which the security deposit may be withheld upon the termination of the tenancy.

The Committee concurs with Clauses 32 (1) and (3) which seek to streamline the management of security deposits thereby ensuring transparency and mitigating the occurrence of conflicts between landlords and tenants over the same. However, given the poverty levels in the country, the Committee is of the considered view that security deposit should not be a mandatory requirement, to allow parties who may wish to contract out of the provision, the freedom to do so.

Clause 32(2) of the Bill provides that security deposit shall not exceed the rent payable for one month's occupancy of the premises or one-twelfth of (the rent for one year's occupancy whichever is the lesser.

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The Committee observes that given the peculiarities of business premises which are often designed and fitted to the specifications of a particular tenant, security deposit of one-month rent may not be insufficient to repair the premises on termination of the tenancy. The Committee is thus of the considered view that security deposit for business tenancies should be increased to three months' rent.

Clauses 32 (5) and (6) seek to impose restrictions on commingling of the security deposits by requiring the landlord to deposit the security deposit in a trust account held by the landlord for that purpose.

The Committee observes that the provisions are unreasonable and impracticable in view of the low levels of financial literacy in Uganda where only about 21 percent of the population possess bank accounts⁴ and proposes that the said Clauses be deleted.

9.10 Abolition of the Remedy of Distress for Rent

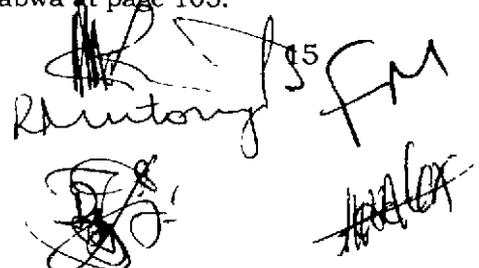
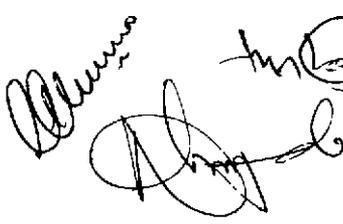
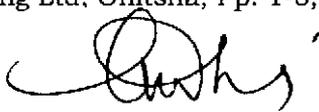
Clause 31 of the Bill seeks to abolish the remedy of distress for rent and accordingly, Clause 56 seeks to repeal the Distress for Rent (Bailiffs) Act, Cap 76. Distress for rent is an ancient self-help remedy which permits the landlord to recover rent arrears, without recourse to court, by taking goods from the demised premises and selling them⁵.



The Committee observes that while distress for rent is a cheap, convenient and expeditious mechanism for the landlord to recover rent, the remedy has been overly abused by landlords often subjecting tenants to inhuman and degrading treatment in the course of enforcing the remedy. The Distress for Rent (Bailiffs) Act, Cap 76 lacks adequate judicial controls for safeguarding the interests of tenants in the course of levying distress. According to Section 2 of the Act, a landlord in person, or his or her attorney, or a legal owner of a reversion is

⁴ Bank of Uganda (2014) Report on the Status of Financial Inclusion in Uganda

⁵ Nwoye, K.N (2003) *Rent Control and Recovery of Premises Law in Nigeria* 151 Ed. Goodway Printing Ltd, Onitsha, Pp. 1-5, Also see Principles of Land Law by Mugabwa at page 105.



permitted, as of right to levy any distress for rent without any recourse to court. Consequently, the exercise of the right to distress for rent is often fraught with violence and impunity resulting into bloodshed and loss of business especially in “downtown” Kampala where malpractice and unethical conduct by landlords is rife.

The Committee is cognizant of the concerns of stakeholders that the abolition of the remedy of distress for rent would render it practically impossible for landlords to recover rent since the Bill provides for recourse to court as the only mechanism for dispute resolution and yet, the court system is already grappling with a huge case backlog and thus unable to expeditiously resolve rental claims disputes. However, the Committee notes that the Bill addresses these legitimate concerns.

Clause 30 (2) recognizes the application of the Judicature (Small Claims Procedure) Rules, 2011 to recover rent arrears. Small claims court procedures are designed to quickly and inexpensively dispense justice in cases involving small claims of rent not exceeding UGX.10million in value. The procedures for instituting a small claim are simplified, and legal representation by an advocate is not allowed, making the procedure less complicated and accessible to the indigent.

The Committee however notes that the small claims procedure locks out landlords with rental claims exceeding UGX.10million from accessing quick justice. In addition, only natural persons are allowed to institute an action in court, although a body corporate may become a party to an action in the court as a defendant⁶. The Committee thus recommends that the Rules Committee⁷ should consider a reasonable increment in the threshold for small claims procedures to cater for rental claims above UGX. 10million.

⁶ Rule 8(1) of the Judicature (Small Claims Procedure) Rules, 2011

⁷ Rules Committee established under Section 40 of the Judicature Act, Cap 13

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9.11 Unlawful Eviction of Tenants

Clause 48 of the Bill provides that where a tenant fails to vacate the premises after notice to vacate the premises has been given in accordance with this Act, the landlord shall apply to court for an eviction order. Clause 49 (1) further provides that a landlord shall not except in accordance with this Act, evict a tenant from the premises or require, compel or attempt to require or compel the tenant to vacate the premises. According to Clause 49(2), a landlord who evicts a tenant from the premises in contravention of the Act commits an offence and is liable to a fine not exceeding two hundred and fifty currency points or imprisonment not exceeding one year or both.

The Committee is content with the above proposals which are intended to protect tenants from the rampant arbitrary and forceful evictions by landlords. This will go along way in ensuring that the rights of tenants are respected, and their security of occupancy guaranteed.

10 RECOMMENDATION

The Committee recommends that the Landlord and Tenant Bill, 2018 be passed into law subject to the following proposed amendments.

Right Hon. Speaker, I beg to move.

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PROPOSED AMENDMENTS TO THE LANDLORD AND TENANT BILL, 2018

Clause 2: Interpretation

Definition of "business"

Redraft the interpretation of the word "business", as follows-

"business" includes trade, commerce, profession or employment and includes any activity carried on by a natural person or body of persons, whether corporate or unincorporate;

Justification

To broaden the definition to apply to both natural and unnatural persons.

Definition of "court"

Substitute for the definition of "court", the following—

"court" means a court of competent jurisdiction;"

Justification

- To ensure that matters that arise under a tenancy agreement are handled by any court as long as the matter is within that court's jurisdiction.
- To avoid restricting access to justice.

Clause 3: Making of tenancy agreement

Insert a new sub clause immediately after sub clause (1) as follows—

"Notwithstanding subsection (1), a tenancy agreement of ten currency points or more shall be in writing."

18

Clause 3 (5) (a)

Substitute for paragraph (a), the following-

“(a) with an individual, unless the individual provides his or her identification document or alien’s identification card or passport.”

Insert a new sub-clause immediately after sub-clause (5) to read as follows:

“For the purpose of this section “identification document” includes National Identification card, driving permit, passport or certified student identification card.”

Justification

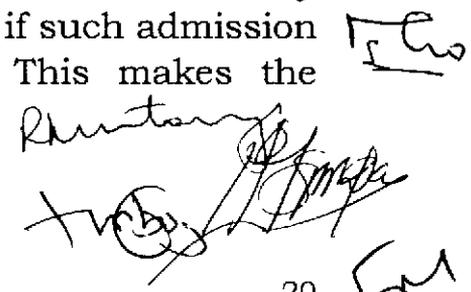
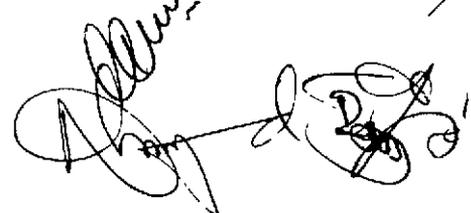
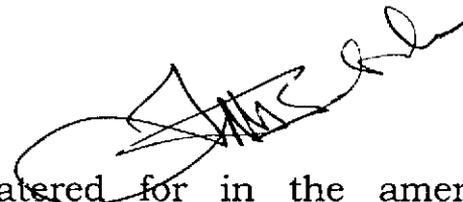
- To broaden the provision to allow other forms of identification documents since national identification cards are not owned by every Ugandan.
- To allow foreigners use passports in addition to alien’s identification cards.

Clause 4: Tenancy agreement of twenty five currency points or more to be in writing.

Delete clause 5.

Justification

- Paragraph (a) has been catered for in the amendment proposed under clause 3.
- It is impractical to have a party against whom an oral tenancy agreement is being enforced admit especially if such admission may be detrimental to his or her case. This makes the implementation of the provision difficult.



Clause 5: Landlord to give tenant copy of tenancy agreement.

Redraft clause 5 as follows—

“A landlord shall, after a tenancy agreement is signed by the landlord and tenant, give a copy of the tenancy agreement to the tenant prior to the tenant taking vacant possession of the premises.”

Justification

To ensure transparency in the dealings between a landlord and a tenant.

Clause 6: Implied term as to fitness for human habitation.

Clause 6 (4)

Substitute for the words “twenty-four hours” appearing in line two, the words “at least forty eight hours.”

Justification

To require the landlord to give reasonable notice to the tenant.

Clause 8: Exception to duty of landlord to repair premises.

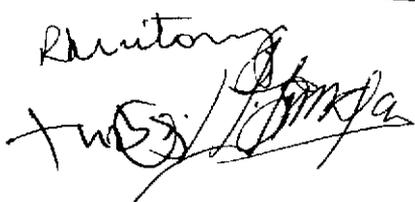
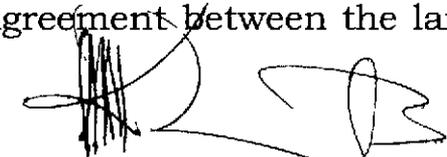
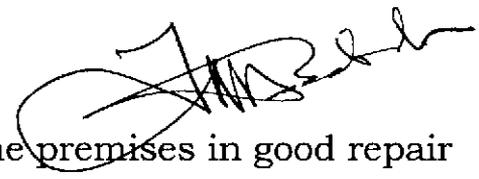
Clause 8 (1)

Redraft sub-clause (1) to read as follows-

“(1) The duty of the landlord to maintain the premises in good repair does not apply-

(a) to repair of damage caused to the premises by the tenant’s negligence or failure to take reasonable care; or

(b) where there is an agreement between the landlord and tenant to the contrary.



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Justification

The sub-clause is redundant since payment of rental tax is the responsibility of the landlord.

Clause 11: Void terms and conditions in tenancy.

Delete clause 11.

Justification

- The clause restricts freedom of contract of the parties.
- In addition, sub-clause (2) will hamper lawyers from securing legal fees for preparation of tenancy agreements.

Clause 13: Utilities charges for which landlord is liable.

(a) Insert a new paragraph immediately after paragraph (f) to read as follows—

“(g) all utility charges in common user areas.”

Justification

To ensure that utilities in common user areas are paid by a landlord to minimize conflict among the tenants.

(b) Amend clause 13 by renumbering it as sub-clause (1) and introducing a new sub-clause as follows—

“(2) Notwithstanding subsection (1) the landlord shall not be liable where -

(a) tenants who share common premises agree to collect and pay utility supplies as invoiced by a utility supplier; or

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- Khutory* (written above a signature)
- 23* (written near a signature)
- FM* (written near a signature)
- Handwritten signatures and scribbles* (various marks and names at the bottom of the page)

(b) he or she mutually agrees with a tenant to make any alterations to the premises to meet the tenant's specific requirement in relation to the premises under occupancy.

Justification

- To allow for flexibility in the law so long as the parties have mutually agreed.
- To cater for situations where a tenant may require some specification to be made to the premises beyond what is provided by the landlord.

Clause 15: Tenant shall not cause nuisance or interference.

Delete clause 15.

Justification

The provision is prone to abuse.

Clause 17: Tenant to keep rented premises clean.

Delete the word "reasonably" appearing in line one.

Justification

The word is ambiguous and therefore prone to abuse.

Clause 19: Landlord to ensure quiet enjoyment.

Delete clause 19.

Justification

It is impracticable to implement and is likely to be abused.

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Clause 20: Landlord to keep premises safe and free of health hazards.

Delete clause 20.

Justification

It is impracticable to implement.

Clause 21: Landlord not to refuse to rent on certain grounds.

Delete clause 21.

Justification

The provision is redundant since the 1995 Constitution of the Republic of Uganda prohibits discrimination of any form.

Clause 22: Tenant to pay rent

Delete sub-clause (2).

Justification

Sub-clause (1) suffices.

Clause 23: Determination of rent under tenancy.

Substitute for sub-clause (2), the following—

"(2) All rent obligations or transactions shall be expressed or settled in Uganda Shillings.

(3) Notwithstanding subsection (2), the parties may mutually agree to settle and express rent in any other freely convertible currency."

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Justification

- To allow parties transact freely since Uganda is a free market economy where foreign direct investment (FDI) has been encouraged to permeate.

Clause 25: Limit on rent in advance.

Clause 25 (2)

Redraft sub-clause (2) as follows—

“(2) Subsection (1) does not apply where the tenant and landlord mutually agree that the tenant pays the rent beyond the period specified.”

Justification

To require both parties to agree to the payment of rent beyond the period specified.

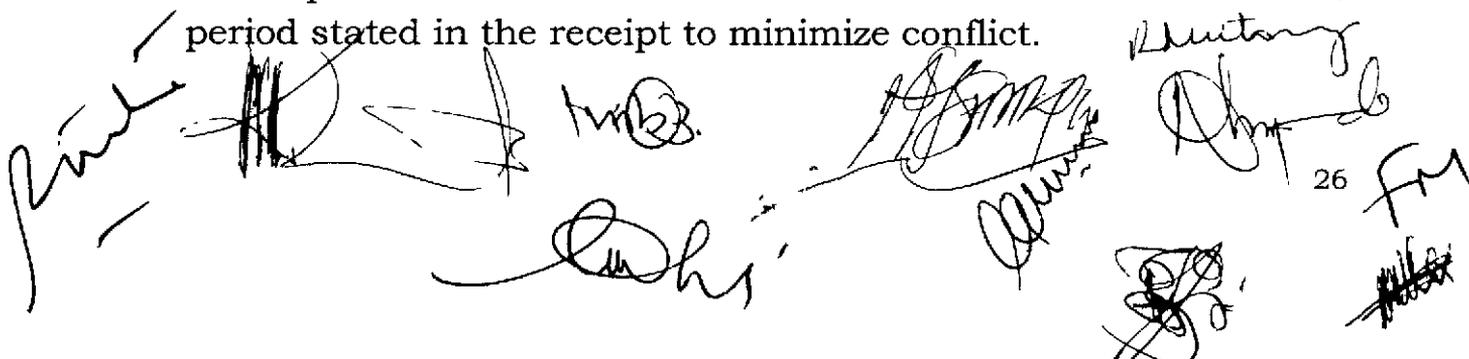
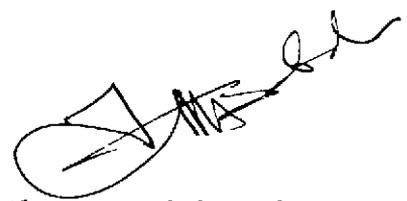
Clause 26: Receipts for rent.

Clause 26(2)

Substitute for the words “be in the prescribed form” the words “state the amount and period of rent”

Justification

- Given the nature of sector being regulated, the provision is impracticable to implement. To have the prescribed form of a receipt accessed by every landlord is almost impossible.
- To emphasize the need to have the amount of rent and the period stated in the receipt to minimize conflict.



Clause 27: Increase of rent.

Clause 27(1)

Substitute for sub-clause (1), the following—

“(1) A landlord shall not increase rent without giving a tenant at least ninety days’ notice.

Justification

Rent increment should be determined by the market forces. This can be exercised through mutual agreement by the parties.

Clause 27(2)

Substitute for sub-clause (2), the following—

“(1) The notice under subsection (1) shall set out the following—

(a) the amount of the proposed rent; and

(b) the date on which the increment is to take effect.

Justification

For clarity.

Clause 27(3)

Delete sub-clause (3).

Justification

The provision is not practical.

Clause 27(7)

Delete sub-clause (7).

Handwritten signatures and initials are present in the bottom right quadrant of the page. These include several large, stylized signatures, some of which appear to be crossed out or heavily scribbled over. There are also smaller initials and marks, including what looks like 'FM' and '27' near the bottom right corner.

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Justification

Sub-clause (6) is sufficient.

Clause 30: Failure to pay rent by tenant and claims for rent arrears.

Clause 30 (3)

Substitute for the words "Small Claims Procedure Rules" appearing in lines one and four, the words "Judicature (Small Claims Procedure) Rules"

Justification

To provide the proper citation for the Rules.

Clause 32: Security deposit.

Clause 32 (1)

Substitute for the word "shall" appearing in line one, the word "may".

Justification

To make the requirement to pay security deposit discretionary.

Clause 32 (2)

Substitute for sub-clause (2), the following-

"(2) A landlord in a residential tenancy shall not require a security deposit of an amount exceeding the rent payable for one month's occupancy of the premises to which the agreement relates, or one-twelfth of the rent for one year's occupancy of the premises to which the agreement relates; whichever is the lesser.

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(3) A landlord in a commercial tenancy shall not require a security deposit of an amount exceeding the rent payable for three months' occupancy of the premises to which the agreement relates.

Justification

- For clarity.
- To create distinct provisions for residential and commercial tenancies in relation to security deposit due to the peculiarities of each tenancy. Commercial lettings require a higher security deposit than residential premises given the intricacies involved in the management of such premises.

Clause 32 (5)

Delete sub-clause (5).

Justification

Management of the trust account will attract administrative costs.

Clause 32 (6)

Delete sub-clause (6).

Justification

The provision will breed mistrust between the parties which will result in unending conflicts.

Clause 32 (7)

Delete the words "and shall provide written notice of the name and address and location of the depository and any subsequent change in the details" appearing after the word "deposit" in line two.

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Clause 44: Tenant or landlord may challenge termination in court.

Clause 44 (4)

Delete sub-clause (4).

Justification

- Following the proposed amendment to the definition of the word “court”, the provision becomes redundant since appeals are not restricted to only the High Court.
- The right of appeal is guaranteed by the 1995 Constitution of the Republic of Uganda and other applicable laws.

Clause 46: Refusal by tenant to vacate premises after receipt of notice of termination.

Delete clause 46.

Justification

The provision is similar to clause 48 and therefore redundant.

Clause 49: Unlawful eviction of tenant.

Clause 49 (2)

Substitute for the words “two hundred and fifty” appearing in line four, the words “twenty four”.

Justification

To make the currency points commensurate to the offence.

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Clause 51: Subjecting tenant to annoyance.

Delete clause 51.

Justification

The word "annoyance" is ambiguous and is likely to be abused.

Clause 53: Entry of rented premises by landlord.

Clause 53 (1)

Substitute for the word "twenty hours" appearing in line three, the word "at least forty eight hours".

Justification

For consistency with clause 6 (4).

Insert two new sub-clauses immediately after sub-clause (1) as follows:

"Notwithstanding subsection (1), a landlord may enter rented premises without giving notice in case of an emergency occurrence."

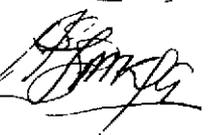
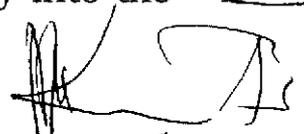
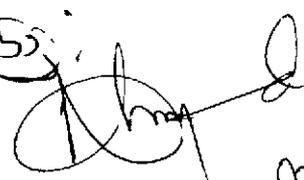
"For the purpose of this section "emergency occurrence" includes flood or fire."

Justification

To cater for situations that may require unrestricted entry into the rented premises by the landlord.

Clause 53 (3)

Delete sub-clause (3).



"Amendment of Schedule.

The Minister may, with the approval of Cabinet, by statutory instrument, amend the Schedule.

Justification

To allow the Minister amend the Schedule whenever need arises

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ANNEX A**STAKEHOLDERS IN ATTENDANCE AT THE PUBLIC HEARING ON THE LANDLORD AND TENANT BILL 2018 HELD ON 13th FEBRUARY 2019**

SN.	NAME	ORGANISATION
1	Ofwono Charles	SSA-UHSNET
2	Odela Brian Paul	SSA-UHSNET
3	Lazarus Mugabi	AREA-UG
4	Shirley Kongai	AREA-UG
5	Nanteza Catherine	AREA-UG
6	Ssewajjwa Kyeyune	PREA-UG
7	Omita Stephen	PREA-UG
8	Nicholas Arinaitwe	AREA-UG
9	Isaac Arepit	SSA-UHSNET
10	William Walaga	SSA-UHSNET
11	EMG. V.F Bugembe	PEDO
12	Proffessor Mayombwe	PEDO
13	Nsubuga Jim	PEDO
14	Godfrey Kalema	KACITA
15	Baguma Timothy	Secretary Gen. KACITA
16	Nantume Agatha	PEDO
17	Nakuya Annet	PEDO
18	Sabiti Bageine	Director Advocacy AREA-UG
19	Kaggwa William	MHBA
20	Ssali Emmanuel	Pinnacle Africa
21	Ndagire Immaculate	SEATIN-U
22	Nakabiri Ritah	PEDO
23	Jennifer Byororela	Bynostar and Co.
24	Irene A Gwokyalya	MLHUD
25	Ariko David	UCC



Lc

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26	Hope Katwine	Vice chairperson KACITA-U
27	Kayondo Everest	Chairperson- KACITA-U
28	Mwesigye Abel	C.E.O KAICITA-U
29	Baganzi Solomon	Mediation officer KACITA-U
30	Kigwe Grace	KACITA
31	Waiswa Tom	MFRED AND KK ENT.
32	Mugerwa Abdul Hakim	MAK
33	Matovu Muhamad	MAK MEMBER
34	Musoke Prossy	KACITA - BOARD
35	Kakaire Ben	WBGE
36	Kantwira Mildred	HISLO SOLUTIONS
37	Wachemba Rogers	HISLO SOLUTIONS

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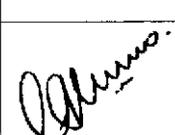
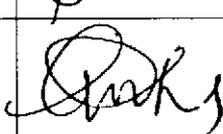
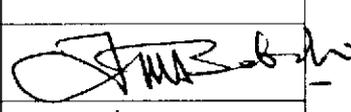
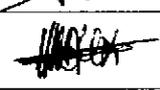
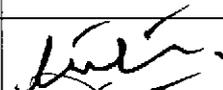
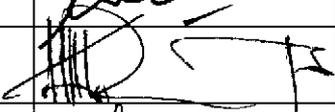
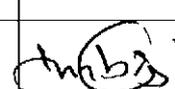
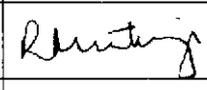
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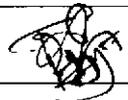
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**ENDORSEMENT OF THE REPORT OF THE COMMITTEE ON PHYSICAL
INFRASTRUCTURE ON THE LANDLORD AND TENANT BILL, 2018**

SN	NAME	CONSTITUENCY	SIGNATURE
1	Hon. Kafeero Ssekitoleko Robert (Chairperson)	Nakifuma County	
2	Hon. Kumama Nsamba George (Vice Chairperson)	Bbaale County	
3	Hon. Angundru Moses	Terego County West	
4	Hon. Asaba Paul Nsabimana	Kyaka County North	
5	Hon. Burundo Alex Musingo	Bulambuli County	
6	Hon. Byandala Abraham	Katikamu County North	
7	Hon. Dulu Angel Mark	Adjumani County East	
8	Hon. Guma Gumisiriza David	Ibanda County North	
9	Hon. Kasolo Robert	Iki Iki County	
10	Hon. Mandera Amos	Buyamba County	
11	Hon. Mbabazi Janepher Kyomuhendo	DWR Kagadi	
12	Hon. Mbeiza Margaret Kisira	DWR Kaliro	
13	Hon. Muhanga Margaret	Buryaha County	
14	Hon. Musoke Paul Ssebulime	Buikwe County North	
15	Hon. Mutonyi Rose Masaaba	Bubulo County West	
16	Hon. Ninsiima Boaz Kasirabo	Kooki County	

17	Hon. Othieno Okoth Richard	West Budama County North	
18	Hon. Waluswaka James	Bunyole County West	
19	Hon. Watongola Rehema	Kamuli Municipality	
20	Hon. Mwijukye Francis	Buhweju County	
21	Hon. Nzoghu William Musabe	Busongora County North	
22	Hon. Odur Jonathan	Erute County South	
23	Hon. Okupa Elijah	Kasilo County	
24	Hon. Ssempala Kigozi Emmanuel	Makindye Ssabagabo Municipality	
25	Hon. Mawanda Michael Maranga	Igara County East	
26	Hon. Ochen Julius	Kapelebyong County	
27	Hon. Okwir Samuel	Moroto County	
28	Hon. Soyekwo Kenneth Cheborion	Tingey County	
29	Hon. Tumwine Ann Mary	DWR Ntoroko	
30	Hon. Takirwa Francis [Brig.]	UPDF Representative	