

BILLS SUPPLEMENT

to The Uganda Gazette No. 50, Volume CXV, dated 15th August, 2022

Printed by UPPC, Entebbe, by Order of the Government.

Bill No. 24*Partnerships (Amendment) Bill***2022****THE PARTNERSHIPS (AMENDMENT) BILL, 2022****MEMORANDUM****1. Policy and principles of Bill**

The policy behind the Bill is to enact provisions to strengthen and implement the system of sanctions for violations of beneficial ownership transparency obligations for partnerships.

2. Defects in existing law

Uganda's AML/CFT Mutual Evaluation Report (MER) was adopted in 2016. The MER contains an assessment of Uganda's AML/CFT legal and regulatory regime. The MER highlighted several matters that Uganda needs to address in its AML/CFT legal and regulatory framework for Uganda to be considered compliant with the FATF Recommendations.

Specifically, Recommendations 24 and 25 of the FATF Recommendations require Uganda to enact provisions to strengthen and implement the system of sanctions for violations of beneficial ownership transparency obligations for legal arrangements including partnerships.

Further, Uganda is required to undertake robust legal reforms to address the deficiencies in the existing legal framework on beneficial ownership information of legal persons and arrangements for partnerships.

3. Remedies proposed in Bill

The intention of the Bill, therefore, is to amend the Partnerships Act, 2010 to provide for the definition of beneficial owner.

Further the Bill seeks to amend the Partnerships Act, 2010 to provide for a register of beneficial owners which shall contain particulars of beneficial owners and other related matters including where the register is to be kept and giving notice to the registrar of the place where the register is to be kept, the requirement.

The Bill also seeks to empower the Minister to make regulations to prescribe additional reporting requirements to be complied with by a partnership with beneficial owners.

Lastly, the Bill provides for a fine for failure to comply with the provisions on beneficial ownership.

Provisions of Bill

The Bill has two clauses.

Clause 1 seeks to amend section 1 of the Partnerships Act, 2010 by inserting in the appropriate place the definition of beneficial owner.

Clause 2 seeks to insert a new section 52A to provide for a register of beneficial owners and related matters.

NORBERT MAO,
Minister of Justice and Constitutional Affairs.

A BILL for an Act

ENTITLED

THE PARTNERSHIPS (AMENDMENT) ACT, 2022

An Act to amend the Partnerships Act, 2010 to define “beneficial owner” in relation to limited liability partnerships; to provide for a beneficial owners register; to empower the Minister to make regulations for beneficial ownership and for related matters.

BE IT ENACTED by Parliament as follows—

1. Amendment of section 1 of Partnerships Act, 2010

Section 1 of the Partnerships Act, 2010, in this Act referred to as the “principal Act”, is amended by inserting in the appropriate place the following definition—

“beneficial owner” means a natural person who ultimately owns or controls a partnership or the natural person on whose behalf a transaction is conducted in the partnership, and includes a natural person who exercises ultimate control over a partnership;”.

2. Insertion of new section 52A in principal Act

The principal Act is amended by inserting immediately after section 52 the following—

“52A. Register of beneficial owners.

(1) A limited liability partnership with beneficial owners shall keep a register of its beneficial owners and shall enter in the register the following particulars—

- (a) the names and postal addresses of each beneficial owner;
- (b) the national identification numbers (NIN) of the beneficial owners;
- (c) the date on which each beneficial owner was entered in the register as a beneficial owner;
- (d) the date on which any person ceased to be a beneficial owner; and
- (e) any other information as the Minister may prescribe by regulations.

(2) The register of beneficial owners shall be kept at the registered office of the limited liability partnership except that—

- (a) if the work of making it up is done at another office of the partnership, it may be kept at that other office; and
- (b) if the partnership arranges with some other person for the making up of a register on behalf of the partnership by that other person, it may be kept at the office of that person at which the

work is done but it shall not be kept at a place outside Uganda.

(3) A partnership shall send notice to the registrar of the place where its register of beneficial owners is kept and of any change of place within fourteen days after creating the register or changing the place where the register is kept.

(4) The Minister may, by statutory instrument, make regulations generally for giving effect to the provisions on beneficial owners including prescribing penalties for breach of the regulations.

(5) Where a partnership defaults in complying with subsection (1), (2) or (3), every partner and every officer of the partnership who is in default is liable to a daily default fine of twenty five currency points.”