

laid on 03/04/2018 by Hon. David Bahati

---

---

**BILLS  
SUPPLEMENT No. 2**

**29th March, 2018.**

**BILLS SUPPLEMENT**

*to the Uganda Gazette No. 16, Volume CXI, dated 29th March, 2018.*

Printed by UPPC, Entebbe by Order of the Government.

---

---

**Bill No. 8**

*Stamp Duty (Amendment) Bill*

**2018**

**THE STAMP DUTY (AMENDMENT) BILL, 2018**

**MEMORANDUM**

The object of this Bill is to amend the Stamp Duty Act, 2014, to provide for the imposition of stamp duty on instruments used in Islamic financial transactions; to exempt instruments executed in respect of land acquisition for purposes of strategic investment projects from stamp duty; to exempt instruments for financing of strategic investment projects from stamp duty, and to vary the stamp duty chargeable on certain instruments.

**MATIA KASAJA (MP),**  
*Minister of Finance, Planning & Economic Development.*

THE STAMP DUTY (AMENDMENT) BILL, 2018

ARRANGEMENT OF CLAUSES

*Clauses*

1. Commencement
2. Amendment of Act 13 of 2014.
3. Amendment of Schedule 2 to the principal Act.

A Bill for an Act

ENTITLED

**THE STAMP DUTY (AMENDMENT) ACT, 2018**

**An Act to amend the Stamp Duty Act, 2014, Act 13 of 2014 to provide for the imposition of stamp duty on instruments used in Islamic financial transactions; to exempt instruments executed in respect of land acquisition for purposes of strategic investment projects from stamp duty; to exempt instruments for financing of strategic investment projects from stamp duty, and to vary the stamp duty chargeable on certain instruments.**

BE IT ENACTED by Parliament as follows:

**1. Commencement**

This Act shall come into force on 1st July, 2018.

**2. Amendment of Act 13 of 2014.**

The Stamp Duty Act, 2014, in this Act referred to as the principal Act, is amended by inserting immediately after section 4 the following—

**“4A. Instruments to execute Islamic financial transactions.**

Any instruments used to execute Islamic financial transactions shall be chargeable with a stamp duty prescribed by the Minister by statutory instrument, with the approval of Parliament.

In this section, “Islamic financial transactions” means Shariah-compliant financial services including *Murabahah, Mudarabah, Musharakah, Ijara, Wakalah, Jualah, Sukuk and Takaful.*”

**3. Amendment of Schedule 2 to principal Act.**

Schedule 2 to the Principal Act, is amended—

- (a) by substituting for the stamp duty of Shs 10,000 wherever it appears, Shs 15,000;
- (b) by inserting immediately after item 60 the following—

<p><b>60 A STRATEGIC INVESTMENT PROJECTS</b></p> <p>The stamp duty chargeable in respect of an instrument executed by, or on behalf of a company or Government for the sole purpose of implementing the following strategic investment projects—</p> <p>(a) developers of an industrial park or free zone whose investment capital is at least two hundred million United States Dollars—</p> <ul style="list-style-type: none"> <li>(i) debenture; whether a mortgage debenture or not, being of a marketable security- of the total value;</li> <li>(ii) further charge; any instrument imposing a further charge on a mortgaged property- of the total value;</li> <li>(iii) lease of land- of the total value</li> <li>(iv) increase of share capital;</li> <li>(v) transfer of land;</li> <li>(vi) an agreement to provide services on conducting a feasibility study or developing a design for construction;</li> </ul>	<p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p>
--	---

<p>(b) an operator within an industrial park or free zone or an operator of a single factory or other business outside the industrial park who meets the following requirements—</p>	
<p>(i) a minimum investment capital of thirty million United States Dollars in case of a foreigner, or ten million United States Dollars in case of a citizen of a Partner State of the East African Community;</p>	
<p>(ii) carries on business 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;</p>	
<p>(iii) seventy percent of the raw materials used are sourced locally, subject to their availability;</p>	
<p>(iv) directly employs a minimum of one hundred citizens; and</p>	
<p>(v) provides for substitution of thirty percent of the value of imported products.</p>	
<p>(aa) debenture; whether a mortgage debenture or not, being of a marketable security – of the total value</p>	<p>Nil</p>
<p>(bb) further charge; any instrument imposing a further charge on a mortgaged property- of the total value;</p>	<p>Nil</p>
<p>(cc) lease of land– of the total value</p>	<p>Nil</p>

	(dd) increase of share capital;	Nil
	(ee) transfer of land;	Nil
(c)	hotel or tourism facility whose investment capital is fifteen million United States Dollars with a room capacity exceeding one hundred guests.	
	(aa) debenture; whether a mortgage debenture or not, being of a marketable security – of the total value	Nil
	(bb) further charge; any instrument imposing a further charge on a mortgaged property- of the total value;	Nil
	(cc) lease of land- of the total value	Nil
	(dd) increase of share capital;	Nil
	(ee) transfer of land;	Nil
	(ff) an agreement to provide services on conducting a feasibility study or developing a design for construction;	Nil
(d)	hospital facility developer whose investment capital is at least ten million United States Dollars and who develops a hospital at the level of a national referral hospital with capacity to provide specialised medical care—	
	(aa) debenture; whether a mortgage debenture or not, being of a marketable security – of the total value	Nil
	(bb) further charge; any instrument imposing a further charge on a mortgaged property- of the total value;	Nil
	(cc) lease of land- of the total value	Nil

(dd) increase of share capital;	Nil
(ee) transfer of land;	Nil
(ff) an agreement to provide services on conducting a feasibility study or developing a design for construction;	Nil