

BILLS SUPPLEMENT

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Bill No. 10 *The Stamp Duty (Amendment) Bill, 2019* **2019**

*Lead on table
by Hon. Matia Kasaija
on 28/3/2019
P.M.C.*

THE STAMP DUTY (AMENDMENT) BILL, 2019

MEMORANDUM

The object of this Bill is to amend the Stamp Duty Act, 2014 to define a citizen; to provide for a uniform stamp duty payable on bank guarantees, insurance performance bonds, indemnity bonds and similar debt instruments and to reduce capital thresholds for developers and operators.

MATIA KASAIJA (MP)
Minister of Finance, Planning & Economic Development

Bill No. 10 *The Stamp Duty (Amendment) Bill, 2019*

2019

THE STAMP DUTY (AMENDMENT) BILL, 2019

ARRANGEMENT OF CLAUSES

Clauses

1. Commencement
2. Amendment of the Stamp Duty Act, 2014
3. Amendment of Schedule 2 to principal Act

A Bill for an Act

ENTITLED

THE STAMP DUTY (AMENDMENT) ACT, 2019

An Act to amend the Stamp Duty Act, 2014, to define a citizen; to provide for a uniform stamp duty payable on bank guarantees, insurance performance bonds, indemnity bonds and similar debt instruments and to reduce capital thresholds for developers and operators.

BE IT ENACTED by Parliament as follows:

1. Commencement

This Act shall come into force on 1st July, 2019.

2. Amendment of Stamp Duty Act, 2014

The Stamp Duty Act, 2014, in this Act referred to as the principal Act, is amended in section 2 by inserting immediately after the definition of cheque the following —

“citizen” means—

- (a) a natural person who is a citizen of a Partner State of East African Community;
- (b) a company or a body of persons incorporated under the laws of a Partner State of the East African Community in which at least fifty-one percent of the shares are held by a person who is a citizen of a Partner State of East African Community;”

3. Amendment of Schedule 2 to principal Act

The principal Act is amended in Schedule 2—

(a) by substituting for item 36 the following —

"36	Bank guarantees, insurance performance bonds, indemnity bonds and similar debt instruments	100,000/=
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(b) by repealing item 48(c);

(c) by substituting for the words "one hundred" in item 60A (a) the word "fifty";

(d) by substituting for item 60A (b) (i) the following—

"(i) a minimum investment capital of ten million United States Dollars in the case of a foreigner or two million United States Dollars in case of a citizen;"

(e) by repealing the words "of a Partner State of the East African Community" wherever it appears in item 60A;

(f) by inserting immediately after item 60A (d) the following—

"(e) technical or vocational institute operator whose investment capital is at least ten million United States Dollars in case of a foreigner or two million United States Dollars in case of a citizen—

(i) debenture; whether a mortgage debenture or not, being of a marketable security – of total value;

(ii) further charge; any instrument imposing a further charge on a mortgaged property— of total value;

(iii) lease of land – of total value;

(iv) increase of share capital;

(v) transfer of land;

(vi) an agreement to provide services on conducting a feasibility study or developing a design for construction.



THE REPUBLIC OF UGANDA

Laid on table by
Hon. Matia Kasaija
on 28/3/2019
Pmm

CERTIFICATE OF FINANCIAL IMPLICATIONS

(Made under Section 76 of the Public Finance Management Act, 2015)

THIS IS TO CERTIFY that the Bill entitled, the STAMP DUTY (AMENDMENT) BILL 2019, has been examined as required under Section 76 of the Public Finance Management Act, 2015. I wish to report as follows:-

a) That the Bill has the following objective:

1. To define a citizen;
2. To provide for a uniform stamp duty payable on bank guarantees, insurance performance bonds, indemnity bonds and similar debt instruments,
3. To review the conditions for the incentives including reduction of the minimum capital requirement for developers and operators of industrial parks and free zones and other business persons.

b) That the Bill will have the following impact on the economy:

1. To facilitate and promote business and investments.
2. To enhance tax compliance and ease tax administration.

c) That the expenditure plan by major components for the next two years:

Since this is an amendment to the existing tax provisions, there is no expenditure plan specifically different from the overall allocation of US\$431.255 billion for Financial Year 2019/20 to Uganda Revenue Authority.

d) Expected revenue to Government:

Revenue loss expected from tax measures on Stamp Duty is US\$6 billion.

Submitted this 28th day of March, 2019 under my hand.

Matia Kasaija (MP)

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Vision

"A competitive economy for national development"