

BILLS SUPPLEMENT

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Bill No. 6

Finance Bill

2016

THE FINANCE BILL, 2016

MEMORANDUM

1. The object of this Bill is to provide for the alteration of certain taxes and duties; to vary the rate of the environmental levy charged on used clothing, used shoes and other used articles; to provide for the Uganda Revenue Authority to issue certificates of origin; to waive arrears of tax accruing from SACCOs; to revise the non tax revenue relating to services and documents under the Traffic and Road Safety Act, 1998; to repeal fees in respect to the Mining Act, 2003 under the Finance Act, 2013, Act No. 18 of 2013 and the Finance Act, 2014 Act No. 10 of 2014, 2003 and for related matters.

2. The Bill has seven Parts and one Schedule. Part I provides for the commencement of the Act.

3. PART II- AMENDMENT OF THE FINANCE ACT, 2014

Clause 2 amends the Schedule to the Finance Act, 2014 to include in the Schedule. items which should not benefit from the tariff treatment of goods from COMESA.

4. PART III- AMENDMENT OF THE FINANCE ACT, 2009

Clause 3 amends the Finance Act, 2009 to increase the rate of the environmental levy imposed on used clothing, used shoes and other used articles from 15% to 20% of the CIF value.

5. PART IV- AMENDMENT OF THE TRAFFIC AND ROAD SAFETY ACT, 1998, Cap. 361

Clause 4 seeks to amend section 31 of Cap. 361 to change the period for notifying a licensing officer about a change in the ownership of a motor vehicle from fourteen days to three months and to make it an offense to fail to notify a licensing officer within that period.

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Clause 5 seeks to amend section 42 (3) of the Act to provide for driving permits to be issued for a duration of five years in addition to the existing duration of one year or three years.

Clause 6 provides a Schedule revising the non-tax revenue payable as fees under the Traffic and Road Safety Act, Cap. 361.

6. PART V- CERTIFICATES OF ORIGIN

Section 111(1) of the East African Customs Management Act, 2004 provides for Goods originating from the EAC Partner States to be accorded Community tariff treatment in accordance with Rules of Origin provided for under the EAC Customs Union Protocol. For goods to benefit from the Community tariff treatment a certificate of origin of the goods must be submitted as evidence of the origin of the goods.

Clause 7 empowers Uganda Revenue Authority to be responsible for issuing Certificates of Origin required by section 111(2) of the East African Customs Management Act, 2004.

7. PART VI- WAIVER OF TAX ARREARS FOR SACCOS

Clause 8 seeks to provide a waiver of tax arrears for SACCOS up to 31st December, 2015.

PART VII- REPEAL OF CERTAIN PROVISIONS OF THE FINANCE ACT, 2013, ACT NO. 18 OF 2013 AND THE FINANCE ACT, 2014 ACT No. 10 OF 2014

Clause 9 seeks to repeal the fees in respect of the Mining Act, 2003 prescribed in Schedule 1 of the Finance Act, 2013.

Clause 10 seeks to repeal section 4(a) of the Finance Act, 2014 which prescribes fees in respect of the Mining Act, 2003.

MATIA KASAJJA, (MP)

Minister of Finance, Planning and Economic Development.

THE FINANCE BILL, 2016
ARRANGMENT OF CLAUSES

Clause

PART I—PRELIMINARY

- 1. Commencement.

PART II—AMENDMENT OF THE FINANCE ACT, 2014,
ACT NO. 10 OF 2014

- 2. Amendment of Schedule to Finance Act, 2014, Act No. 10 of 2014.

PART III—AMENDMENT OF THE FINANCE ACT, 2009,
ACT NO. 14 OF 2009

- 3. Amendment of the Finance Act, 2009

PART IV—AMENDMENT OF THE TRAFFIC AND
ROAD SAFETY ACT, CAP. 361.

- 4. Amendment of section 31 of principal Act.
- 5. Amendment of section 42 of principal Act.
- 6. Revision of fees payable under specified principal Act.

PART V—CERTIFICATES OF ORIGIN

- 7. Uganda Revenue Authority to issue certificates of origin.

PART VI—WAIVER OF TAX ARREARS FOR SACCOS

- 8. Waiver of tax arrears for SACCOS.

PART VII—REPEAL OF CERTAIN PROVISIONS OF THE
FINANCE ACT, 2013, ACT NO. 18 OF 2013 AND
THE FINANCE ACT, 2014 ACT NO. 10 OF 2014

- 9. Repeal of specified provisions of Finance Act, 2013, Act No. 18 of 2013.
- 10. Repeal of section 4(a) of Finance Act, 2014 Act No. 10 of 2014.

Schedule

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A Bill for an Act

ENTITLED

THE FINANCE ACT, 2016

An Act to provide for the alteration of certain taxes and duties; to vary the rate of the environmental levy charged on used clothing, used shoes and other used articles; to provide for the Uganda Revenue Authority to issue certificates of origin; to waive arrears of tax accruing from SACCOs; to revise the non tax revenue relating to services and documents under the Traffic and Road Safety Act, Cap. 361; to repeal fees in respect of the Mining Act, 2003 under the Finance Act, 2013 and the Finance Act, 2014 and for related matters.

BE IT ENACTED by Parliament as follows:

PART I—PRELIMINARY

1. Commencement.

This Act shall come into force on 1st July, 2016.

PART II—AMENDMENT OF THE FINANCE ACT, 2014

2. Amendment of Schedule to Finance Act, 2014, Act No.10 of 2014.

The Finance Act, 2014 is amended in the Schedule by inserting immediately after item 4, the following—

- “5. Lubricants.
- 6. Un-denatured alcohol.
- 7. Steel and steel products.
- 8. Electronics, including fridges, washing machines, radios, DVD Players and television sets.
- 9. Paper and paper products.
- 10. Diapers.”

PART III—AMENDMENT OF THE FINANCE ACT, 2009,
ACT NO. 14 OF 2009

3. Amendment of the Finance Act, 2009, Act No.14 of 2009

The Finance Act, 2009 is amended in the Second Schedule by substituting for paragraph (f) the following—

- “(f) used clothing, used shoes and other used articles – 20% of the CIF value;”

PART IV—AMENDMENT OF THE TRAFFIC AND ROAD
SAFETY ACT, CAP. 361

4. Amendment of section 31 of principal Act.

The Traffic and Road Safety Act, 1998, in this Part referred to as the principal Act, is amended in section 31 as follows—

- (a) in subsection (1) by substituting for the words “fourteen days”, the words “three months”;
- (b) by inserting immediately after subsection (1), the following—

“(1a) A person who purchases a motor vehicle and does not notify the licensing officer of the change in ownership and submit the particulars of ownership to the licensing officer within three months commits an offence and is liable, on conviction, to a fine not exceeding fifteen currency points or imprisonment not exceeding six months or both.”.

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5. Amendment of section 42 of principal Act.

Section 42 of the principal Act is amended by substituting for subsection (3) the following—

“(3) A driving permit shall be valid for twelve months, three years or five years from the date of issue and may, on application being made in the prescribed form and on payment of the prescribed fee, be renewed for a further equivalent period of twelve months, three years or five years at a time, as the case may be.”

6. Revision of fees payable under principal Act.

The fees payable under the principal Act specified in the Schedule are revised by the corresponding fees specified in the Schedule.

PART V—CERTIFICATES OF ORIGIN

7. Uganda Revenue Authority to issue certificates of origin.

The Uganda Revenue Authority shall be responsible for issuing Certificates of Origin required by section 111(2) of the East African Customs Management Act, 2004.

PART VI—WAIVER OF TAX ARREARS FOR SACCOS

8. Waiver of tax arrears for SACCOS.

All tax arrears owed by a SACCO as at 31st December, 2015 are waived.

PART VII—REPEAL OF CERTAIN PROVISIONS OF THE FINANCE ACT,
2013, ACT NO. 18 OF 2013 AND THE FINANCE ACT, 2014
ACT NO. 10 OF 2014**9. Repeal of specified provisions of Finance Act, 2013.**

The fees in respect of the Mining Act, 2003 prescribed in Schedule 1 of the Finance Act, 2013 are repealed.

10. Repeal of section 4(a) of Finance Act, 2014.

Section 4(a) of the Finance Act, 2014 Act No. 10 of 2014 is repealed.

SCHEDULE

Section 6

THE TRAFFIC AND ROAD SAFETY ACT, CAP. 361

	Item	Fees
1	Registration fees for personalized number plate for a motor vehicle	Shs. 20,000,000
2	Driving permit (original)	
	(a) One year	Shs. 55,000
	(b) Three years	Shs. 150,000
	(c) Five years	Shs. 250,000
3	Driving permit (renewal)	
	(a) One year	Shs. 50,000
	(b) Three years	Shs. 130,000
	(c) Five years	Shs. 200,000
4	Driving permit exchange	
	(a) One year	Shs. 55,000
	(b) Three years	Shs. 150,000
	(c) Five years	Shs. 250,000
5.	Driving permit provisional	Shs. 30,000