
BILLS

SUPPLEMENT No. 4

27th March, 2019

BILLS SUPPLEMENT

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Bill No. 8

The Excise Duty (Amendment) Bill

2019

THE EXCISE DUTY (AMENDMENT) BILL, 2019

MEMORANDUM

The object of this Bill is to amend the Excise Duty Act, 2014, to empower the Minister to make Regulations for prescribing the equivalent tax treatment of supplies made in the course of Islamic financial transactions; to amend Part III of the Act to provide for registration of manufacturers, importers and providers of excisable goods and services; to prescribe an interest rate payable on unpaid excise duty and to amend Schedule 2 to vary the excise duty in respect of non- alcoholic beverages, not including fruit or vegetable juices.

MATIA KASAIJA (MP)

Minister of Finance, Planning & Economic Development

Laid on table by
Hon Matia Kasaija
on 28/3/2019
DMP

THE EXCISE DUTY (AMENDMENT) BILL, 2019

ARRANGEMENT OF CLAUSES

Clauses

1. Commencement
2. Amendment of section 2 the Excise Duty Act, 2014
3. Amendment of section 4 of principal Act
4. Substitution of part III of principal Act
5. Amendment of section 15A of principal Act
6. Amendment of Schedule 2 to the principal Act

A Bill for an Act

ENTITLED

THE EXCISE DUTY (AMENDMENT) ACT, 2019

An Act to amend the Excise Duty Act, 2014; to empower the Minister make Regulations for prescribing the equivalent tax treatment of supplies made in the course of Islamic financial transactions; to amend Part III of the Act to provide for registration of manufacturers, importers and providers of excisable goods and services; to prescribe the interest rate payable on unpaid excise duty and to amend Schedule 2 to vary excise duty in respect of non- alcoholic beverages, not including fruit or vegetable juices.

BE IT ENACTED by Parliament as follows:

1. Commencement

This Act shall come into force on 1st July 2019

2. Amendment of section 2 of the Excise Duty Act, 2014

The Excise Duty Act, in this Act referred to as the principal Act, is amended in section 2 by inserting immediately after the definition of “cigarette” 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 section 4 of principal Act

The principal Act, is amended in section 4—

- (a) by renumbering the last subsection as (6);
- (b) by inserting immediately after subsection (6) the following—

“(7) The Minister may make Regulations prescribing the equivalent tax treatment of supplies made in the course of Islamic financial transactions.”.

4. Substitution of Part III of Principal Act

The principal Act is amended by substituting for Part III the following—

“PART III—REGISTRATION OF MANUFACTURERS, IMPORTERS AND PROVIDERS OF EXCISABLE GOODS AND SERVICES.

5. Registration of manufacturers, importers and providers of excisable goods and services.

(1) For the purpose of facilitating the administration of excise duty, a manufacturer, importer or provider of excisable goods and services other than retailers shall apply for registration and the registration of the premises in which the manufacture, provision or dealing in excisable goods or excisable services, other than retailing takes place.

(2) The application under subsection (1) shall be in a form prescribed by the Commissioner.

(3) The Commissioner may, within one month after receiving the application under subsection (1), register or refuse to register a manufacturer, importer or provider of excisable goods and services or the premises in which the manufacture, provision or dealing in excisable goods or excisable services takes place.

(4) The Commissioner may require the applicant to meet specified conditions before registration of the applicant or the premises.

(5) The Commissioner may issue a certificate of registration, with or without conditions.

(6) Where the Commissioner refuses to register the applicant or the premises, the Commissioner shall give reasons in writing for the refusal.

(7) Where the Commissioner registers a manufacturer, importer or provider of excisable goods and services or premises under this section, the Commissioner shall, issue to the applicant a certificate of registration.

(8) The certificate of registration shall be in a form prescribed by the Commissioner.

(9) The Commissioner shall establish and maintain a register containing the relevant details of all registered persons and their premises of operation under this section.

(10) A certificate of registration issued under this section is valid for twelve months from the date of issue.

(11) A registered person may apply to the Commissioner, in the approved form and prescribed manner, for renewal of a certificate of registration issued under this section.

(12) An application for renewal of a certificate of registration under subsection (11) shall be made thirty days before the expiry of the certificate of registration, or within such further time as the Commissioner may allow.

(13) The Commissioner shall cancel a certificate issued under this section if satisfied that the registered person and the premises no longer meet the conditions for the grant of the certificate.

(14) A registered person shall not use the premises for a purpose other than the purpose for which the premises were registered.

(15) A person who operates without a certificate of registration issued under this section is liable to pay a fine of twenty currency points for each day of default from the date on which the person commences the manufacture, provision or dealing in excisable goods or excisable services.”

5. Amendment of section 15A of principal Act

Section 15A of the principal Act is amended by substituting for subsection (3) the following—

“(3) A person who fails to pay excise duty imposed under this Act by the due date is liable to pay interest on the unpaid duty at a rate of two percent per month, compounded, for the excise duty which is outstanding.”

6. Amendment of Schedule 2 to the principal Act

The principal Act is amended in Part 1 of Schedule 2—

(a) by substituting for item 5 (a) the following—

“(a) Non-alcoholic beverages 11% or Shs 185 per litre,
not including fruit or whichever is higher.”
vegetable juice

(c) in item 20 by substituting for the words “one hundred” the word “fifty”;

(d) by substituting for item 21 (a) the following—

“(a) 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 substituting for item 21(b) the following—

“(b) processes agricultural goods; manufactures or assembles medical appliances, building materials, automobiles, household appliances or manufactures furniture; carries on business in logistics and warehousing, information technology or commercial farming.”;

(e) by repealing the words “of a Partner State of the East African Community” wherever it appears;

(f) by inserting immediately after item 23 the following—

“24. Construction materials for the construction of premises and other infrastructure, machinery and equipment or furnishings and fittings for technical or vocational institute operators 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.”

NIL



THE REPUBLIC OF UGANDA

*Laid on table by
Hon Matia Kasaija
on 28/3/2019
PMA*

CERTIFICATE OF FINANCIAL IMPLICATIONS

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

THIS IS TO CERTIFY that the Bill entitled, the EXCISE 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 objectives:

1. To vary the duty payable in respect of non-alcoholic beverages;
2. To empower the Minister to make Regulations for prescribing the equivalent tax treatment of supplies made in the course of Islamic financial transactions;
3. To amend Part III of the Act to provide for registration of manufacturers, importers and providers of excisable goods and services;
4. To prescribe an interest rate payable on unpaid excise duty.

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

1. To raise revenue that will finance Government priority programmes.
2. Improve compliance and ease tax administration
3. To enhance the competitiveness of the soft drinks

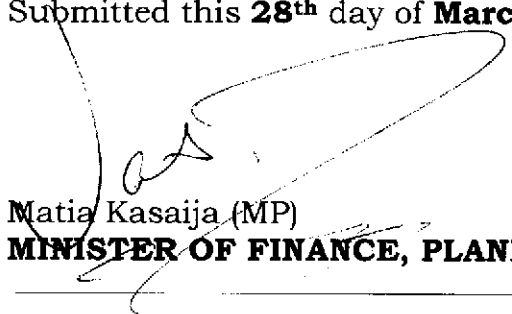
c) Estimates of the expenditure for the next two years:

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

e) Expected revenue to Government:

Revenue expected from tax measures on Excise Duty is Ushs. 31.94 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"