

UGANDA BUSINESS INVESTMENT GUIDE



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i. JURISDICTION

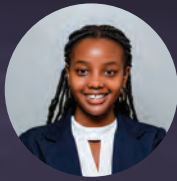
UGANDA

This guide offers a brief overview of the business entities and steps for registering these businesses, as well as regulatory and compliance requirements, tax obligations, and investment factors for doing business in Uganda.

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01

What type(s) of legal entity(ies) can a foreign investor set up in your country?

VARIOUS LEGAL ENTITIES THAT A FOREIGN INVESTOR CAN SET UP IN UGANDA



a. *Companies***(i) Limited Liability Companies**

The most common and flexible structure for foreign investors is a limited liability company, which includes both private limited liability companies and public limited liability companies.

A limited liability company in Uganda is a separate legal entity from its owners/ shareholders and can be wholly foreign-owned. It requires at least one director and one shareholder.

Incorporating a limited liability Company is a process governed by the Companies Act, Cap 106, and administered by the Uganda Registration Services Bureau (URSB).

Steps on how to incorporate a limited liability Company in Uganda.

1. Choose a unique company name and reserve the name with URSB for 30 days, and this comes with a fee.
2. Prepare the incorporation documents, which shall identify the shareholders and directors, proof of address as well as the Memorandum and Articles of Association.
3. Register on the URSB portal, complete the forms, upload the documents, and pay the registration fees and stamp duty fees. The fees depend on the nominal Capital of the business.
4. Submit the documents to URSB.
5. Once approved, you will then receive a certificate of incorporation, which confirms that your company is officially registered in Uganda.

Additionally, after registering with URSB, the following compliance registrations are necessary to effectively run the business

1. Register with the Uganda Revenue Authority (URA) to obtain a Tax Identification Number for the company
2. Apply for a trading license to Kampala Capital City Authority or in any district or city where the company is situated
3. Apply through the Directorate of Citizenship for work permits or an investment license.

(ii) Limited Liability Companies (foreign /branch/subsidiary)

A foreign Company refers to a corporate entity that is incorporated outside Uganda which establish a place of business in Uganda. A foreign company may register a branch or subsidiary to operate in Uganda.

A foreign Company that establishes a place of business in Uganda must, within 30 days of establishment, submit the following documents to the Registrar of Companies (URSB) for registration:

1. Prepare certified company documents, which are the charter, statutes, or constitution; include a certified English translation if not in English.
2. List the directors and secretary. Provide names, nationalities, addresses, occupations, and other directorships.
3. Disclose current charges affecting property in Uganda as per Section 105(2).
4. Name at least one Ugandan resident authorized to receive legal notices.
5. Provide principal office address and state the full address of the company's registered or head office abroad.
6. Submit documents to URSB and pay the required fees.
7. Obtain a certificate of registration confirming compliance and registration via your official email address.

Once registered, the foreign company is recognized as having the same rights and obligations under Ugandan law as a locally incorporated company (with necessary modifications). It may legally own and hold land in Uganda, subject to the Constitution, the Land Act, and the Investment Code Act.

Branch

A branch is another location of your company that operates entirely in another country. It is considered an extension of the parent company.

A branch can be registered as a foreign company, and it is not a separate legal entity but an extension of the parent company. The parent company is fully liable for its actions and liabilities.

It is considered non resident for the purpose of taxation and pays an income tax at the rate of 15% on income repatriated to its foreign parent company. A branch is required to appoint a local representative.

How to register a branch in Uganda.

1. Document Preparation: Certified copies of the parent company's incorporation documents: This includes the Memorandum and Articles of Association (or equivalent documents) and the Certificate of Incorporation, all properly certified and notarized.
Form 24 (Particulars of Directors and Secretary)
Form 13 (Statement of all subsisting charges)
Passport/National ID of directors and secretary
2. Provide the full address of the branch's registered office in Uganda.

3. Submit the completed application form and all the required documents to the URSB.
4. Pay the required registration fees. URSB will review the application and supporting documents.
5. Upon successful registration, the URSB will issue a Certificate of Registration for the branch.

Advantages of registering a branch in Uganda

1. Legal recognition and protection of assets
2. Access to local markets and opportunities.
3. Enhanced credibility and reputation.

A subsidiary on the other hand is a business entity wholly or partially owned by another entity from a foreign country in a foreign country.

A subsidiary is registered as a local company, and it is a separate legal entity; however, it is controlled by the parent company. The parent company is not liable for the actions and liabilities of the subsidiary.

This is considered resident for the purposes of taxation and pays a corporation tax at the rate of 30 % on its taxable profit and pays a withholding tax at the rate of 15% on dividends paid to foreign shareholders.

Subsidiary companies are not required to appoint a local representative.

Subsidiaries are often preferred for long-term global expansion due to their local integration and reduced risk to the parent company.

(iii) Single-member Companies

A single-member company is a private company limited by shares or by guarantee that is incorporated with only one member who is the shareholder.

The law requires the appointment of an alternate director to act in the absence or incapacity of the principal director, as well as a nominee director who can be designated to act on behalf of the shareholder in specific circumstances.

Steps on how to incorporate a single member Company in Uganda.

1. Choose a unique company name and reserve the name with URSB for 30 days, and this comes with a fee.
2. Prepare the incorporation documents, which shall identify the shareholders and directors, proof of address as well as the Memorandum and Articles of Association.

3. Register on the URSB portal, complete the forms, upload the documents, and pay the registration fees and stamp duty fees. The fees depend on the nominal Capital of the business.
4. Submit the documents to URSB.
5. Once approved, you will then receive a certificate of incorporation, which confirms that your company is officially registered in Uganda.

(iv) Companies limited by guarantee

A company limited by guarantee is a type of company where members agree to contribute a specific amount of money stated in the Memorandum and Articles of association when the company is in debt or winding up.

A company limited by guarantee is designed for non-commercial, charitable or social purposes

b. Partnerships

A partnership is a relationship between two or more individuals who carry on a business with a view of making profit.

The different types of partnerships;

- 1) General partnerships. This is where all partners share equal responsibility and liability; here, partners are equally liable for the debts and obligations of the business.
- 2) Limited liability partnership. This shall consist of not more than twenty persons and shall have one or more persons called general partners who shall be liable for all debts and obligations of the firm.

Particulars of registration of a limited liability partnership

The registration of a limited liability partnership shall be effected by delivering to the registrar a statement by the partners containing the following particulars:

- a) The name of the LLP
- b) The general nature of the LLP's BUSINESS
- c) The principal place of business of the LLP
- d) The full names and addresses of each of the partners
- e) The terms for which the LLP is entered into, and the date of commencement (if any)
- f) A statement that the partnership is limited
- g) A description of the status of each partner, limited or general; and
- h) The sum contributed by each partner and the form in which it is so contributed.

- i) Upon reception of the particulars referred, and the prescribed fee for registration, issue a certificate of registration of the limited liability partnership.

Who can register a partnership?

Any two or more persons carrying out business together with the goal of making profit can register a partnership.

A step by step guide on how to register a partnership;

1. Reserve a business name with the URSB. Select a unique name for the partnership ensuring it is not already in use and does not conflict with an already existing business.
2. Prepare a partnership deed. This is a document outlining the terms and conditions of the partnership, including the partners names and addresses and the nature of the business, profit sharing and duration of the partnership.
3. Present the partnership deed to URSB together with the receipts of payment.
4. Collect the documents within 1 working day from URSB.

02

What is the principal legislation that governs various legal entities that an investor can set up in a country?

Uganda offers a dynamic legal and regulatory framework that supports both domestic and foreign investment. The legal landscape in Uganda provides for a variety of business structures including companies, partnerships, nonprofit entities and each subject to specific legislation, regulatory bodies and compliance requirements.

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- a) **The Constitution of The Republic of Uganda, 1995 (As Amended)**
The Constitution, the supreme law of the land, lays the foundational legal framework for establishing, regulating, and protecting all entities operating in Uganda, including businesses.
- b) **The Companies Act, Cap. 106**
The Companies Act is the primary law that governs the formation, management, regulation, and dissolution of companies in Uganda, applying to both local and foreign investors.
- c) **Uganda Registration Services Bureau Act, Cap. 217**
The Uganda Registration Services Bureau Act is legally required to register and oversee various legal entities, as this Act establishes URSB as the main government agency responsible for registering these entities.
It also provides the legal foundation for the operation, oversight and enforcement of laws related to business registration.
- d) **Investment Code Act, Cap. 74**
This is the primary legislation that regulates investment in Uganda. It establishes the Uganda Investment Authority and provides a legal framework for both local and foreign investors.
- e) **The Uganda Revenue Authority Act, Cap 218**
This establishes the Uganda Revenue Authority as the official body responsible for tax assessment, tax collection, enforcement of tax laws ensuring taxpayer compliance of the various legal entities.
- f) **The Income Tax Act, Cap. 338**
The income tax act is the primary law that governs the assessment, taxation and reporting of income earned by individuals and legal entities in Uganda. Once a foreign investor establishes a legal entity such as a company or partnership, the act comes in to determine how that entity will be taxed.
It is administered by the Uganda Revenue Authority under the oversight of Ministry of Finance.
- g) **Value Added Tax Act, Cap. 344**
This is the principal law governing indirect taxation on the supply of goods and services in Uganda .it applies to all business entities, whether local or foreign that make taxable supplies of goods or services above the VAT registration threshold.

The act is enforced by the Uganda Revenue Authority.
- h) **Land Act, Cap. 236**
The Land Act governs land ownership, land use and land tenure systems in Uganda.

i) **Stamp Duty Act, Cap. 339**

The Stamp Duty Act governs the imposition of stamp duty on legal documents and instruments in Uganda. All legal entities whether companies, partnerships, foreign branches or NGOs must pay stamp duty on specific documents such as company incorporation forms share transfers and more.

j) **The Non -Non-Government Organizations Act, Cap. 109**

The NGO Act governs the registration, regulation, coordination and oversight of NGOs operating in Uganda.

03

What is the process of registering each proposed entities in your country, and how long does it take?

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A. COMPANIES

Registering a company in Uganda is an essential legal step to formalize a business. Here is a step- step guide on how to register companies in Uganda.

1. Name reservation; choose a minimum of three names and submit them via OBRS. Pay the required fees as prescribed under <https://ursb.go.ug/business-company-and-document-registration-fees/>.
2. Submit a request to URSB to reserve your preferred company name
3. The name is reviewed and approved. This process takes about three to four working days.
4. Proceed to initiate the Company incorporation process
5. Fill in the required details of the shareholders and all the forms
6. Pay registration fees: Fees vary depending on the company's nominal share Capital
7. Submit the application to URSB.
8. Submit the completed forms and payment receipts for review
9. Upon approval, URSB will issue a certificate of incorporation along with certified copies of the MOA and AOA

Additionally, after registering with URSB, the following compliance registrations are necessary to effectively run the business;

1. Register with the Uganda Revenue Authority (URA) to obtain a Tax Identification Number for the company.
2. Apply for a trading license to Kampala Capital City Authority for your business premises.

The duration usually for registration of a company typically ranges from 3 to 10 business days but can vary depending on the complexity of the application and potential backlogs at the Uganda Registration Service Bureau.

B. PARTNERSHIPS

A step to step guide on how to register a partnership;

1. Select a business name and reserve it with URSB.
2. Draft a partnership deed / partnership agreement.
3. Pay the registration fees at URSB
4. Submit documents to URSB, and this is usually the partnership deed, reserved name, completed registration forms, and receipts of payment.
5. URSB will then issue a certificate of registration of the partnership.

Additionally;

1. Apply for a Tax Identification Number with the Uganda Revenue Authority (URA) for tax compliance
2. Obtain additional licenses, such as a trading license.

Just like companies, the duration for registration of partnerships will range from 3-10 business days; however this varies depending on the complexity of the application.

C. NON-GOVERNMENT ORGANISATIONS

The National Bureau of NGOs operating under the Ministry of Internal Affairs is the body responsible for registering NGOs in Uganda.

Process of registering an NGO.

1. Reserve a name through the Uganda Registration Services Bureau.
2. Incorporate as accompany limited by guarantee. This gives the NGO a legal personality and certificate of registration.
3. Register with the National Bureau of NGOs. This is done by application to the National Bureau of NGOs together with a certificate of registration.
4. Pay the required fees to the National Bureau of NGOs.
5. Once the application is approved, An NGO certificate and operating permit will be given.

The registration of an NGO in Uganda can take a month or more. This timeframe involves the review period by the National Bureau of NGOS after submitting all required documents and paying the required fees.

Requirements

1. Fill Form A (for Organizations Incorporated in Uganda) or Form N (for Organizations Incorporated Outside Africa) and Form D. Both of which should be signed by at least two Founder members
2. A letter requesting for registration and a permit to operate indicating; objectives, area of operation, number of years applied for not exceeding 5
3. A certified or notarized copy of the certificate of incorporation from Uganda registration services bureau or equivalent from the country of incorporation.
4. A certified copy of the organization's memorandum or articles of association or any other documents governing the organization.
5. Proof of payment of the prescribed fees for certificate of registration and permit of operation. Being UGX800,000 &UGX400,000 respectfully.

04

Are there any minimum share capital requirements?

In Uganda, there is no statutory minimum share capital required to register a company however foreign investors must meet specific investment thresholds in order to qualify for an investment license from Uganda Investment Authority (UIA).

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For one to be eligible for a license, a foreign investor must demonstrate a minimum investment capital of USD 250,000. This enables an investor to register with the UIA, access investment incentives and obtain work permits.

Foreign investors involved solely in trading (import and export) must provide proof of operating capital of at least USD 100,000 to secure a trading license and work permits.

05

Are there any exchange control rules governing the flow of funds into and out of the country?

Exchange controls are government-imposed controls and restrictions on private transactions conducted in foreign currency.

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Uganda has not enacted strict exchange control restrictions that limit the movement of capital into or out of the country.

The regulatory approach is more liberal, focusing on transparency, anti-money laundering (AML), and prudent supervision. Reporting and compliance obligations are imposed under financial sector legislation to monitor the movement of funds and guard against illicit financial flows.

The principal requirement is that all remittances or repatriations to and from Uganda must be conducted through a duly licensed entity authorized to provide money transfer or foreign exchange services. These entities include commercial banks, licensed forex bureaus, and authorized money remitters regulated by the Bank of Uganda.

The Financial Institutions Act, Cap. 57, the Anti-Money Laundering Act, Cap. 118 and Anti-Money Laundering Regulations mandate that licensed financial institutions are under strict obligations to monitor and report suspicious or large financial transactions.

A financial institution is required to report to the Financial Intelligence Authority (FIA) and the Bank of Uganda any transaction or series of related transactions that amount to UGX 20,000,000 (twenty million shillings) or more for individuals, and UGX 50,000,000 (fifty million shillings) or more for legal entities.

These reports must be made monthly, and in some cases immediately if the transaction is deemed suspicious or indicative of possible money laundering or terrorist financing.

The regulations further require institutions to conduct customer due diligence (CDD) and know-your-customer (KYC) procedures before executing significant cross-border transfers.

The Foreign Exchange Act, Cap 167, confers powers and imposes duties and restrictions concerning gold, currency, payments, securities, and debts, and the import, export, transfer, and settlement of property.

The Act permits residents and non-residents to freely hold and transact in foreign currency, subject to compliance with the law. However, such transactions must be conducted through licensed channels.

The Bank of Uganda is authorized to request information from licensed dealers regarding foreign exchange transactions.

Violations of the Act, such as unauthorized dealing in foreign exchange or failure to comply with reporting obligations, attract criminal and administrative sanctions.

06

Is there a requirement to have locals (nationals) as directors? if so, how many?

When setting up a company in Uganda, one of the key legal considerations is the composition of the company's board of directors. Prospective investors and business owners often seek clarity on whether there is a statutory requirement to appoint Ugandan nationals as directors.

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In Uganda, there is generally no mandatory requirement for companies to have Ugandan nationals as directors; however, you must meet the minimum number of directors, which for a private company is at least one director, and for a public company, is 2 directors. A single-member company is required to have at least two nominee directors.

For a few entities, such as financial institutions and insurance companies operating in Uganda, it is a requirement to have at least one resident director who is a Ugandan.

For foreign companies, however, they must appoint at least one local representative who is a resident in Uganda; this person acts as the official liaison but not necessarily a director.

07

Is there any kind of legislation that requires specific demographics for various legal entities or establishes quota system?

Uganda's laws and policies, including the Constitution, promote equal opportunities and prohibit discrimination. They also include affirmative action, particularly in favor of women, persons with disabilities, and other marginalized groups.

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The Companies Act does not prescribe quotas for directors or shareholders based on gender, ethnicity, race, or disability but rather allows for broad flexibility in the composition of boards and ownership structures.

Uganda's Constitution does not specify quotas, as it promotes equality and non-discrimination under Article 21, which guarantees equality before the law and prohibits discrimination based on sex, race, ethnic origin, tribe, or disability.

National NGO regulations encourage inclusivity and representation of marginalized groups on boards.

Therefore, no law requires a fixed number or percentage of directors or owners based on gender ethnicity, race, or disability in various legal entities.

08

Are there any periodical statutory reports that the various legal entities would need to file?

Statutory reports are compulsory disclosures of financial and non-financial information by businesses and organizations to relevant regulatory authorities, serving accountability and protecting the interests of the public and stakeholders.

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In Uganda, companies, partnerships, sole proprietors, and NGOs are required to comply with a range of periodic statutory filings as mandated by various laws. These obligations are largely administered by the Uganda Revenue Authority (URA), Uganda Registration Services Bureau (URSB), the National Social Security Fund (NSSF), and the NGO Bureau.

For private and public companies, the Companies Act, Cap. 106 requires the filing of annual returns with URSB within 42 days of the anniversary of incorporation. These returns update the company's shareholding, directorship, and registered office information. Public listed companies must also file both interim and audited annual financial statements. Interim reports are due within 45 days of the end of the reporting period, while audited annual statements are due within 90 days of the financial year-end. These are submitted to the Capital Markets Authority (CMA) and publicly disclosed under the Capital Markets (Accounting and Financial Requirements) Regulations.

Every company must also submit a provisional income tax return to the URA within the first six months of its accounting year. A final income tax return must be filed within six months after the financial year ends, reconciling actual income and taxes.

Companies with a turnover exceeding UGX 150 million per year are required to register for VAT and file VAT returns monthly. These are due by the 15th of the following month and must reflect output VAT collected and input VAT claimed. Employers must also file Pay As You Earn (PAYE) returns with URA monthly, declaring tax withheld from employee salaries, by the 15th of the subsequent month as provided in Section 119 of the Income Tax Act.

In addition, companies making specified payments such as rent or professional fees must file monthly withholding tax returns by the 15th of the following month. Employers are further obligated to remit monthly NSSF contributions (10% by the employer and 5% by the employee) to the NSSF by the 15th of the following month.

For partnerships, an annual income tax return must be filed with the URA within six months of the end of the financial year, showing profits and their allocation to individual partners. While partnerships are not taxed at the entity level, individual partners must declare their income in personal returns filed by 30th June each year. If a partnership is VAT-registered or employs staff, it must also file VAT, PAYE, withholding tax, and NSSF returns monthly by the 15th, in compliance with the VAT Act, Income Tax Act, and NSSF Act. Although not legally mandated, financial statements are commonly prepared for governance, taxation, and financing purposes.

Sole proprietors are individually responsible for filing income tax returns with URA annually by 30th June, declaring income from business and other sources. A provisional tax return must also be submitted within the first six months of the accounting year, estimating annual earnings. Sole traders whose turnover exceeds UGX 150 million or who employ staff must register and file VAT, PAYE, withholding tax, and NSSF returns monthly, all due by the 15th of the following month. While financial statements are not a legal requirement, they are useful for record-keeping, tax compliance, and credit applications.

Registered Non-Governmental Organisations (NGOs) must file an annual report with the NGO Bureau within six months after the financial year ends. This includes a narrative on activities and board-approved, audited financial statements, as required under the NGO Act. Additionally, NGOs that employ staff or engage in taxable or commercial activities must file monthly VAT, PAYE, withholding tax, and NSSF returns by the 15th of the following month.

These periodic filings help ensure legal compliance, promote financial transparency, and contribute to Uganda's tax and regulatory systems.

09

What are the key labour laws and regulations in your country that would affect a foreign investor?

The Constitution of the Republic of Uganda, 1995
The Constitution forbids discrimination based on factors like sex, race, religion, and political beliefs. It also guarantees fundamental human rights such as freedom of association and expression, which are important in employment. Foreign investors must respect these rights.

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The Employment Act, Cap. 226

This law governs employment contracts. The Act defines the rights and responsibilities of both employers and employees. It covers topics such as the minimum working age, working hours, leave entitlements, overtime pay, and termination procedures. The law also addresses issues like discrimination, sexual harassment, and the right to form trade unions.

Key Aspects

- a. The minimum age for employment is 16 years, with exceptions for light work for children aged 14 and above under specific conditions.
- b. Standard working hours are 8 hours per day and 48 hours per week.
- c. Employees are entitled to overtime pay, typically one and a half times their standard hourly wage, for exceeding standard working hours.
- d. Employees working 16 hours or more per week are entitled to 21 days of paid annual leave.
- e. Maternity leave is 60 working days for female employees, and paternity leave is 4 days for male employees.
- f. Employers can terminate employment contracts, but notice and a fair hearing must be given to the employee, and allowances, like severance pay, may apply.
- g. Discrimination based on age, sex, religion, and other factors.
- h. Employers are required to have and publish sexual harassment policies, with those employing 25 or more employees mandated to have such policies.

Foreign investors must adhere to these provisions.

The Occupational Health and Safety Act, Cap. 231

This is the primary legislation in Uganda governing workplace safety and health. It outlines the responsibilities of employers and employees to create and maintain a safe working environment, addressing issues like hazard identification, risk mitigation, and the use of personal protective equipment.

The Workers' Compensation Act, Cap. 233

This law provides compensation for workers who suffer injuries or incur scheduled diseases during their employment. The Act establishes a legal framework that requires foreign investors to prioritize employee safety and well-being and to budget for potential costs related to workplace injuries.

The Labour Disputes (Arbitration and Settlement) Act, Cap. 227

The Act outlines procedures for resolving labour disputes. While it can benefit foreign investors by providing a framework for resolving

disputes, it also introduces potential challenges related to legal processes, costs, and the need for strict compliance.

The Labour Unions Act, Cap 228

The Labour Unions Act governs the formation of labour Unions and the activities of employees in Trade Unions. While aiming to protect workers' rights, the Labour Unions Act could potentially present challenges for foreign investors. It could lead to increased costs due to potential union demands for higher wages and better benefits, and also potentially complicate labor relations due to collective bargaining processes.

The Uganda Retirement Benefits Regulatory Authority Act, Cap 232

The URBRA Act introduces a regulatory framework that foreign investors need to consider when operating businesses in Uganda that offer retirement benefits. Compliance with the Act's requirements is crucial for avoiding penalties and ensuring the smooth operation of their businesses and the well-being of their employees' retirement savings.

10

What are the types of work permits foreign investors and employees need to obtain and what is the process involved in obtaining them?

TYPES OF WORK PERMITS NEEDED BY FOREIGN INVESTORS AND EMPLOYEES TO WORK IN UGANDA AND THE PROCESS OF OBTAINING THEM

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A work permit allows foreign nationals to legally live and work in Uganda. Foreign investors and expatriates must obtain work permits before they can engage in any employment or investment activities. These permits are issued by the Directorate of Citizenship and Immigration Control under the Ministry of Internal Affairs. Applications can be submitted online through the Ministry's Immigration Portal: <https://visas.immigration.go.ug/>

Below is a summary of the different classes of work permits, the eligible applicants, durations, fees, and requirements.

Class of Permit	To Whom It Is Granted	Duration & Fees	Requirements
Class A	Diplomats (holders of diplomatic passports)	6, 12, 24, 36 Months - Free	Covering letter from the Embassy, Recommendation from the Ministry of Foreign Affairs (MFA)
Class A Official	Official passport holders, employees of organisations exempt from fees	6, 12, 24, 36 Months - Free	Covering letter from the Agency, Recommendation from the MFA, and Official status documents
Class A2	Employees in government institutions paid by the GoU	6Months: \$250 12Months: \$500 24Months: \$500 36Months: \$500	Covering letter from the institution, Government contract copy
Class B1	Shareholders in agriculture	6Months: \$1250 12Months: \$2500 24Months: \$5000 36Months: \$7500 (\$1500 non-refundable included)	Passport, Photo, Clearance (Interpol), Tax Cert, Immigration Status, Land Title, RDC Letter, Feasibility Study, Bank Statement, MAIFF Letter
Class B2	Shareholders in agro-processing	6Months: \$400 12Months: \$400 24Months: \$800 36Months: \$1200	As B1 plus proof of raw material purchase, UIA license
Class C1	Shareholders in mining (general minerals)	6Months: \$400 12Months: \$400 24Months: \$800 36Months: \$1200	Same as B2
Class C2	Shareholders in mining (specific minerals)	6Months: \$400 12Months: \$400 24Months: \$800 36Months: \$1200	As C1 plus a valid mining license, support letter from the Ministry, proof of shareholding
Class D	Shareholders in general trade	6Months: \$1250 12Months: \$2500 24Months: \$5000 36Months: \$7500 (\$1500 non-refundable included)	Passport, Photo, Clearance, Tax Cert, Immigration Status, Bank Statement, Trading License
Class E	Manufacturing	6Months: \$400 12Months: \$400	Passport, Photo, Clearance, Tax Cert, UIA

		24Months: \$800 36Months: \$1200 (\$1500 included)	license, Bank Statement, Proof of Land Ownership
Class F	Professionals (e.g. doctors, engineers, lawyers)	6Months: \$1500 12Months: \$3000 24Months: \$6000 36Months: \$9000 (\$1500 included)	Passport, Photo, Clearance, Tax Cert, Registration with professional body
Class G1	Missionaries and NGO volunteers	6Months: \$250 12Months: \$250 24Months: \$500 36Months: \$750	Appointment Letter, Cover Letter, NGO Bureau Letter, NGO Permit, Immigration Status, Staff List
Class G2	Expatriates employed in Uganda	6Months: \$1250 12Months: \$2500 24Months: \$5000 36Months: \$7500 (\$1500 included)	Passport, Photo, Clearance, Tax Cert, Immigration Status, Appointment Letter, Qualifications, Proof Ugandan can't be hired, Staff List
Class G3	Skilled expatriates in agro, manufacturing, and mining	6Months: \$400 12Months: \$400 24Months: \$800 36 Months: \$1200	As G2 plus NCHE certificate
Class H	Residents with assured foreign income (not employed)	6Months: \$750 12Months: \$1500 24Months: \$3000 36Months: \$4500 (\$1500 included)	Passport, Photo, Cover Letter, Clearance, Proof of \$36,000 income, No-employment undertaking

Application Procedure (Applies to All Classes):

1. Log into the Immigration Portal and select "Start New Application".
2. Accept the terms and conditions in the disclaimer.
3. Select visa or permit type, category and sub-category.
4. Fill in the application form completely.
5. Upload required documents. A six-digit reference number will be generated.
6. Make payment (if applicable).
7. Upon approval, an approval letter will be emailed to the applicant.
8. Report to the immigration office or border for biometric capture with all original documents, approval letter, and passport.

It should be noted that the award of a work permit is dependent on the contribution a foreigner is likely to make to the country. Additionally, foreign employees can choose to subsequently acquire residence permits depending on the duration of time they have spent in Uganda. Ordinarily, if they have lived in Uganda for a minimum of 10 years, they become eligible for a residence permit under the "due to long stay" category. Furthermore, where a foreigner marries a Ugandan citizen and the

marriage subsists for at least three years, he or she is eligible for a residence permit due to the marriage.

It is an offense for a foreigner to work in Uganda without a valid work permit. The Uganda Citizenship and Immigration Control Act requires foreign nationals to obtain the appropriate work permit before commencing employment.

k. What are the legal issues associated with foreign ownership of land?

Land ownership in Uganda is governed by the Constitution of the Republic of Uganda, the Land Act, and the Registration of Titles Act.

1. Land ownership is limited to the leasehold tenure

In Uganda, land ownership is mainly divided into four systems: customary, freehold, leasehold, and mailo. All land in Uganda belongs to its citizens, who can own it through these tenure systems. Foreigners may lease land for a set period but cannot own freehold, mailo, or customary land.

Foreign-established corporate entities can also own land through leasehold. If a corporate body has a controlling interest held by noncitizens, it is considered a noncitizen entity and can only own land on a leasehold basis. "Controlling interest" is defined as the majority of shares or decision-making power being in the hands of noncitizens. Therefore, even companies incorporated in Uganda but controlled by noncitizens can only own leasehold land.

2. Lease period

The maximum lease period for foreigners is 99 years. The lease can be renewed upon expiry. For most foreigners, a 99-year period is sufficient to develop properties, set up industries or do business and recoup their profits.

The developments and activities that are done on the land depend on the terms of the lease agreement. Foreigners should ensure to understand the terms of lease agreements and hire a lawyer to revise the agreement before they append their signatures to the agreement.

3. Tax Implications

Property ownership in Uganda is subject to various taxes, including stamp duty, which is typically around 1.5% of the property's value. Additionally, rental income is taxable under Uganda's Income Tax Act, and foreigners must comply with the country's tax requirements.

4. Fraud

The parties contacted by foreigners to do due diligence and verification fail to verify the legitimacy of title deeds or any

encumbrances on the land. Foreigners end up in costly long-term court disputes.

It is important to engage a lawyer who understands Ugandan property laws to oversee the transfer process. This will include drafting sale agreements, ensuring all taxes are paid, and properly following the registration process.

5. Obtaining and financing mortgages

It is difficult for foreigners to make the substantial downpayments required by banks in Uganda. The mortgage market in Uganda is not fully developed, which makes it difficult to access mortgages.

I. Which bilateral and multilateral treaties is your country part of that help foster business?

A bilateral investment treaty (BIT) is an agreement between two countries regarding promoting and protecting investments made by investors from respective countries in each other's territory. A multilateral treaty is a written agreement between three or more sovereign States establishing the rights and obligations between the parties.

Multilateral Agreements

1. Treaty for establishing the East African Community (EAC). The East African Community (EAC) agreement has greatly facilitated trade in Uganda by lowering tariffs, simplifying customs procedures, and encouraging the free movement of goods among member states. This has resulted in higher trade volumes, lower transaction costs, and increased competitiveness for Ugandan businesses.
2. Treaty establishing the Common Market for Eastern and Southern Africa (COMESA). The COMESA Treaty has greatly benefited Uganda by promoting regional trade, economic development, and market integration. Uganda has experienced increased export earnings from the COMESA region, especially in agricultural products, and has also gained from lower trade barriers and easier trade procedures for small-scale traders.
3. The African Continental Free Trade Area (AfCFTA) Agreement has established a market for Uganda's goods and services across Africa, enhancing intra-African trade.
4. Uganda has been a member of the World Trade Organisation since 1 January 1995 and a member of GATT since 23 October 1962. Through its membership, Uganda has ratified the 2005 Protocol amending the TRIPS Agreement and the 2014 Protocol concerning the Trade Facilitation Agreement.

Bilateral Agreements

1. Double Taxation Treaties (DTAs)

Uganda has entered into agreements with several countries, including Denmark, India, Italy, Mauritius, the Netherlands, Norway, South Africa, the United Kingdom, and Zambia, to prevent double taxation of income. These DTAs have promoted the global movement of capital, technology, goods, and services by removing double taxation of income and other taxes in international trade.

2. Memoranda of Understanding (MoUs)

Uganda has signed MoUs with several countries and organizations, such as the Dubai Chambers and DRC, to promote business cooperation, encourage trade, and attract investment.

Memoranda of Understanding (MOUs) have greatly aided trade in Uganda by creating frameworks for cooperation, encouraging trade facilitation, and building partnerships. These agreements cover various trade aspects, including infrastructure, customs procedures, and market access, ultimately increasing exports and making trade processes more efficient.

m. What are the government policies and incentives that are available to encourage investment in your country?

Uganda actively encourages both foreign and domestic investment through various government policies. Key strategies include providing tax incentives, establishing industrial parks, offering support through the Uganda Investment Authority (UIA), and enacting laws to protect investors and streamline business operations.

1. The establishment of the Uganda Investment Authority

Uganda Investment Authority provides advisory services to potential investors interested in establishing operations in Uganda. UIA actively organizes and participates in various exhibitions, trade missions, and industry conferences both domestically and internationally.

Investment licenses from UIA enable investors to access incentives such as concessional rates on import duty, exemptions on import duty, and duty drawbacks on imports.

2. The Public Private Partnership Act of 2015 encourages joint ventures between the government and private investors, particularly in infrastructure and the oil and gas sector.

3. Tax Incentives

Uganda currently provides a ten-year income tax exemption for developers and operators within an industrial park or free zone. This exemption applies to income generated from leasing facilities by

individuals or companies with a minimum capital investment of USD 50 million for foreigners or USD 10 million for citizens.

The Income Tax Amendment of 2025 offers a three-year income tax exemption to businesses founded by citizens after July 1, 2025, as long as their investment capital does not surpass five hundred million.

4. Export incentives

The government creates and sustains industrial parks to provide serviced land and infrastructure, encouraging investment in particular sectors.

5. The government is implementing reforms to simplify the business licensing process, aiming to lessen the burden on businesses. These efforts involve a centralized business registration system via Online Business Registration and tax reforms by URA, which facilitate easier filing and assessment creation for business owners.

6. Uganda has treaties and agreements with other countries that facilitate trade. Uganda has DTAs with several countries, including the UK, Denmark, and Norway, which can reduce the tax burden for investors from those countries.

7. The Constitution and the Investment Code safeguard private property rights and include procedures for compensation when property is compulsorily acquired.

n. What are the key tax implications associated with opening and running various legal entities in your country?

1. INCOME TAX

The Income Tax Act, Cap. 388 imposes taxes on individuals, partnerships, companies, trust, and corporations residing or carrying on business in Uganda. Income tax applies to all types of persons who derive income in Uganda. The Act sets exemptions for where taxes will not be imposed.

The Income Tax Act also imposes withholding taxes while making certain payments.

Income tax is imposed in three broad categories of income: business income, employment income, and property income.

A. BUSINESS INCOME

1.1. Corporate Income Tax

A standard 30% income tax rate is imposed on corporations. This applies to both resident and non-resident corporations. A company is liable to tax separately from its shareholders. Companies are required to pay withholding tax at a rate of 15% upon payment of

dividends. For branches that repatriate profits, withholding tax of 15% is levied on the profit repatriated.

1.2. Partnership

Each partner is liable for their own tax as an individual. A partnership must file a tax return but is not responsible for paying tax on that income. The gross income of a partner includes that partner's share of partnership income for that year.

1.3. Trusts

The income of a trust is taxed either to the trustee or the beneficiary. Trustees are jointly and individually liable for the tax on chargeable trust income if it is not paid from the trust's assets.

1.4. Individuals

The income tax rate for individuals depends on the tax bracket in which they fall. The ITA sets a threshold of 2,820,000 per year; income below this amount is not taxed. The remaining income is taxed at rates of 10%, 20%, and 30%, and income exceeding 120,000,000 per year is taxed an additional 10% on the amount above that threshold.

B. EMPLOYMENT INCOME

Employment income means any income derived by an employee from any employment. Employers are mandated to withhold tax from a payment of employment income to an employee.

C. PROPERTY INCOME

Property income means any interest, annuity, natural resource payment, rents, royalties, gifts, contributions to a retirement fund and any other payment derived by a person from the provision, use or exploitation of property.

2. VALUE ADDED TAX

VAT is a consumption tax on all supplies made by a taxable person at a rate of 18%. The threshold for VAT registration is an annual turnover of UGX 150,000,000 OR 12,500,000 within three months of trading.

3. EXCISE DUTY

Excise Duty is a tax levied on specified goods and services manufactured or produced in Uganda or imported into the country. These typically include luxurious products, alcohol, soft drinks, tobacco, and telecommunications services.

4. STAMP DUTY

Stamp Duty is a tax imposed on certain legal instruments or documents such as agreements, leases, transfers, mortgages, and

company share transfers. The duty must be paid to make the document legally effective or registrable.

5. CUSTOMS DUTY

Customs Duty is a tax imposed on goods imported into or exported out of Uganda. Customs duties in Uganda are imposed under the East African Community Customs Management Act, (EACCMA).

6. CAPITAL GAINS TAX (CGT) is a tax levied on the profit (gain) realized from the disposal of a capital asset, such as land, buildings, shares, or other business property. In Uganda, CGT is not a standalone tax but is treated as part of a company’s taxable income and taxed at the corporate income tax rate of 30%, as provided under the Income Tax Act, Cap 340.

Tax Registration and Compliance Obligations

1. TIN Requirement: All entities must register and obtain a Tax Identification Number (TIN) from URA.
2. E-invoicing (EFRIS): Mandatory for VAT-registered businesses to issue e-receipts and e-invoices.
3. Filing: Monthly and annual returns must be filed for different taxes (e.g., PAYE, VAT, CIT).
4. Record Keeping: Entities must keep financial records for at least 5 years.

o. What are the key competition Laws in your country associated with opening the various legal entities by a foreign investor?

In 2024, Uganda passed the Competition Act to promote and sustain fair competition in markets in Uganda. Before this, Uganda lacked a comprehensive law addressing anti-competitive practices. Regulation was done through specific sector regulations.

The Act applies to all businesses in Uganda.

Key clauses in the Act are;

1. Prohibition of anti-competitive practices and anti-competitive agreements
This clause prohibits agreements or conduct between businesses that restrict competition, such as price fixing, market sharing, or bid rigging. It targets both formal and informal arrangements that limit consumer choice or distort market outcomes.
2. Prohibition of abuse of dominant position
A firm with significant market power is barred from using that position to unfairly limit competition through predatory pricing, refusal to deal, or exclusive dealing arrangements that harm competitors or consumers.
3. Regulation of mergers and acquisitions

Mergers and acquisitions must be reviewed and approved by the Competition Authority to ensure they do not substantially reduce competition, create monopolies, or harm consumer welfare.

While Uganda is still developing its consumer protection framework, the Competition Act also touches on consumer rights, particularly regarding unfair trading practices by dominant firms.

Some sectors, like telecommunications and banking, have their own competition regulations.

4. Uganda Communications Commission issued the Uganda Communications (Competition) Regulations, 2019 to promote, monitor, and enforce fair competition in the communications sector.
5. The primary law regulating competition in the Ugandan banking sector is the Financial Institutions Act (FIA) Cap. 57, which is administered by the Bank of Uganda (BoU). This act and other sector-specific regulations aim to ensure fair competition and prevent anti-competitive practices within the financial industry. Additionally, the recently enacted Competition Act, 2024, provides a broader framework for competition regulation across all sectors, including banking.

p. Does your jurisdiction recognise alternative dispute resolution mechanisms and are local or international arbitral awards recognised and enforceable and if so, how?

Alternative Dispute Resolution (ADR) refers to the various methods used to settle disputes outside the court procedure.

Legal framework governing ADR in Uganda

- a) The Arbitration and Conciliation Act, Cap 5, governs arbitration and conciliation proceedings in Uganda.
- b) The Judicature (Mediation) Rules, 2013 make mediation mandatory in civil matters before trial, especially in the High Court.

Recognised ADR mechanisms in Uganda are;

1. Arbitration
2. Mediation
3. Adjudication

Arbitration is a formal method of dispute resolution involving a third-party neutral who makes a binding decision.

Arbitration requires a written agreement between the parties. Each party may appoint an arbitrator, or both may agree on a single arbitrator. The proceedings are confidential and offer procedural flexibility, allowing parties to choose how the process is conducted. Once concluded, the arbitral award is final and binding, and can be enforced by the High Court as if it were a court judgment.

In Uganda, the enforcement of arbitral awards is governed by the Arbitration and Conciliation Act, Cap 5, which provides that an arbitral award shall be recognised as binding and enforceable upon written application to the court. The party seeking enforcement must present the original or certified copies of both the arbitral award and the arbitration agreement. If these documents are in a language other than English, certified translations must also be provided. Once the time to set aside the award under section 34 has lapsed, or if such an application is made and rejected, the award is enforceable in the same manner as a court decree.

ISCID Awards and New York Convention awards are enforceable in Uganda. An application is made to the High Court in Uganda for the award to be registered. Upon registration, the award is considered a decree of that court capable of execution in Uganda.

Mediation is where a neutral third party (a mediator) helps the parties talk through their issues and find common ground. Court-annexed mediation and private mediation are encouraged to reduce case backlog.

In Uganda, court-annexed mediation is guided by the Judicature (Mediation) Rules, 2013.

The mediator's role is to facilitate communication and help the parties identify areas of agreement.

If the parties reach an agreement, it must be put in writing, signed by all parties, and filed with the court. The agreement can then be endorsed by the court as a consent judgment.

Adjudication is an Alternative Dispute Resolution (ADR) mechanism where an independent neutral third party decides on a dispute between parties. The decision is temporarily binding.

q. Are there any key laws aimed at protecting investors who wish to invest in your country?

1. Companies Act, Cap. 106 (as amended)
The Act governs the registration of companies and business names to promote business formalization. It also protects the rights of business owners and shareholders. The Uganda Registration Services Bureau operates under the Act to oversee business registration and the conduct of shareholders and directors within the business.
2. Land Act, Cap 236
The Act regulates the acquisition of land through leases and purchases, which are crucial for operating a business.
3. Constitution of the Republic of Uganda, 1995
It is the supreme law of the country. It encourages investment under national principles by providing a clear legal framework that protects

investors' rights, ensures transparency, and upholds contractual agreements. Additionally, it fosters peace and stability, which are essential for creating a secure environment for business growth and economic development.

4. Arbitration and Conciliation Act, Cap 5
The Act governs Arbitration, which is essential for dispute resolution as it offers a faster and easier way to resolve disputes from business agreements, unlike the traditional court method. It provides for the enforcement of arbitration and conciliation decisions from within Uganda and other countries.
5. Public-Private Partnerships Act, Cap. 111
This Act provides a legal framework for partnerships between the government and private entities in the development and operation of public infrastructure and services. The Act facilitates private sector investments in large-scale infrastructure. The contracts also provide for risk sharing, which supports private sector investment.
6. Income Tax Act, Cap 338
The Income Tax Act governs the taxation of business income, employment income, capital gains, and withholding taxes.
7. Value Added Tax Act, Cap 344
This Act governs the collection and administration of VAT on the supply of goods and services.
8. East African Community Customs Management Act
This regional law harmonises customs procedures across the East African Community, simplifies cross-border trade through uniform tariffs, and enables investors in Uganda to benefit from duty-free access to EAC markets, improving competitiveness.
9. Stamp Duty Act, Cap. 339
This Act imposes a duty on legal documents such as contracts, property transfers, and corporate transactions.
10. Employment Act, Cap. 226
The Act regulates the relationship between employers and employees, providing a clear framework for labor rights and responsibilities. It encourages investment by offering clear rules on hiring, termination, wages, and working conditions.
11. Financial Institutions Act, Cap.57
The Act facilitates access to credit and banking services, critical for business operations.

r. What is the current state of investment Climate in your country?

Uganda has a favorable investment environment supported by macroeconomic stability, a relatively low regulatory burden, and ongoing public sector reforms. Compared to other countries in the region, Uganda continues to make significant progress in attracting and maintaining investment according to the World Bank Invest Climate Reports.

The investment climate is shaped by five critical elements: government policy, economic conditions, legal and regulatory frameworks, risk, and infrastructure. Each plays a pivotal role in either enhancing or inhibiting investor confidence.

Government policy in Uganda has taken a pro-business turn, especially under the theme of the FY2025/26 national budget: "Full Monetisation of Uganda's Economy". Priorities include agro-industrialisation, tourism, mineral development, and digital transformation. The government is cutting domestic borrowing to avoid crowding out the private sector, digitising public services like procurement, and encouraging green financing tools such as climate bonds. These policies signal a strong intent to create an enabling investment environment.

The economic outlook remains optimistic and promising. Uganda's GDP notably grew by 6.3% in FY2024/25, with projections of increasing to 7% in 2025/26. Inflation has stabilized, enabling the Bank of Uganda to adopt a cautious monetary policy to stabilize prices. Domestic revenue is expected to grow by 5%, supported by new tax reforms and improved compliance measures, making a positive impact. Additionally, Foreign Direct Investment (FDI) reached USD 1.4 billion in 2022, and the outlook remains bright, particularly in the oil and gas, manufacturing, and technology sectors.

The legal and regulatory framework is quite friendly to investors. Tax rates stay competitive, with a flat 15% withholding tax on major payments like interest and dividends. The burden of labor regulations has been eased further, and administrative procedures have been streamlined through digitization. Uganda has also improved the rule of law and government effectiveness.

In terms of risk, Uganda enjoys political stability and policy continuity. However, petty corruption and climate-related vulnerabilities persist. Governance reforms aim to reduce these risks over time.

Lastly, infrastructure is steadily improving. The FY2025/26 budget allocates significant resources to roads, railways, electricity, irrigation, and digital infrastructure. There's also renewed focus on education and healthcare, especially through early childhood development and

ICT capacity-building. Institutions like Uganda Development Bank and Uganda Development Corporation are receiving capital to fund strategic investments in the private sector.

s. What are the investment opportunities available in your country for foreign investors? Identify the most viable industries or sectors in your country for investing.

Uganda Investment Authority has listed the following are the most bankable projects for Financial year 2024/2025.

1. Real Estate
2. Infrastructure Development
3. Health
4. Information and Communications Technology
5. Mining and Renewable Energy
6. Agriculture
7. Public Infrastructure Projects

Other viable sectors include;

1. Agriculture and Agro-Processing
2. Oil and Gas
3. Manufacturing and Industrialisation
4. Tourism and Hospitality
5. Financial Services and Fintech
6. Education and Skills Development
7. Healthcare and Pharmaceuticals

t. What is the state of infrastructure in your country, and how will it affect foreign investment?

THE STATE OF INFRASTRUCTURE IN UGANDA AND HOW IT AFFECTS FOREIGN INVESTMENT

Uganda's infrastructure sector has made significant progress over the past twenty years, particularly in road construction, energy supply, and telecommunications. The government has prioritized infrastructure development through major projects under its Vision 2040 and National Development Plans (NDPs), with substantial funding directed toward energy, transportation, and ICT.

The road network, which is the backbone of Uganda's transport system, has seen improvements with major highways upgraded to bitumen standards. Investments in road upgrades like the Entebbe Expressway, expansion of Entebbe International Airport have improved logistics and market access, making Uganda more attractive for trade, tourism, and manufacturing investors.

However, many feeder and district roads are still in poor condition, especially during rainy seasons, making it hard to move goods efficiently across the country. This impacts the predictability of supply chains.

Uganda has experienced notable growth in its real estate sector, driven by urbanization, a rising middle class, and increased demand for affordable housing. This trend has attracted foreign investment, particularly in residential estates, mixed-use developments, and commercial property. The expanding housing market also accommodates the growing workforce.

The expansion of the national grid and the development of renewable energy sources such as hydropower and solar have enhanced the reliability of the electricity supply. Power distribution remains uneven, and outages are still frequent in some areas. Foreign investors, particularly in energy-heavy industries, rely on backup systems like solar for a reliable electricity supply.

Expansion of hospitals and health centres, along with private sector involvement, has enhanced healthcare access, supported workforce productivity and attracted investors reliant on a stable, healthy labour force.

The absence of a modern rail and water transport system places more burden on road networks, leading to congestion and increased maintenance needs. The cost of transporting goods from Uganda to the ports of Mombasa or Dar es Salaam remains relatively high, affecting competitiveness in export-oriented industries. The development of the Standard Gauge Railway (SGR) and improved inland water transport on Lake Victoria are anticipated to reduce these costs, but progress on these projects has been slow due to funding and regional coordination challenges.

Telecommunications infrastructure has improved considerably, with mobile penetration and internet access on the rise, especially in urban areas. This has supported the growth of the digital economy and fintech sector. However, broadband access in rural areas remains limited and expensive, limiting the reach of digital services.

u. What are the risks associated with investing in your country and how can they be mitigated?

RISKS ASSOCIATED WITH INVESTING IN UGANDA AND HOW THEY CAN BE MITIGATED

Investing in Uganda presents several opportunities, but it also comes with notable risks that investors should carefully consider.

Legal and Policy Uncertainty. Laws in Uganda are amended frequently, and new regulatory procedures are often introduced, creating an unpredictable legal environment for businesses. For example, Uganda’s tax laws are

amended every financial year, often introducing new taxes and changing compliance requirements. The risk lies in potential non-compliance, unexpected costs, or disruptions to operations.

Businesses can counter this by keeping accurate records, monitoring legal updates, and engaging legal advisors to assess the impact of new laws to ensure timely adjustments and sustained compliance.

Another challenge investors face is regulatory and bureaucratic delays. Uganda's business environment, while improving, is often slowed by red tape, especially when it comes to acquiring licenses, land, or construction permits. These delays can cause project cost overruns and postpone operational timelines.

Investors can reduce this risk by working with experienced local legal and business consultants, using the Uganda Investment Authority's One-Stop Centre to streamline approvals, and forming joint ventures with knowledgeable local partners who understand the system.

Foreign exchange volatility presents another substantial risk. Fluctuations in the Ugandan shilling against major currencies can affect profitability, especially for businesses with foreign-denominated costs or revenue. This risk is particularly relevant when repatriating profits or servicing international debt. Investors can manage currency risk by using financial instruments like hedging contracts, maintaining diversified currency accounts, and reinvesting some earnings locally to reduce exposure to exchange rate shifts.

Corruption and weak governance also pose significant risks to investors. Corruption has fostered unfair competitive practices, inflated costs, and complicated the process of securing government bids or permits. To counter this, investors should engage trusted local legal experts, maintain strong internal compliance systems, and partner with credible local partners to secure business.

Infrastructure limitations in Uganda remain a persistent concern. Many regions suffer from unreliable electricity supply, inadequate road networks, and inefficient logistics systems, all of which can hinder production, increase operating costs, and delay market access. To mitigate these challenges, investors should prioritize locations with better infrastructure, such as industrial parks or major towns. They may also need to invest in supplementary infrastructure like backup power systems or private logistics solutions to ensure business continuity.

The legal and judicial system in Uganda, while functional, often suffers from inefficiencies such as delays in case resolution and inconsistent enforcement of contracts. This can reduce legal certainty and make dispute resolution costly and time-consuming. Investors should protect their interests by incorporating clear dispute resolution clauses in their contracts as guided by their legal advisor.

Lastly, issues of security and regional instability can impact investments, especially in areas bordering conflict-prone regions or where infrastructure is less developed. Security risks can affect supply chains, endanger assets, and deter skilled personnel. To mitigate this, investors should conduct detailed security assessments before selecting project sites, insure critical assets and staff, and work closely with both local security forces and private security firms.

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