



CITI BANK CROWNED MOST COMPLIANT TAXPAYER

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WHY PROVIDING SMES WITH ACCESS TO AFFORDABLE CREDIT WILL GROW UGANDA'S ECONOMY

Access to affordable credit remains one of the biggest challenges to the survival and growth of most of Uganda's micro, small and medium enterprises (MSMEs). According to the Global Entrepreneurial Monitor, [Continue to page 14](#)



URA ROOTS FOR ZERO TOLERANCE TO CORRUPTION

Uganda Revenue Authority has for long been a champion of integrity, having gone through an anti-corruption drive which started in 2005. [Continue to page 16](#)

FOREWORD FROM THE COMMISSIONER GENERAL

Dear Taxpayers,

We have recommitted ourselves as an institution to walk the path of mobilizing revenue for national development together.

It is important we remind ourselves that the revenue mobilization effort by those engaged in profitable economic activity is key in supporting Government's expenditure programmes and priorities to ultimately uplift the quality of life of all the citizenry. Therefore, it is incumbent upon all of us to be compliant with our tax obligations.

In a special way, we want to thank those taxpayers who have continuously fulfilled their obligations amidst the impact of the Covid19 pandemic. Because of your commitment to meet your tax obligations, we have been able to register great revenue results and for that we commend you.

For us to develop as a country, we need to collect atleast 20% of our GDP and we believe we have put the right strategies to grow our tax register to atleast 5 million taxpayers by financial year 2024/25.

At the moment we have 1.9 million taxpayers on the tax register out of a population of more than 40 million Ugandans. This means that the burden of paying tax is still on a few. We need to strive to bridge this gap and save our country from debt.

As URA, we are positioning ourselves as a customer centric organization-to listen to you more, understand your issues so that you voluntarily contribute to tax. We want to make it as attractive as possible for you to pay taxes through our simplified processes. For example, we have automated our filing processes to allow you file your returns from the comfort of your office space.

We have introduced a mobile tax office - we have one and plan to acquire 3 more so that every region will have a mobile tax office to build Uganda.

We are putting most of our services that would rather bring you to URA online please embrace them through our new WhatsApp number of 0772140000.

URA is also championing key technologies that will make life easy for the you.

I would like to thank you for the continued support towards domestic revenue mobilization and I encourage all Ugandans to collaborate with URA.

For God and My Country.

John Rujoki Musunguzi,
Commissioner General





EDITOR'S NOTE

Dear Taxpayers,

welcome you to yet another edition of the Newsletter, connecting with you as the new spokesperson of the Uganda Revenue Authority.

Thank you for your efforts to develop our country Uganda through your taxes. I sincerely appreciate all your efforts to make URA and Uganda a success.

I continue to implore all of us to work together to take our country to the next level, which is financial independence, by contributing our best effort to the national basket.

The time is now for us together to reaffirm and re-energise our enduring spirit to liberate our country and choose a better history for generations to come. So let's join hands as we each play our role to realise this dream. As URA, we are here to serve you, we cannot liberate our country without you, and you are our priority because you are the core of our business.

What are we doing differently? We are reducing taxpayer uncertainty through tax education by clarifying legal and procedural ambiguities. We are also tailoring taxpayer services and information to the different characteristics of taxpayer segments, setting service delivery standards, and measuring performance against these standards, such as average time to process taxpayer refunds or resolve disputes.

We shall endeavour to uphold and live beyond expected expectations to keep our vision alive. We will continue to build on our culture as a listening partner to make paying taxes attractive. In addition, we shall strive to bring services nearer to you through various service offerings like tax hubs, mobile services, business forums, taxpayer visits, among others.

Lastly, URA has an open-door policy regarding queries or issues regarding tax. So always feel free to contact us either by phone call, email, SMS, social media, or even walk to our offices. You will be assured of our service!

Merry Christmas and a Happy New Year

Ibrahim Kibuka Blossa

Assistant Commissioner, Public & Corporate Affairs
Uganda Revenue Authority

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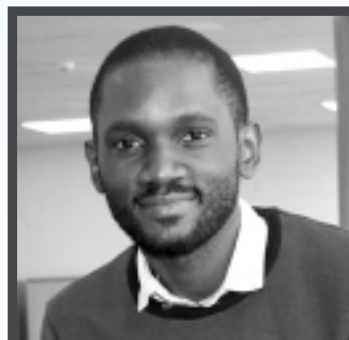
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CITI BANK CROWNED MOST COMPLIANT TAXPAYER

Florence Namuganza

CITI Bank (U) Limited scooped the Excel Award at the 16th Taxpayer Appreciation Awards ceremony held at Uganda Revenue Authority (URA) headquarters in Nakawa last Friday. The annual awards are aimed recognizing top consistent compliant taxpayers throughout the country.

This year's ceremony was distinctive from the previous events as 40 from 18 taxpayers were rewarded as URA marked 30 years of existence. New categories of Trailblazer and Lifetime Achievers awards were introduced this year. The Trailblazer category was designed to recognise taxpayers who have consistently adapted earliest to URA initiatives while the Lifetime Achiever award went to former URA leaders who made outstanding contributions towards the transformation of the Authority.

Eco Bank, United Bank for Africa (U) Limited, Spedag Interfreight (U) Limited and Nice House of Plastics were recognised as the pioneer Trailblazer awardees.

Eco Bank was notably profiled for being the pioneer e-partner bank following the introduction of the E-tax in 2009. The bank championed the integration and accounted for 30% of the total revenue collections through the system and has continued to reliably offer the service since.

Former URA members of top management including former board members were recognised for setting a blueprint for the institution as we know it today. These included former Commissioners General Allen Kagina, Doris Akol, Elly Rwakakooko and Justin Zaake. Former board members Gerald Ssendaula and Keith Muhakanizi were recognised for their vehement support in boosting domestic revenue mobilisation and modernisation of practices in revenue administration.

From the public service sector, Mbarara University of Science and Technology (MUST) was recognised for being a model government institution in tax compliance. MUST was recognised for excellent accounting practices especially on Pay As You Earn and Withholding Tax heads. In the same category, Mbale District Lo-



cal Government was awarded for exemplary tax filing timelines and good working relationship with URA.

The New Vision Printing and Publishing company Ltd emerged best Strategic Media partner having journeyed the tax education agenda with URA since the Authority's inception in 1991. Uganda Registration Services Bureau was recognised for strategic joint ventures embarked on especially on the Taxpayer Register Expansion Program. This, coupled with the data sharing initiatives that has enabled widening of the tax base, made the institution most suited for the recognition.

Speaking at the event, the Guest of Honour, the Minister of Finance planning and Economic Development, Hon. Matia Kasaija echoed the need for voluntary compliance. He noted that taxes are important because the loans he keeps approving on behalf of government to fund the budget are not good for the economy.

"By declaring and paying your taxes, you are directly investing in your business. This is because when you give me taxes, I do a number of things that enable you to expand and even make your business profitable," said Kasaija.

URA's Commissioner General John Rujoki Musinguzi, rallied the public to join the noble effort of paying their



due taxes for the country to achieve economic independence.

He said: "we are still unable to fund our national expenditure, we are funding just over 50% of our national budget from the domestic resources. This means therefore, that we need to do much more."

Present at the function were State Finance Minister in charge of General Duties, Hon. Henry Musasizi and the State Minister for Privatisation, Hon. Evelyn Anite whose Confidential Hotel was recognised for compliance in the West Nile region. Also mention other state ministers who were in attendance.

The Taxpayer Appreciation awards mark the end of the Taxpayer Appreciation Season, an annual period that starts in September where URA recognises, rewards complaint taxpayers and also gives back to the public through Corporate Social Responsibility activities throughout the country.

1011 WORDS DETAILED

THE MINISTER OF Finance and Economic Development, Mattia Kasajja has called taxpayers to contribute to the economic development of the country by honoring their obligations like paying taxes...

NOW U KNOW PAYING TAXES IS A NOBLE RESPONSIBILITY-FINANCE MINISTER



Ministers and other government officials in a group photo with the URA CEO (far right)

Kasajja further tipped the public to pay their taxes because it is not a sin since the holy books require it. "To pay your tax is a noble responsibility...

Minister of Finance and Economic Development, Mattia Kasajja, said a lot of work needs to be done to see that the economy recovers well maintaining and the culture of borrowing is stopped.

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CITP rates can be lowered by FY2021/22 to 20% up from the current 25%. The award is given to the most compliant taxpayer...

TRANSFER: Transfer of land in the name of...

LOST DRIVING PERMIT: Lost driving permit in the name of...

LOST NUMBER PLATE: Lost number plate in the name of...



URA REWARDS MOST COMPLIANT TAXPAYERS



Minisita Kasajja ng'akwasa Kagina (ku kkonu) engule.



Musinguzi (ku ddyo) akulira URA ng'akwasa Muky. Kaija engule. Ku kkonu ye Rogers Anguzu akulira eby'okutunda n'okutumbula Vision Group. Kozesa App ya New Vision olabe vidiyo.

URA esiimye Vision Group

Bya SAMUEL BALAGADDE

EKTONGOLE ky'ebemisolo eky'URA kisimye kkanpuni ya Vision Group efulumya ne Bukedde olw'okukiyambako mu kumanyisa abantu ebikwata ku musolo.

Minisita Kasajja, ku mukolo ogwabade ku kitebe kya URA ekisangibwa e Nakawa mu Kampala ku Lwokutaano. Ku mukolo guno, URA era yasimye n'abawo b'omusolo abanywede mu bannaabwe akendo omwaka guno mu kusasula omusolo.

1 ne 2, Bukedde Leediyo Fa Ma Embuutikizi, Urban TV, olupapula lwa New Vision n'emikuta emirala, basobode okusomera abantu obulungi obuli mu kuwisa omusolo n'okubakubiriza okugwira kye yagambye nti kibayambeko okubawewula ku mugugu.

fube w'okulaba nga sseente ezikung'anyizibwa mu musolo zisobola okuyimirizawo bajeti y'egwanga okwewala okwewala, buli alina ky'akola omuva sseente alina okwisa omusolo," Musinguzi bwa yagambye.

inze okuwa omusolo mu bwesimbu mu mwaka gwa 2020/2021. Allen Kagina akulira UNRA wabula nga yakulirako URA. Doris Akol, Elyi Rwakakooko bonna abaakulirako ekitongole kino ne Gerald Ssendaula eyaliko sseentebe w'olukiko olufuzi olw'URA nabo baasimiddwa.

URA REWARDS MOST COMPLIANT TAXPAYERS



URA REWARDS MOST COMPLIANT TAXPAYERS



URA commissioner general John Rajoki Musinguzi said their mission and vision has been improved to emphasise integrity and enhanced service delivery.



Table listing winners of the 2021 URA awards, including categories like Most Compliant Taxpayer, Most Compliant Business, etc.



TOP TAXPAYERS PER REGION

CENTRAL REGION		WESTERN REGION	
Taxpayer Name		1.	Aadi Enterprises Limited
1.	Classic Africa Safaris (U) Limited	2.	David Rwasheema
2.	DHL Global Forwarding (Uganda) Limited	3.	Goodman Muhangi
3.	Mr. Joseph Byamugisha	4.	Kamwenge Maranatha
4.	Laaluma Nivas Limited	5.	Magnum International Limited
5.	Mercantile Executive Services Limited	6.	Merit Farm Supply Limited
6.	Mr. Michael Kimoni Mutie	7.	Millenium Security Ltd
7.	Narelson Investments Limited	8.	Royal Pharma (U) Limited
8.	Piyush Ramesh Devchand Shah	9.	Rwesasi Enterprises Limited
9.	UVRI-IAVI HIV Vaccine Program Ltd	10.	Shree Varahi Enterprises Limited
10.	Mr. Vekariya Nitin	NORTHERN REGION	
EASTERN REGION		1.	Aweki Investments Ltd
1.	Mr. Alpeshkumar Jiyani Manubhai	2.	Mr. Christopher Dau
2.	Bungokho Rural Development Centre Church Army Africa LTD	3.	Gulu Pentagon General Suppliers Limited
3.	Mr. Rajbir Rai Singh	4.	Miss Hunter Kodet Sally
4.	Mr. Reagan Tusiime Richard	5.	Jiya Arua Enterprises Limited
5.	Sanyu House Business Solutions Limited	6.	St. Jude Childred's Home
6.	Hajati Singasigufa Amina	7.	Mr. Khemis Yunus
7.	Mr. Somani Mahmood	8.	Maharaja Agro Machinery And Auto Spare Parts Limited
8.	Suman Engineering Construction Co. Limited	9.	Martin Komakech Torach
9.	United Worldwide Forwarders (U) Limited	10.	Shree Impex Limited
10.	Mr. Vicent Kiyingi		



URA MEETS STAKEHOLDERS TO STRENGTHEN PARTNERSHIP

Nouella Anaso

URA finalised its nationwide stakeholder engagement exercise as a key activity during this Taxpayers Appreciation Season 2021 (TPAS) concluded in November by meeting a broad range of stakeholders operating in Kampala and Wakiso.

During TPAS, URA 's senior management traversed all regions recognising and awarding the most compliant taxpayers. The central region being the biggest revenue contributor URA Management met them separately to listen to their plight as URA pushes for compliance.

Responsible for the delivery of the nation's tax administration, URA can only meet her mandate by greatly relying on productive partnerships and leveraging collaboration with the stakeholders to understand issues affecting their compliance. Over the past four months, stakeholders have openly shared challenges they face affecting their functions and compliance.

At the leaders' forum that attracted the Who is who of the Kampala business community, the URA C.G John R. Musinguzi urged the leaders to partner with URA and ease compliance.

"You are key influencers in the communities where you reside and operate. The country regards you as ambassadors who will voice their concerns as well as lobby

for the benefit of their livelihoods. He added that the leaders should work together towards improving the livelihoods of our communities," he emphasized.

Responding to the CG's remarks, the Kikuubo Chairperson Mohamad Katimbo, raised concern over URA staff ignorance towards the nature of business of the traders and preferred language of use.

"There are 700 compliant taxpayers. We are committed to expanding the tax register. However, you need to come and engage our people. My people don't know about EFRIS. Even the tax education books I have been given, are in English, therefore we can only understand little. If only you could speak our language, we will be able to understand you. Please translate this material into the language we can understand," Hajji Katimbo explained.

The CG acknowledged Hajji Katimbo 's concerns and assured him of URA 's support through other newly enhanced communication platforms like Contact Centre, WhatsApp number (0772140000) and Tujenge bus service.

With these, URA intends to collect enough taxes to finance this year 's national budget whose target is UGX 22.4 Trillion. At least 65% of this will be internally



sourced.

At the meeting, the different stakeholders agreed that their partnership with URA is an avoidable marriage with mutual benefits. Some of them, like Nasser Jumba- representing the Kampala Development Forum tasked the URA to begin issuing out marriage certificates that taxpayers can proudly display in their work-places. Julius Mukunda, the Executive Director Civil Society Budget Advocacy Group (CSBAG) added that the display of certificates will improve compliance and draw traffic/clients to such taxpayers.



The C.G assured stakeholders that the Authority is intensifying its tax education programmes and challenged stakeholders into forging a partnership with URA that will equip the citizenry with information about their tax rights and obligations.

Meanwhile, URA tax register stands at 1,902,913 taxpayers. These are the individuals and businesses that shoulder the weight of paying taxes that bring in revenue to cater for services for more than 40 Million Ugandans. This is a weight we must distribute in order to even out the imbalance.



WHY SHOULD I ASK FOR A FISCALIZED RECEIPT?



By Myra Miria Iris Ochwo,

Revenue mobilization is a civic duty of every citizen. The Domestic Revenue Mobilization Strategy (DRMS) 2019-2024 targets among many other things to reduce the compliance burden for individuals and businesses as well as enhance transparency and accountability by implementing solutions that avert dishonesty and fraud.

Among the tax solutions implemented under the DRMS is the Electronic Fiscal Receipting and Invoicing (EFRIS) which is designed to centrally track and manage issuance of e-invoices /e- receipts with the aim of improving business efficiencies and reducing the cost of compliance by through recording keeping. Currently, only VAT registered taxpayers are required to use EFRIS.

In the month of November, you must have noticed presence of Uganda Revenue Authority staff at entrances of various supermarkets across the country. A question that many clients asked was why they should bother asking for a fiscalized receipt since they are not in any business.

The nature of VAT is that government appoints persons/designated agents to collect the tax on its behalf since it is a consumption tax. When you purchase an item, the VAT applicable is included in the final cost to the taxpayer and withheld by the appointed agent for onward submission to URA on your behalf [taxpayer] when they file the monthly returns as stipulated by law.

Many of us do not pay attention to details on receipts and invoices yet this gives us insight into how much we are contributing to the national coffers.

What EFRIS does is that it enables the taxpayer and the URA to ascertain how much tax has been withheld and how much to expect in the monthly return. The only way

one can be certain that the taxes they paid has actually been remitted is when the URA can track and trace all transactions. Another frequently asked question is what does a fiscalized receipt/invoice look like? EFRIS allows each seller to customise their receipt but it must bear three key features a Quick Response (QR) code, a Fiscal Document Number (FDN) and a verification code. One can authenticate if a receipt/invoice is legitimate by validating using ASKURA app downloadable from Google play store and Apple store or from the URA EFRIS portal.

The General public is therefore encouraged to demand their e-receipts/e-invoices to have their contribution counted as we grow our nation.

PUBLIC NOTICE

GUIDANCE ON TAXPAYER IDENTIFICATION NUMBER (TIN) APPLICATION FOR EMPLOYEES

Uganda Revenue Authority (URA) informs all employers and employees that in a bid to simplify and quicken Taxpayer Identification Number (TIN) application and processing for employees, a web-based application form has been developed. All employees without TINs are encouraged to apply using this web-based form.

The web-based form does not require a person to submit physical documents, gives a quick turnaround time for TIN processing and the client gets the TIN instantly in his or her declared email upon approval by URA.

All employers are hereby notified to declare employee TINs in all PAYE returns with effect from 2nd January 2022.

The web-based form can be accessed through URA web portal address at www.ura.go.ug then navigate the e-services menu to TIN Individual.

The employer may also prepare an excel sheet capturing the name of employee, National Identification Number (NIN) of employee, active phone number of employee and employee email address, attach a scanned copy of appointment letter of the employee and submit as a batch to the nearest URA Office for processing. The respective employee TINs will be generated and communicated to each employee through the declared email address.

For any further guidance, visit any URA Service Centre/Office or call our toll-free numbers 0800117000/080021700 or send an email to services@ura.go.ug or WhatsApp on 0772140000



WHY PROVIDING SMES WITH ACCESS TO AFFORDABLE CREDIT WILL GROW UGANDA'S ECONOMY

By Mercy K. Kainobwiso

Access to affordable credit remains one of the biggest challenges to the survival and growth of most of Uganda's micro, small and medium enterprises (MSMEs). According to the Global Entrepreneurial Monitor, nearly 40 out of every 100 Ugandans owns a business. Most of these are small, informal and undercapitalized but with huge potential to grow.

Government has enacted legislation aimed at giving MSMEs, and individual business owners, avenues for progress, with the latest development being the Security Interest in Movable Property Act (SIMPA), 2019, which commenced on 31st May, 2019. The SIMPA repeals and replaces the Chattel Securities Act No. 7 of 2014 which was deemed inadequate. Its inadequacies included the narrow scope of types of movable assets that could be used as collateral, the exclusion of judgment liens, negotiable instruments, debentures and intangible assets such as intellectual property rights. Additionally, the CSA envisaged a manual register which according to international best practice was not effective for putting third parties on notice of the actual or possible existence of a security interest in any given movable asset.

As a solution, the SIMPA broadens the scope of movable property that can be used as collateral. Movable property refers to assets or collateral that a borrower has that are movable and transferable. The law on security interests in movable property allows for a very wide range of movables to be used as security some

of which includes household items, livestock, farm produce, farm harvest, motor vehicles, accounts receivables, farm Machinery to the basic of all like household property among others.

The SIMPA establishes an online security interest register, the Security Interest in Movable Property Registry (SIMPO) which is managed by the Uganda Registration Services Bureau (URSB). SIMPO is a platform meant to cater for perfection of security interests by registration; other methods include registration, and control (a unique method that applies only where the collateral is funds in a deposit account). Perfection simply means making third parties aware of a security interest in a given asset.

Security Interest refers to a right to movable property created by an agreement between a lender and borrower to secure access to a loan or line of credit against movable property. The rights referred to include, a right of title in movable property, right under a financial or operating lease and a right of transfer of accounts receivables.

The launch of SIMPO will make credit access 'simple' for all Ugandans. Reports from the financial sector indicate that only 20 percent of Ugandans own land titles, the main collateral required by financial institutions from loan applicants, while only about 17 out of every 100 Ugandans owns a bank account, either alone or jointly with another person. The lack of these two important elements has continued to limit the ability of majority of small business owners to borrow funds as capital.



Basically, the SIMPO registry will accomplish three key functions. Firstly, it will notify parties about the existence of an interest in movable property, secondly, it will establish the priority of creditors vis-a-vis third parties and thirdly provide basis for use of this property to get a loan by a borrower.

Every property matters

Registration of security interest is done by the lender on the online Security Interest in Movable Property Registry that can be accessed on <http://simpo.ursb.go.ug>. It is done with written approval or an agreement granted between the borrower and the lender. Before registration can be effected, the lender must create an account and thereafter register the security interest. The registration of security interests in any staked property comes with benefits for the borrower, the lender and the economy.

Economic growth

Capital formation improves economic growth, boosts productivity and increases the turn-around of the economy. Recent studies found that majority of MSMEs have movable assets which under the current law can be used as collateral to access credit and reduce on financial exclusion of these category of persons/businesses.

Even medium level lending institutions like Microfinance institutions do not easily provide unsecured loans to risky, start-up, or young firms. Thus, an entrepreneurial firm will often need capital from outside. The assurance of quick, affordable credit will definitely spur growth. Meeting small business capital needs aided by regulatory protection will drive a prosperity boom as envisaged in Uganda's Vision 2040 strategy. Multiple borrowing is also another problem faced by lenders, amplified by the lack of information resources through which they can verify a borrower's indebtedness on a given asset. The SIMPO online registry will provide a solution to this through searches on the system to verify encumbrances on movable property.

Small businesses face other challenges, but progress in the area of legal, capital access alternatives provide a significant boost to national economic growth. Given the existence of a reliable law, we call upon financial institutions and micro deposit taking institutions to consider movable property amongst their loan portfolio as we grow our economy with workable solutions for the financially excluded sector in Uganda.

The writer is the Registrar General of the Uganda Registration Services Bureau.

URA ROOTS FOR ZERO TOLERANCE TO CORRUPTION

Immaculate Wanyetse

Uganda Revenue Authority has for long been a champion of integrity, having gone through an anti-corruption drive which started in 2005.

The drive has yielded results where integrity is part of URA's culture and sets the standards within which URA staff approach taxpayers so that they can build the trust to pay taxes. Integrity is one of our core values that reminds us to perform our sacred assignment of revenue collection with professionalism, courtesy, transparency and timely delivery of services to our clients.

As the world marks the International Anti-Corruption Day 2021 under the theme: "Promoting Active Citizen participation in social accountability, URA believes that the success of Uganda's economic wellbeing is closely tied to integrity. We are convinced that enhancing integrity will rebuild the trust between URA and all her internal and external stakeholders. And as such, the URA Board of Directors and Management have adopted a zero-tolerance approach to all forms of corruption through the following initiatives;

The Whistleblower Platform: Here taxpayers can easily and discreetly report fraud, corruption incidences, conflicts of interest by calling 0772141075 or our Toll Free lines on; 0800117000/0800217000 or



by sending an email to services@ura.go.ug. In addition, taxpayers can also report cases of integrity among themselves and if the reports yield revenue, they will be rewarded for helping URA recover undeclared taxes.

URA has put in place new policies and reviewed the existing ones to guide and protect its staff and to ensure excellent service to our clients. The reviewed policies include; URA Code of Conduct, URA Offence Schedule, and Lifestyle Audit Policy. Other policies still under review will address fraud, general harassment, sexual harassment, abuse of Authority, giving and receiving of gifts.

To protect all Taxpayers from Exposure to Integrity: The URA Board elevated the internal compliance function from a Section to a Division under the Commissioner General's Office. The Division is tasked with responsibility to enhance in-

ternal compliance and safeguard the reputation of URA.

URA has recently developed and approved a Comprehensive Integrity Strategy that will empower all staff to serve with the highest level of integrity.

URA has also introduced lifestyle audits as a key tool to prevent fraudulent accumulation of wealth.

To Improve URA's Services to Taxpayers: URA is improving her systems and processes to make them serve clients better by being simple, accessible, transparent and reliable.

URA launched the Change and Culture Transformation initiative which among other things, is improving and inspiring all URA staff to live with integrity, exude patriotism and always serve professionally.

As URA we acknowledge that corruption is a vice that slows economic development and contributes to government instability and thus we can only win if we join forces. Our partnership will go a long way in giving our taxpayers the service experience they deserve from URA.

URA is therefore determined to create a corruption-free business environment for taxpayers to enjoy improved service delivery.



C.G FESTIVE MESSAGE TO TAXPAYERS

Fellow Citizens,

As we wind down this year, I thank you for your efforts to develop our Country through the taxes you have contributed, especially during the challenging economic times caused by the Covid19 pandemic.

It is always important to remind ourselves that the revenue mobilization effort and contribution to the national treasury is incumbent on all of us engaged in profitable business to support Government's programmes and ultimately improve the livelihoods of all Ugandans. I, therefore, encourage all Ugandans to fulfil their tax obligations because we have the potential to grow and become a first world country.

Uganda is proud of you for those doing their best to pay taxes on time and in the right amount. URA is committed to supporting you to comply before the deadline to avoid penalties and fines for those yet to comply. All our service centres countrywide are ready to facilitate you and enable you to honour your tax obligations. However, it is only when everyone who qualifies to pay is indeed making their contribution that we can hit the revenue target of Ugx 22.4 Trillion – Together! It takes effort, energy, resilience and commitment, and we are counting on you - the gallant taxpayers.

On our part as URA, we have committed to offering our best in availing you with the information, support and service solutions. We have positioned ourselves as a customer-centric organization that listens to you more to understand your challenges and devise solutions together.

I particularly invite you to make the most of our enhanced integrated service support offering comprising multiple channels equipped with top of the range Arti-



ificial Intelligence support features and manned by our best service support talent.

My prayer for you is that you will prosper in your respective businesses and efforts in the coming year so that, in turn, as the collective revenue basket prospers, our Country will be delivered from the bondage of economic dependence.

May the peace of Christmas be with you and your families. I wish you a happy festive season and a prosperous New Year.

For God and My Country.

John R. Musinguzi
Commissioner General



URA TO RECOVER OVER 1 BILLION FROM CASE AGAINST HISEM AND SOXIBA LIMITED

Florence Namuganza

Hisem and Soxiba Limited, a company dealing in the sale of electronics and telecommunication equipment, filed an application in the Tax Appeals Tribunal (TAT) on 25th August, 2021 challenging the URA's decision of issuing Value Added Tax (VAT) assessments of UGX. 1,848,986,945.

In the TAT application No. 113 of 2020, the company objected the assessments on grounds that URA did not consider invoices presented to it in support of the purchases made. The company's argument was that it was entitled to VAT input credit arising from the purported transactions.

The Case Background:

The Financial Intelligence Authority (FIA) tracked suspicious activities of a bank account in which large sums of money were channelled. The account belonged to one of the directors of Hisem and Soxiba Limited. Suspecting money laundering and tax evasion, FIA forwarded the intelligence to ascertain first, if the money was used for business activity and secondly, prove if the incomes from the said business activity were declared and taxes due paid to URA.

In response, URA engaged the company which claimed that it had used the money for business related activities. Upon finding tax compliance issued, several VAT assessments were issued, to which the entity objected. The URA issued an objection decision maintaining the assessments because the transactions

could not be proved.

The company therefore filed for an application in TAT contesting the assessments.

On 21st September 2020, TAT issued a temporary injunction order with orders that the company pays 30% of the tax in dispute prior to the hearing of its case. TAT further restrained URA from collecting the tax amounts due from the company in the interim prior to the hearing and determination of the case.

The company however contravened TAT's decision by failing to pay 30% of the tax.

Over a year later, on 15th December 2021, URA raised a preliminary objection before commencement of the hearing, that Hisem and Soxiba Limited had not paid 30% of the tax in dispute. The Tribunal therefore dismissed the application with costs on grounds that the company had not paid of 30% of the tax as earlier ordered.

The Investigation Process

Investigations within URA revealed that Hisem and Soxiba Ltd was running a VAT fraud scheme known as the "missing trader scheme". An analysis of the company's VAT returns revealed that although it reported significant amounts of sales, it paid very little in taxes. The company declared some invoices from non-existent transactions from which it claimed input credit.

In other instances, the company declared higher or in-



URA WINS CASE ON COLLECTING TAXES FROM GAME DISCOUNT WORLD

By Sam Kwerit

The Commercial Division of the High Court of Uganda on December 1st 2021 delivered a judgment in an Appeal lodged by Game Discount World against Uganda Revenue Authority seeking to overturn the Tax Appeals Tribunal ruling. The Tribunal had dismissed the case of Game Discount World for having been lodged late in the Tribunal.

The case springs from a tax liability of UGX 21,485,110,040 imposed on Game after a customs post clearance audit. The Audit established that Game omitted several incidental costs during the importation of several goods from Masstores (pty) Ltd to Uganda. URA added back the omitted costs and assessed tax of UGX 21,485,110,040 which Game Discount objected to by filing a case in the Tax Appeals Tribunal.

In his Judgment, the High Court Judge Hon. Justice Stephen Mubiru upheld the decision of the Tax Appeals Tribunal dismissing the case by Game Discount. The Hon. Justice Mubiru attributed the dismissal of the case to delays in submission by Game Discount World outside the timelines allowed by law to challenge URA's tax assessments.

It is this decision that allowed the taxman to collect the unpaid taxes of UGX 21,485,110,040 with interest from Game Discount World.

Meanwhile, during the sessions, Game World was represented by AF Mpanga Advocates while URA was represented by George Okello, URA's Assistant Commissioner Legal, Aliddeki Ssali Alex and Mr. Kwerit Sam as Legal Officers.

flated amounts of money on invoices as compared to the actual amounts in the transactions. The company also presented Audited Financial Statements (AFS) purportedly prepared by Wade & Partners, but the audit firm denied ever having prepared the said AFS.

Regarding payments for the said purchases, after claiming to have made only cash transactions for the purchases, the company failed to present the site managers and store managers who allegedly made the purchases on behalf of the company.

Having claimed to be an electrical installation contractor on different sites in the country, the company further failed to show how the goods purchased were utilized.

The company was using falsified invoices to claim input credit from non-existent supplies. In case the company is dissatisfied with TAT's ruling dismissing its application, it has a right to appeal before the High Court of Uganda

This like many other cases are a result of the proclamation made by the URA Commissioner General John Rujoki Musinguzi at the beginning of Financial Year 2020/21 on information sharing among Government Ministries, Departments and Agencies (MDA). Musinguzi said that the authority would front collaboration and information sharing with other MDAs like FIA and Uganda Police Force to curb tax invasion and crime.

WHAT YOU NEED TO KNOW ABOUT THE NEW LOG BOOKS



Florence Namuganza had an interview with Katushabe Winstone, the Commissioner Transport Regulation and Safety/Chief Licensing Officer of Motor Vehicles and below are her exerts

Why the transition from the old (blue and pink) to the new white log book?

In 2006 URA began the automation of its processes. Before the transition, we experienced a lot of fraud and forgery of the green and pink logbook and as a security measure, the process was automated to where ownership of the vehicle was attached to an individual/company's Tax Identification Number (TIN) with an online logbook printed from the registered owner's TIN accounts. The white logbook is just a presentation of ownership of a vehicle and not the title of ownership. The title of ownership of a vehicle is vested in a person's TIN account. The change of ownership of a vehicle can only be initiated online by the registered owner login in to their TIN account. This transition has helped us reduce a lot of fraud in the Motor Vehicle Registration.

What is the process of acquiring a new logbook?

At current importation and upon payment of the relevant customs taxes, a person's car is registered

under their TIN and he/she/it automatically obtains a white logbook.

For persons with the old green and pink logbook, they would have to undergo a process called validation of their motor vehicle details. This process requires a person obtaining a TIN (where they don't have one) with URA, and then login into their TIN account and then initiate a transition/validation application and upon approval of the application, the registered owner is able to print a white logbook from their TIN account. I am happy to note that Ministry of Works and Transport has setup a help desk at its Motor Vehicle Registration offices at URA, Nakawa to guide persons through this process.

What cost effect does it have on owners?

There is no fee charged whatsoever on the applicant for the process of transiting from the old (blue and pink) to the new white log book.

What is the benefit to the car owner acquiring a new logbook?

Improved security of ownership of private property (in this case a motor vehicle). Unlike before where title of ownership of a motor vehicle was vested in a green/pink logbook, with the transition, ownership is vested in a person's TIN

account and even where the white logbook is lost, a person can easily obtain a reprint.

To those with old logbooks, is there a penalty or repercussions, if so what are they?

After the degazetting of the green and pink logbook, a person with same, will be given six months to validate their motor vehicle details and obtain a white logbook absent of which their vehicles will not be allowed on the road.

The talk of smart cards, what are they and when will this be effective? Should those with old logbooks have a need to change to new ones or they are better off waiting for the smart cards?

The plan is to have a chipped smart card with all the details of the Motor Vehicle and its owner. This process shall further improve on the security of motor vehicle registration processes and title of ownership. Commencement of this process shall be communicated with time.

It's important to note that this process shall only be done for individuals who are with the white logbook since all motor vehicles information is to be obtained from a person's TIN account.

CANCELLATION OF THE AUTOMATIC APPROVAL OF CREDIT NOTES

Uganda Revenue Authority (URA) informs all VAT registered taxpayers that automatic approval of credit notes has been suspended. This has been done to validate the occurrence of transactions and authenticate the fiscal invoices provided to confirm their legitimacy/declaration in the VAT returns.

Issuance of a credit note is provided for under Section 30 of the VAT Act where a tax invoice has been issued, and the amount shown as tax charged in that tax invoice exceeds the tax properly chargeable in respect of the supply.

The approval process of a credit note shall be as follows;

- 1)** A taxpayer shall initiate an application to issue a Credit Note using a form prescribed by the Commissioner. The form can be obtained from the URA web portal under **Download Manual Forms>>Domestic Taxes>>Return Forms>>Credit Note Application Form.**
- 2)** The applicant shall quote the Fiscal Document Number (FDN) of the original fiscal invoice against which the Credit Note is to be issued and shall provide the reason for issuing the Credit Note.
- 3)** The Verification authority (URA) will validate the taxpayer's request for a Credit Note by confirming that the application meets the conditions stipulated under Sections 22 of the VAT Act.

Any VAT registered taxpayer who intends to issue a credit note shall fill, sign and submit the application form to the nearest Domestic Taxes office for approval.

Please note that issuance of a credit note shall only be approved upon satisfactory verification by URA.

**DEVELOPING UGANDA TOGETHER
URA MANAGEMENT**

Be Informed | Be Prepared | Be Safe

URA'S RESOLVE TO COMBAT CARBON EMISSIONS FOR A SAFER ENVIRONMENT

Florence Namuganza

Uganda is considered a place that rejuvenates old used motor vehicles. The 2018 United Nations Environmental Programs' Africa used motor vehicle report places Uganda as a country clogged with used cars which are hazardous to the environment and health of her citizens. This was attributed to absence of legislation to regulate the influx of used cars into the country.

It is now a common practice for countries in the developed world to clean up their deprecated fleet range and have them sent out to low developed nation states. Car dealers then export them to countries with minimal or no regulations on the import of used cars. This is at the expense of the environment and the health of the citizens in the receiving countries like Uganda.

With this in mind, the Uganda Road Safety Act was amended in 2018 to ban import of cars that date 15 years and older from the year of manufacture. This was aimed at battling dumping of dirty fuels and cars into the country. In the same regard, an incremental environmental levy of 50% is imposed on cars that span nine years from the year of manufacture.

The legislation was to discourage the importation of older vehicles that are considered to be high in carbon emissions, lacking critical road safety technologies and in unfit shape for roads and road users in the country.

In countries like Egypt and Morocco, a total ban on used cars has been successfully implemented. Whereas an outright ban on used vehicles has not been affected in the East African region, regional members like Kenya have taken more stringent measures to ban importation of used motor vehicles spanning eight years and beyond.

Despite the justification of the absolute ban on used motor vehicles, it is not sustainable for countries where majority of the population cannot afford new cars like Uganda. Most of the brand-new cars imported into



Uganda either belong to the government, NGOs or embassies.

The enactment of the law on old vehicles notwithstanding, some importers have continued to adamantly import automobiles that are beyond the gazetted span. In such scenarios, Uganda Revenue Authority (URA) does not clear those goods for entry in the country because they are classified as contraband.

Presently, 285 motor vehicles have been denied customs clearance at the port of Mombasa because they are older than 15 years and are therefore considered contraband.

Currently, the world is moving towards cleaner energy which is sustainable for the environment. Uganda ratified the United Nations Framework Convention on Climate Change and as a result, committed to adopting and implementing policies and measures to mitigate climate change. This includes addressing challenges associated with Green House Gas emissions where motor vehicles are a big contributor

For a country heavily reliant on agriculture, climate sustainability is crucial for productivity and economic growth. Carbon emissions which ultimately affect the climate, affect agricultural production. Policy enforcement measures are therefore critical for the development of the economy and mitigating health risk factors associated with environmental pollution.



We, the Men and Women of Uganda Revenue Authority

WITH ONE VOICE & ONE HEART

Raise up in honour of the Lord God of Heaven and Earth

DECLARING

That there is no God in Heaven or on Earth like You, who keep Your covenant and mercy with Your servants who walk before you with all their hearts

ACKNOWLEDGING

That for the last Thirty (30) years, God has been faithful and graciously carried us thus far; Ebenezer!!

RECOGNIZING

That this is holy ground for the revolution of Uganda

HEREBY

Commit to serve this Nation with the integrity of our hearts and with skill in our hands to fulfil God's plan for a prosperous Uganda, that will be a lender and not a borrower, the head and never the tail with abundant provision and continual increase for the peace and tranquillity of every Ugandan

So help us God



Patriotism



Integrity



Professionalism



**URA IS NOW
ON WHATSAPP.**
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