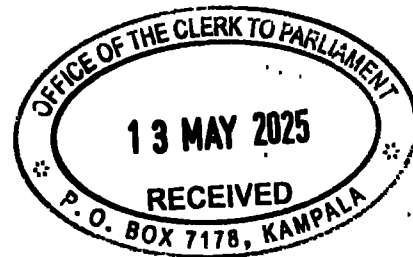


PARLIAMENT OF UGANDA



MINORITY STATEMENT ON THE TAX PROCEDURES CODE (AMENDMENT) BILL, 2025

Office of the Clerk to Parliament

11th Parliament

May, 2025

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1.0 INTRODUCTION

Rule 215(1) of the Rules of Procedure of Parliament states that, "A Member of a Committee dissenting from a decision of the majority, may state, in writing, the reasons for dissent, and the statement of reasons shall form part of the report of the Committee."

In accordance with the above rule, I present a Minority Report on the Tax Procedures Code (Amendment) Bill, 2025.

2.0 AREAS OF DISSENT

2.1 Establishment of a centralised payment gateway system

Clause 5 (1) of the Tax Procedures Code (Amendment) Bill, 2025 proposes insertion of a new section 93A immediately after 93. The insertion requires operators of casinos, gaming and betting activities to conduct all transactions – both for receiving wagers and making payouts – exclusively through a **centralised payments gateway system**, licensed by Bank of Uganda under the National Payment Systems Act.

Clause 5 (2) of the Bill further seeks to introduce section 93B which stipulates that an operator of a casino, gaming or betting activity who fails to use or integrate with the gaming and betting **centralised payments system** shall be liable to a penal tax equivalent to double the gaming or withholding tax due or five thousand, five hundred currency points, whichever is higher.

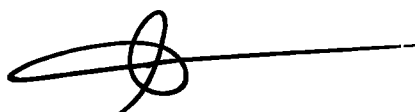
Madam Speaker, my point of departure from the majority report is on the **centralised payment gateway system**. This is because:

- (i) Government does not have its own centralised payment gateway system. Currently, Bank of Uganda licenses private operators who as of today, are 45 in number.

If we pass this Clause as it is, it implies that all online betting and gaming payments that go through the forty-five financial service providers will be channelled to a single provider which is in a way creating a monopoly.

Madam Speaker on average, betting and gaming wagers and pay-outs contribute 30-40% of gross revenue for these financial technology companies. In effect, by passing this Bill, we are taking away 40% of their resources and giving the business to one service provider. I disagree with this position.

- (ii) The National Lottery and Gaming Regulatory Board is licensed under the Lottery and Gaming Act to regulate the gaming industry. Passing this Clause as it is gives the Board an extra mandate outside its original mandate.



Madam Speaker, I recommend that this Clause should be passed without the word 'centralised' and adding s to the word system.

Integration with the gaming and betting centralised payments system

As observed before, the word centralised will create a monopoly of payments in the gaming and betting industry. Non-compliant players in the industry should not be penalised on the basis of failing to use the centralised payments gateway system but on the basis of failing to use one of the 45 licensed financial services providers.

Recommendation

Clause 5 (2) of the Bill should be amended by deleting the word centralised and adding s to the word system.

3.0 CONCLUSION

Rt. Hon. Speaker, I beg to move that this report be adopted.

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**SIGNATURE SHEET FOR THE MINORITY STATEMENT ON THE TAX
PROCEDURES CODE (AMENDMENT) BILL, 2025**

NO	NAME	SIGNATURE
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