



# PARLIAMENTARY DEBATES

(HANSARD)

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OFFICIAL REPORT

FOURTH SESSION - THIRD MEETING

WEDNESDAY, 14 MAY 2025

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IN THE PARLIAMENT OF UGANDA

Official Report of the Proceedings of Parliament

FOURTH SESSION - 31ST SITTING - THIRD MEETING

Wednesday, 14 May 2025

*Parliament met at 1.59 p.m. in Parliament House, Kampala.*

PRAYERS

*(The Speaker, Ms Anita Among, in the Chair.)*

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, I welcome you to this afternoon sitting. Yesterday, we were unable to conclude with the tax Bills. We, therefore, will continue today. We will also be receiving a statement from the Minister of Works and Transport, on the state of roads in Uganda.

There was an issue that was raised by the Leader of the Opposition, about a one Edward Sebuufu, commonly known as Eddie Mutwe. I have been in contact with the Minister for Justice and Constitutional Affairs and with relevant offices. I have asked them to see how best we can have these people produced in court and be granted bail. The fact that these people are sick, they should be handled expeditiously.

Honourable members, allow me to invoke Rule 26(1) of the Rules of Procedure of Parliament, to vary the Order Paper to bring a motion by the Minister of Finance, Planning and Economic Development, seeking authorisation of the Government to borrow. The reports are ready from the committee. Thank you. Have a nice deliberation.

2.02

**THE LEADER OF THE OPPOSITION (Mr Joel Ssenyonyi):** Madam Speaker, I appreciate that you have followed up on the matter that I raised yesterday, so that we get to see justice prevail in our good country.

Yesterday, I focused quite a bit on Edward Sebuufu – Eddie Mutwe, who was abducted, tortured. He was eventually produced in court as opposed to being produced and taken to a hospital - but there are others who are missing too.

Kassim Ssebudde was abducted on the same day, the 27<sup>th</sup> of April, as Eddie Mutwe. He is still missing to date. Michael Mpalanyi was abducted from Matugga on 18 March 2025. Shakur Ssentongo was abducted from Jinja on 5 March 2025.

I call them abductions because these were not arrests. During an arrest, an officer shows up, saying, “I am officer so-and-so; I am arresting you for this offence,” and they take you to a police station. These ones were abducted by gunmen, put in drones, taken to no-one-knows-where, up to now.

Police deny knowledge of them; so it is not known where they are. However, we believe that like all these others, they are in the hands of the Government. Can the Government account for these people?

More importantly, we are saying this for the umpteenth time; when shall this stop? Why

can't the Government operate within the law? If you want to arrest somebody, for starters, summon them. None of us has ever been summoned and failed to show up. If you must execute an arrest, do it within the law. Why abduct people and torture them?

Finally, though we are demanding that Eddie Mutwe's matter be handled, and he be taken to the hospital, we have not yet dealt with the question of the Government official - the Chief of Defence Forces – Gen. Muhoozi Kainerugaba, who abducted and tortured him in his basement.

We have not got commitment from the Government, as far as following up this matter of a Government official. That needs to come through.

Yes, now that we have picked up the matter, and I appreciate you for the follow-up and all, but what is the Government going to do about this official? Maybe the Government needs to tell us that this one is untouchable. We need to hear it. Thank you.

**THE SPEAKER:** Thank you. Attorney-General, I want a response to that effect on the people the Leader of the Opposition is claiming to have been abducted. Please give my office a feedback.

2.05

**THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka):** Thank you, Madam Speaker. I am sure he will share with me –

**THE SPEAKER:** My interest is on the people who were arrested. I do not know about the untouchables. For now, let us first have the people.

**MR KIRYOWA KIWANUKA:** He can just share with us the details, and we will find them then share.

**THE SPEAKER:** Let us have the details and then we follow-up.

**MR SSENKYONYI:** He says that he does not have time. That sounds preposterous. Anyhow, I am going to follow up obviously and give you the names; that is okay.

However, Madam Speaker, you say that that might not be your interest and I respectfully take what you are saying. However, it is my interest that Government officials follow the law, and that those who are untouchable are dealt with. It might not be the interest of the Government or whoever, but as a citizen of Uganda and as a leader in this country, it is in my interest that everybody follows the law.

Madam Speaker, it should be your interest, too, because you are the custodian of the Constitution. I am a little bit disappointed.

**THE SPEAKER:** We have a Prime Minister who is responsible for all Government officials. My work is limited to here. The Prime Minister should take it up from there. Let us do what we ought to do.

**MR SSENKYONYI:** Most obliged, Madam Speaker. If you permit, maybe we shall request the Prime Minister to come to Parliament with a statement on that because it is my assertion that some people are above the law but the Government can correct it.

I do oblige that we should ask the Prime Minister to come to this House with a statement saying no one is untouchable and therefore, this Government official, who did this, is going to be dealt with in accordance with the law.

2.07

**MR DAN ATWIJUKIRE (NRM, Kazo County, Kazo):** Thank you, Madam Speaker. I am rising on an issue of the tax Bills that you talked about in your communication and the subsequent budget process that we are in.

I request to remind you and the House that the United States Agency for International Development (USAID) has been a major funder of our health sector and there have been serious changes that have put USAID off.

As we conclude the budget process, it is very important that the Minister of Health, together with the Minister of Finance, address Parliament on what amount of money we are missing as a result of USAID being off; what effect it has on our health sector, and how we prepare to recover.

This is because it used to cover issues like test kits for malaria and HIV, and very essential medicines for our people and ourselves. How USAID and attendant organisations like the Global Fund have been affected, how it will affect the country and how we are prepared in this budget to address these issues. Thank you.

**THE SPEAKER:** Thank you. Honourable minister for finance, I hope you considered the issue Hon. Kimosho is raising in your budgeting.

2.09

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Thank you, Madam Speaker. We are in the last stages of budgeting and, hopefully, by close of business tomorrow, we shall have passed the budget for next financial year.

I wish to inform the House that we were cognisant of some of the decisions which were taken by some of the development partners, which have significant implications on the budget. The budget that we have prepared has taken care of the gaps that have arisen from some of those decisions.

**THE SPEAKER:** Thank you. Hon. Jonah?

**MR ODUR:** Thank you, Madam Speaker. Parliament had required the Attorney-General and the Minister of Justice and Constitutional Affairs to bring a list of all persons being held on remand without trial. The Attorney-General's office committed, at least three times – twice when your deputy was here – that the list would be prepared. We brought this question in light of the overcrowding in our prisons and the fact that of the about 80,000+ in prisons, nearly 40,000 have been on remand and some of them have been on remand endlessly.

The Office of the Attorney-General had said they were compiling the list to bring here, so that we could see how to process it.

**THE SPEAKER:** Thank you. Attorney-General?

2.11

**THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka):** I think either I do not remember or I have not done it; but I will get the list. However, I do not know how we will deal with people who are on remand because the moment a person is on remand, they are under the auspices of the courts and our rules do not allow us to discuss those matters.

However, I will get the list of the people – because what the Member wants is the list of people in prison - those who are on remand and those who have been tried. We will provide it.

**THE SPEAKER:** For the ones on remand, what is the difficulty in disposing of their cases?

**MR KIRYOWA KIWANUKA:** That is a Judiciary matter, Madam Speaker.

**THE SPEAKER:** As we discuss this thing of remand, I hope we are cognisant of the fact that the prisons are full. We need to make a provision for the accommodation of prisoners. We need to have that provision. When you look at what is happening with the prisons now - we will not interfere with the court process, but let us make sure that they have sufficient accommodation. (*Hon. Ssenyonyi rose* )

**THE SPEAKER:** No, let him first respond.

**MR KIRYOWA KIWANUKA:** Madam Speaker, the issue of congestion of the courts and the process -

**THE SPEAKER:** Not courts; prisons.

**MR KIRYOWA KIWANUKA:** The issue of congestion of prisons and the process of justice has been discussed in this House. I thank the House because you have increased the number

of judges and the number of magistrates. We are trying as much as possible to try and move these processes faster.

Madam Speaker, we now have a Grade One Magistrate at every constituency, trying to get these cases dealt with as fast as possible. We still struggle with the number of State Attorneys available to run all these places, but we are trying our level best.

We will ask the Judiciary to share with us this information and we come and share with you, but everything is being done to try and speed up these processes.

**THE SPEAKER:** Honourable Attorney-General, I am saying that much as we have the numbers and we are doing all it takes to reduce the backlog, let us have sufficient accommodation for these people. You need to see what is there. Prisons need very little money to make sure that they have accommodation.

2.14

**MR DICKSONS KATESHUMBWA (NRM, Sheema Municipality, Sheema):** Madam Speaker, for the last two years, when we are processing the budget, indeed, the prisons authorities appear and raise this issue of accommodation. One of the reasons they advance is that we have many people on remand, who have gone beyond the duration of the sentences they would have served if they were formally processed.

Therefore, what we need to do is to, perhaps, through the relevant committee, look into this issue and work with the Attorney-General to see where the problem could be. It is not even enough for us to give the budget, but can we decongest prisons by being more efficient in processing these cases?

2.15

**MR IBRAHIM SSEMUJJU (FDC, Kira Municipality, Wakiso):** Thank you very much, Madam Speaker. Mine is an appeal to the Attorney-General, who is the principal legal adviser of the Government. Either as the principal legal adviser or as a friend - because last time you were the one

chairing the parties of Gen. Muhoozi Kainerugaba. Please, help us as a country. I do not think that is the company you want to keep. A principal legal adviser of the Government and people can be abducted and tortured in the basement!

Please, give us a commitment. If you cannot advise as the principal legal adviser, at least as a friend – because we need to live in peace.

**THE SPEAKER:** Thank you.

2.16

**MR GEOFFREY MACHO (Independent, Busia Municipality, Busia):** Madam Speaker, it is sometimes difficult to speak after my brother, but I agree with you that we have a very big problem of overpopulation in our prisons. I give a reference of Masafu Prison in Busia District, which was built to accommodate up to 30 prisoners, but it has almost 800 now.

It is terrible. The structures were built in the 1960s. They are very old. They do not give a true picture of modernity. I do not know whether it is a problem with the Ministry of Internal Affairs. The same case applies to the police station of Busia. If you go to Busia, the Ugandan side, and look at the police station, compared to the police station on the Kenyan side, you might think we are still living in the Stone Age period.

Therefore, – (*Interjections*) - Madam Speaker, the chairman is saying that smugglers are arrested there, but there is no smuggler in Busia. All those people are “cross-border traders”. There is no smuggler in Busia at all. The market in Kenya and the market in Busia are for cross-border traders. Even Hon. Ecweru, the state minister for works, was a cross-border trader. (*Laughter*)

Therefore, Madam Speaker, as they work on the construction of Masafu Prison and the police station of Busia - (*Hon. Ecweru rose*)

**THE SPEAKER:** There is a point of order. (*Laughter*)

**MR ECWERU:** Madam Speaker, the records are very clear; I have never been involved in trading, whether cross-border or not. I have never been in trading. Is it in order for a colleague to say that he knows I was involved in cross-border trade when he does not have such facts?

**THE SPEAKER:** At least you were an Arrow Boy.

**MR MACHO:** Therefore, it is my prayer that the police station of Busia, which is a gateway to Uganda, be considered among the police stations that are going to be constructed this year – even Masafu Prison.

However, honourable minister, I have just remembered that you were a freedom fighter. Thank you.

**THE SPEAKER:** Yes, Hon. Francis?

**MR MWIJUKYE:** Madam Speaker, the information I am giving the House is that when the human rights committee of Parliament visited Luzira, there were prisoners who shouted, saying: “We have been here for 28 years.” When we interrogated, we found out that some of them, including a one Byaruhanga, had been in prison for 28 years and had never visited court. They said they were there on the minister’s orders. We were told there are very many like those.

They had been there for 28 years, 26 years – the Attorney-General knows when they say “minister’s orders”. There are people who are in prison on the minister’s orders. I do not know who that minister is. *(Interjection)* Yes, and they have never gone to court – leave alone those who go to court and return to prison. These ones have never left Luzira, for 28 years.

We are asking; can’t he come in, as the Attorney-General, and advise on whether they cannot try them? This is in order for us to deal with congestion. Actually, three are from Buhweju, including one Byaruhanga and three from Mbarara. Our concern, Madam Speaker, is that if they cannot be prosecuted, then they should be released so that we can decongest these prisons.

**THE SPEAKER:** Honourable Attorney-General, kindly make a follow-up on the decongestion of prisons and make sure that the people that we have recruited - the judges, magistrates and all those people – ensure that we reduce the number.

2.20

**THE LEADER OF THE OPPOSITION (Mr Joel Ssenyonyi):** Madam Speaker, I just want to help the House with some statistics that are very alarming. The holding capacity of all the prisons in this country is 22,000 prisoners. As we speak today, the number of prisoners in these prisons is 79,000, against a holding capacity of 22,000. That means an excess of over 57,000; that is problematic.

Part of the issue- yes space and the need for expansion, but part of the issue is the judicial processes and how they get to happen. People get to be on remand for donkey’s years; it is wrong.

Madam Speaker, I have severally, on this Floor, asked the Attorney-General and the Government to help us understand. The Supreme Court, on the 31<sup>st</sup> of January said let the files of all these people who are being held by the General Court Martial - and there are several of them - be transferred to civilian courts. That way, they can pursue bail and so on and so forth.

To date, it has not happened and the Attorney-General has been silent on this matter. I do not know why they continue to be in contempt of a decision of the Supreme Court. That is part of the reason why we have all this congestion - because they are on the other end. The General Court Martial denied a number of them bail. Why not transfer their files to the civil courts, so that they get to pursue bail or their matters are tried expeditiously because some of these people have been held for years upon years? Why? The Attorney-General should help us understand.

**THE SPEAKER:** Attorney-General, give us a report to that effect on Tuesday. Next item?

BILLS  
FIRST READING

THE POLITICAL PARTIES AND  
ORGANISATIONS (AMENDMENT)  
BILL, 2025

**THE SPEAKER:** Honourable members, you will recall that yesterday, the House granted leave to Hon. Faith Nakut, the Woman MP of Napak, to introduce a Private Member's Bill, the Political Parties and Organisations (Amendment) Bill.

I am reliably informed that the Bill is ready for First Reading and I hereby invoke rule 127 and rule 134 of the Rules of Procedure, and invite Hon. Nakut, the sponsor, to lay the Bill for First Reading – (*Hon. Oshabe rose*) No, let Hon. Nakut finish for the record, then you will come in with the procedural issue.

2.23

**MS FAITH NAKUT (NRM, Woman Representative, Napak):** Madam Speaker, in accordance with Rule 134 of our Rules of Procedure, I beg to move that the Bill entitled, "The Political Parties and Organisations (Amendment) Bill, 2025" be read for the first time.

**THE SPEAKER:** Thank you. Pursuant to Rule 135(2) of the Rules of Procedure, the Bill stands referred to the Committee on Legal and Parliamentary Affairs.

**MS NAKUT:** Madam Speaker, I have here a copy of the Bill and a Certificate of Financial Implications. I beg to lay the Certificate of Financial Implications and a copy of the Bill.

**THE SPEAKER:** Can I have a look at it?

**MR NANDALA-MAFABI:** Madam Speaker, I would like to ask the Minister of State for Finance, Planning and Economic Development at what time in the night he produced this Certificate of Financial Implications. (*Laughter*)

**THE SPEAKER:** When we talk about efficiency – (*Laughter*)

2.24

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I wish to inform Hon. Nandala-Mafabi that the Government does not sleep. (*Applause*) We worked within the time possible to ensure that we study, analyse and now we have come up with a Certificate of Financial Implications for the Bill.

**THE SPEAKER:** Next item? Yes, Hon. Patrick? Let him first speak; he was on the Floor.

**MR OSHABE:** Thank you very much, Madam Speaker. I want to plead with you: Yesterday, when that same Bill came here, we wanted to have a chance to debate the intention of this motion. The way she was granted leave was at a very high speed, not following the rules on how Private Members' Bills come before us.

In the same situation, I am seeing a Member who was not on the Order Paper yesterday and is now running here as if she is trafficking something very dangerous to this nation.

Madam Speaker, with all due respect, for Private Members' Bills to come before this House, people must have the ability to talk about them and their purpose, and other Members must debate and give permission to the Member. However, the way things are moving, it looks like there is something serious being trafficked in this House.

**THE SPEAKER:** Honourable members, there is nothing being trafficked in this House. Each Member has a right to introduce a Private Member's Bill. If you do not want it, wait for the Bill to come for the next reading and reject it. The power lies with you.

You will not suffocate anybody from bringing a Bill. You brought a Bill here; you are the same person who withdrew it, Hon. Patrick. Let the lady exercise her power. Let us wait for the Bill to come for the next reading; let it go to the committee. If you have an issue with that Bill, go to the committee and let it be rejected there. I will not suffocate my Members. (*Applause*) Yes, LOP?

**MR SSENKYONYI:** Thank you, Madam Speaker. There is a saying I read many years ago – I am not even too sure who it is attributed to - that “I may disagree with what you say, but I will defend to death your right to say it.”

I may have issues with the Bill being promoted by my sister, Hon. Nakut, but I think she has a right to bring her Bill and then we get to see how we deal with it. We are going to have the occasion to deal with it in the committee stage and then ultimately, when we get to the House and discuss how plausible it is that you can force people to sit down together, negotiate and discuss by force; we will get to that point.

My concern, though, Madam Speaker - even as she has the right to bring any kind of Bill in this House - is that I have an issue and request for your guidance, procedurally. There is a hurriedness through which we seem to be doing these things, which is concerning.

Yesterday, she did seek leave to bring this Bill. I do not know where the consultations got to happen as quickly as they have happened, and the Certificate of Financial Implications –

**THE SPEAKER:** The committee is going to make consultations.

**MR SSENKYONYI:** Madam Speaker, kindly allow me because you are going to rule. Let me just finish my procedural issue, for your guidance. She has got the Certificate of Financial Implications, maybe in the night; the Government is saying they do not sleep.

However, I connect this even to the other Bill that was tabled yesterday for First Reading - the UPDF (Amendment) Bill. Yesterday, it got to be read for the first time and there was a notice in the night to different stakeholders like the Ministry of Defence and Veteran Affairs, the Attorney-General, the Uganda Law Reform Commission, the Uganda Law Society, LDC and Secretaries-General of political parties, who were invited in the night saying, “You come with your memoranda at 9.00 a.m. to the committee to give your views on the Uganda Peoples’ Defence Forces (Amendment) Bill.”

This is a Bill that is over 140 pages. People received it in the evening, and there is a notice, including a gazette signed by the Clerk to Parliament, saying, “Bring your memoranda not later than today, 14<sup>th</sup>.” I do not know - it is suspect that we expect people to read through this Bill at night hurriedly, come in the morning with memoranda and views. Why do we seem to be rushing, Madam Speaker? If these Bills are good; the Political Parties and Organisations (Amendment) Bill, the UPDF (Amendment) Bill, why do we – (*Hon. Kimosho rose*) I am on procedure, Hon. Kimosho, the rules do not allow you.

As I was saying, why, if these are good laws – I am on procedure. Hon. Kimosho, you are a new Member, like me, kindly read the rules. The rules are very clear; a point of procedure takes precedence. The way I read as a first-time Member of Parliament, I encourage you to read them, and the new rules by the way –

**THE SPEAKER:** Honourable Leader of the Opposition (LOP), you are not going to lecture my Members. (*Laughter*)

**MR SSENKYONYI:** Madam Speaker, you should be happy that I am encouraging Members to read our rules. As I finish, if these are good Bills, why do you not want to give them time? We excogitate over them. The different stakeholders get time to prepare their views and memoranda, come to the committees, and then we get to discuss them properly. Why are we hurrying?

Madam Speaker, I want to table the notice that was put in the Gazette yesterday saying, “Bring your memoranda and your thoughts not later than today,” and also the letter from the committee inviting Secretaries-General and so on, written in the night saying, “Come at 9.00 a.m. and give us your views,” about a Bill that is 140 pages-plus. Why are we in a hurry? Why do we not give it time, get all the views because they are good Bills? Allow people to give their input, and then we can debate these good Bills. (*Applause*)

**THE SPEAKER:** We are only trying to be efficient as Parliament, and we should do the work and deliver within the time we are expected to, but that does not mean that if the

Clerk has said, “Bring your views,” that the Bill will be brought the next day. The committee is going to continue interrogating and come up with a report. I am not saying they are bringing it today. They will give the stakeholders time. There is no hurry.

**MR KIMOSHO:** Thank you, Madam Speaker. The Leader of the Opposition lectured me on how he has been reading the rules and how he has mastered them. In his verbal utterances, he did not refer this Parliament to any rule that has been breached by a Member, and when you are on the point of procedure, he ought to have referred to us which procedure of our rules has been breached.

When you talk randomly because you are the Leader of the Opposition - Is he, therefore, procedurally right to keep wasting Parliament’s time because he is the Leader of the Opposition, and we listen to endless nothing?

**THE SPEAKER:** Next item. (*Member rose*) Hon. Jonathan?

**MR ODUR:** Thank you, Madam Speaker. The point of procedure I want to raise is that; yesterday, you made a ruling when Hon. Mathias Mpuuga also sought to raise these issues, and you said he is free to go to the committee. I want you to be clear whether the committee can entertain proposals that have not formally been introduced here, given that the advice was for him to work with the mover, so that his ideas are incorporated. That is the first one.

Secondly, I would like to congratulate Parliament and you, Madam Speaker. My learning of how the parliamentary system works is that whenever a Private Member’s Bill - which is a right - is successful, it is equivalent to a vote of no confidence in the Government because it is the principal proposer of laws. Once there is success by a Private Member, it is a vote of no confidence in the Government, and I congratulate the House. Thank you. (*Laughter*)

**THE SPEAKER:** It is not a vote of no confidence on the Government. All of us are part of the Government. Attorney-General?

2.35

**THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka):** Madam Speaker, the Constitution envisaged – the framers, our forefathers were very wise; they envisaged that when a Private Member wants to write a Bill, he will work with the Government, and we work together to be able to make laws that are good for this country. Whether the Government fails or has an idea, we want you to share your views as well; so it is not a vote of no confidence, but we shall look at the Bill and if we fail in our duty, we shall be sure to come and say, “We did,” but I do not think we did.

**THE SPEAKER:** Uganda People’s Congress (UPC)? Let me hear from the President of UPC.

2.36

**MR JIMMY AKENA (UPC, Lira East Division, Lira City):** Thank you, Madam Speaker. I have a critical matter concerning this Bill because it touches on Interparty Organisation for Dialogue (IPOD), where I have been central to in crafting and coming to a point whereby we can have this actual dialogue. I would like to lay on the Table a letter written on 2 April 2025, addressed to the Minister of Justice and Constitutional Affairs. It is a brief letter. I request that I be allowed to read through it.

**THE SPEAKER:** What is the letter about? I thought that was what you would take to the committee and discuss.

**MR AKENA:** It is important that I read it and lay it on the Table, for the record. The subject matter is a request to convene an urgent meeting between the heads of political parties and the independent Electoral Commission on party funding.

*“Subject to Article 14(A) –”*

**THE SPEAKER:** Hon. Akena, we are discussing the merits of the Bill which has not come to the Floor. Attorney-General, is that really -? Let us have it taken to the committee.

**MR KIRYOWA KIWANUKA:** My understanding of rule 134 is that once it goes to the committee, we wait to deal with the committee, but I do

not know whether it is - (*Interjection*) - I was answering the question put by the Speaker.

**MR AKENA:** Madam Speaker, it would be helpful if we try to listen to one another, which is the basis of dialogue.

**THE SPEAKER:** Anyway, let us allow him to have this opportunity. (*Hon. Kimosho rose*) Hon. Dan - Okay, first sit down. Hon. Jimmy, we made rules, but for today, the Speaker permitted Hon. Jimmy because he came to the office and sought permission.

**MR AKENA:** Thank you, Madam Speaker –

**THE SPEAKER:** Can we listen?

**MR AKENA:** Madam Speaker, we are trying to deal –

**THE SPEAKER:** Honourable members, can we listen to each other?

**MR AKENA:** Can we deal with a serious matter which is affecting the processes within the political parties? The purpose of this letter was written and confirmed today by the Minister of State for Finance, Planning and Economic Development, who raised the issue that we are in the final stages of the Budget process.

Article 14(a) prescribes how finances to political parties are handled in the election year, and the meeting was requesting that we streamline this issue with our work plans for the election. Suddenly, we find a private Member's Bill which affects Article 14(a), which we had raised and this letter was written.

Madam Speaker, if I cannot read the letter, at least let me say to whom it was copied. It was copied to the Speaker of Parliament of Uganda, the Leader of the Opposition, the presidents of National Unity Platform (NUP), FDC, JEMA, PP and the Chairperson of NRM and the Chairperson of the National Independent Electoral Commission.

It was written by the President of the Uganda People's Congress, signed and delivered on the 2<sup>nd</sup> of April. This touches the actual financing of political parties, and we are in the process, deep in elections. Now we are getting an amendment.

This amendment will directly affect this matter, which has been served on the Government, the ministry concerned and the political players. I had wanted to lay this on the Table for the record because all of these –

**THE SPEAKER:** Please lay it on the Table.

**MR AKENA:** This letter was written on the 2<sup>nd</sup> of April to the Minister of Justice and Constitutional Affairs, Hon. Norbert Mao. The subject matter is;

*“Request to convene an urgent meeting between the heads of political parties and the Independent Electoral Commission on political parties' funding because of the stage we are in the electoral process.”*

*The above subject matter refers.*

*Subject to Section 14(a) and (b) of the Political Parties and Organisations (Amendment) Act, 2010, that provides for the political parties on equal” –*

**THE SPEAKER:** There is a procedural matter.

**MR SSEMUJJU:** I have a lot of respect for Hon. Jimmy Akena. I do not know whether this Parliament is going to begin working on letters. In fact, I thought he was going to lay a court order – (*Interjections*) - As a former First Son, he has been fantastic. He does not keep people in the basement or teach them his language. (*Laughter*)

The point is, Madam Speaker, since Hon. Jimmy Akena is very forceful in his presentation - and I want to listen to him – I thought that he was going to lay a court order. If I write a letter, why should the Parliament be bothered by it and stop business to attend to it? Tomorrow, if I bring one for People's Front for Freedom (PFF) - I have written to the Electoral Commission and they have not gazetted my party, should it stop

the discussion of a Bill because the Electoral Commission has not issued me a certificate?  
(*Laughter*)

**THE SPEAKER:** The letter is for information. It will not stop anything. It even does not make anybody worried. The law will go ahead.

**MR AKENA:** Madam Speaker, as political parties, we are worried. We have crafted Inter-Party Organisation for Dialogue (IPOD), sat in meetings, and the Chairman of NRM described the action of NRM as unchristian in how they handle the rest of the political parties. This Bill will undermine everything we have tried to work for.

Therefore, I am laying on the Table this letter written on 2 April 2025, addressing the subject matter of Section 14(a), which has never been implemented – (*Interjection*) - Allow me to speak. I am here in my last term. I am not coming back to this Parliament. Allow me to express myself for the future of Uganda. We are not going to tolerate this nonsense of backbiting and undermining the principles of democracy. We have put ourselves on the line. I said before, anybody can even think of going to the State House just for a cup of tea –

**THE SPEAKER:** Hon. Jimmy.

**MR AKENA:** No, Madam Speaker, this –

**THE SPEAKER:** First, calm down.

**MR AKENA:** When my country is going into a mess, we are going into an election and we are undermining the election, I will not be calm – (*off microphone*)

**THE SPEAKER:** First, calm down. Lay your document.

**MR AKENA:** I am requesting - this is on record clearly. Section 14(a) of the Political Parties and Organisations Act, the President of NRM describes the actions of NRM as un-Christian. What we are doing now, as I said yesterday, is diabolical. We are undermining, deliberately - because out of nowhere, a certain

Bill comes and it is cleared. This affects the very Section 14(a).

I am on record here; this is something that I am not going to sit down and let it pass unchallenged. What you are doing is wrong; I am telling you. History will judge you correctly - (*Applause*) – I lay this letter on the Table because it touches on the subject matter, the time problem that we are in. Even if this Bill is passed, how is it going to be implemented when the budget is already in place?

**THE SPEAKER:** Thank you. Please lay it.

**MR AKENA:** Let us be honest with ourselves and the country. This kind of undermining of democracy will not be accepted in the Republic of Uganda.

**THE SPEAKER:** Honourable members, in the VIP Gallery this afternoon, we have a delegation of leaders from Bukedea District Local Government. They are led by Ms Akol Mary, the Bukedea District Chairperson. You are welcome. Join me in welcoming my voters. (*Applause*)

We have Mr Emong Juma Showan, Bukedea District Speaker. You are most welcome. Then we have Mr Takan Alex, the district local government staff. They are represented by Hon. Ikojo John Bosco, Hon. Opolot Isiagi, the Chairperson of the Committee on Budget and Hon. Anita Annet Among (AAA). Next item.

**MR NANDALA MAFABI:** Thank you, Madam Speaker. Hon. Jimmy has raised an important thing –

**THE SPEAKER:** Hon. Nathan!

**MR NANDALA MAFABI:** Madam Speaker, just for simplicity.

**THE SPEAKER:** First sit down. Next item.

MINISTERIAL STATEMENT ON THE  
STATE OF ROAD INFRASTRUCTURE  
AND THE RAMPANT ROAD ACCIDENTS  
REGISTERED IN THE RECENT PAST

**THE SPEAKER:** While you were away, Hon. Mpuuga, the Bill was laid on the Table – (*Hon. Mpuuga rose*) You have just come.

**MR MPUUGA:** Thank you, Madam Speaker, for your kind indulgence. While I was relaxing to catch the next breath because we have just left the Committee on Legal and Parliamentary Affairs and the Committee on Defence and Internal Affairs, where we were processing another fast-tracked Bill, I saw my brother, Hon. Jonathan raising a matter that was not resolved. He sought your guidance as to how the other matters related to the Bill will be handled now that the Bill has been tabled without an input.

Yesterday, you gave good guidance. Did it constitute –?

**THE SPEAKER:** I have not changed it.

**MR MPUUGA:** I wanted the clarity that probably it will solve his problem. Did that guidance constitute leave?

**THE SPEAKER:** I have not changed my guidance. I said; “Take all that you have on political parties to the committee.” I have not withdrawn it. Attorney-General, Hon. Mathias has an issue on political parties.

**MR KIRYOWA KIWANUKA:** Madam Speaker, I received the document yesterday in the afternoon. I am looking at it and waiting for this Bill to understand how they are related.

**MR MPUUGA:** Madam Speaker, what he has said is very instructive because a Bill has been tabled and it has a memorandum with clear objectives. An input to the same Bill would disfigure the original Bill. I do not know how that will be accommodated.

Madam Speaker, would it be proper, again, if you allowed me to lay my own Bill before Parliament so that the House finds decent accommodation for it and therefore, assess its own merit?

**THE SPEAKER:** I would have no problem at all even if you brought it tomorrow.

**MR MPUUGA:** I am actually ready.

**THE SPEAKER:** Bring it. Next item.

**MR MPUUGA:** No, I am ready –

**THE SPEAKER:** No, let us move as you bring it. Let me have a look at it. Let us receive the report, then allow him to apply for leave.

Ministerial Statement on the state of road infrastructure and the rampant road accidents registered in the recent past

2.50

**THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Mr Musa Eweru):** Madam Speaker, yesterday this Parliament instructed me to come up with a statement- (*Interruption*)

**MR SSEMUIJU:** While I sympathise with my brother, Hon. Mpuuga, who has had the benefit of being the Leader of Opposition (LOP), I am constrained to raise this point of procedure. A Bill cannot just be thrown on the Table. The procedural issue I am raising is whether you will not alter the Order Paper, we can move a Motion for first reading, since these days the Government works like a robot.

We can get the finance ministry to send us a certificate of financial implications like they did with Hon. Nakut and have a Bill properly introduced, otherwise-

**THE SPEAKER:** Hon. Nakut sought for leave yesterday and we are saying, Hon. Mpuuga seeks leave and the processes go on, we will ask for a certificate- the Clerk has a right to ask for a certificate.

**MR SSEMUIJU:** Thank you, because for the one of Hon. Nakut- we left here at 6:00 p.m. I do not know whether she slept at Ministry of Finance (*Laughter*)- So, I am only appealing that you allow Hon. Mpuuga also to sleep at Ministry of Finance and he gets it.

**THE SPEAKER:** I do not determine where people sleep. Hon. Ecweru?

**MR ECWERU:** Madam Speaker, this honourable House yesterday instructed me to come up with a statement on our national roads and the accidents that have continued to claim lives. I beg to proceed as follows;

This is the statement on the state of our national roads, the increasing number of accidents across the country and the available funding for them in the Financial Year 2025/2026 budget.

Madam Speaker, as I give this report, I am aware of the stage at which we are in our budget process- I hope it is uploaded.

Madam Speaker, let me start by addressing the tragic accidents that have occurred on the road network this month, including the bus accident on Kisoga-Nyenga Road, the bus collision along the Pakwach–Arua Road, and the accident at the Busabala flyover.

I extend heartfelt condolences to the families affected by these unfortunate events. The Government has commenced investigations into the accidents and will provide a comprehensive report. As these matters are still under investigation, I will refrain from delving into the specific details at this time.

However, I would like to assure honourable members that every effort is being made to identify the causes properly, the acts of the accidents and to prevent this loss of lives on our roads in the future.

On the state of the national roads in the country, there is indeed a cause for concern. As of the Financial Year 2024/2025, 1,880 kilometres of paved roads require periodic maintenance, while 615 kilometres have already deteriorated to the level of requiring full rehabilitation. This backlog is a result of consistent underfunding for maintenance activities over the years.

The National Roads Development Programme faces a severe funding deficit in the Financial Year 2025/2026. The current budgetary allocations

are far below the resources required for the timely completion of critical road development, rehabilitation and maintenance projects.

The consequences of this deficit will affect Government programmes. This statement gives an overview of the status of funding, including the potential impact of not allocating the necessary resources. Let me start with the status of funding for National Roads.

In the Financial Year 2025/2026, the total budget allocated to national roads is Shs 682 billion against a total requirement of Shs 3.15 trillion, resulting in a funding gap of Shs 2.472 trillion. Annex 1, that I have provided here, shows the detailed breakdown of the required funds. Shs 3.15 trillion is required to cover.

Domestic arrears of Shs 1 trillion, which continue to accrue interest daily.

Land acquisition for both ongoing and new road development projects, including projects that are externally financed.

Urgent maintenance, rehabilitation, reconstruction, and upgrading of key road links across the country. Bridge and ferry development projects, including emergency works on bridges affected by adverse weather in the last two years.

Honourable members, there has been a reduction in budgetary allocation to the development and maintenance of roads over the last three years as compared to the funding envelope required to implement the roads programme in the National Development Plan III (NDPIII). Allocations have sharply fallen from 90 per cent of the expected allocation of Financial Year 2022/2023 to only 20 per cent in the Financial Year 2025/2026.

A summary of the allocation per financial year is shown in what I have described as Annex 2 here. This reduction in budgetary allocation is the main cause of increasing domestic arrears. Unless there is an urgent intervention that I beg Parliament to gather with us, the domestic arrears could further escalate and the next financial years will have adverse impacts.

My ministry has prepared a work plan in line with the planned transport infrastructure interventions required in NDPIV and the spill-

overs from NDP III. However, due to the large funding gap, it will be impossible to undertake the activities in the work plan, with the potential catastrophic effects on the state of roads across the country.

In line with this shortfall, the Ministry of Works and Transport has made allocations prioritising payments of arrears and acquisition of land for ongoing works. Most of the ongoing projects have not received sufficient funding to cover the planned scope of work. For example, the Mityana-Mubende Road requires an allocation of Shs 130 billion but was only allocated Shs 21 billion.

Kampala-Jinja requires Shs 90 billion but was only allocated Shs 7 billion. Mbarara-Ishaka was not allocated any resources, despite being in very bad shape. The allocation projects are located in Annex 3 and if no extra funds are allocated, the result will be an increase in the domestic arrears, including interest on the unpaid sums.

#### Impact of the funding gap

Madam Speaker, the funding gap I have described will negatively impact the ministry's ability to undertake land acquisition, complete ongoing projects, carry out urgently required maintenance works on the network, and commence strategic projects like from Bobi-Corner Ayer to support our expected AFCON 2027.

This budget shortfall will also affect the implementation of externally funded projects, as resources are required for counterpart funding and land acquisition for the projects.

Honourable members, if the extra allocation is not made now, the Government of Uganda will have to pay more in the long run due to the following factors;

1. Interest on delayed payments will increase. The estimated interest in the Financial Year 2025/2026 due to delayed payment is approximately Shs 48 billion.

2. In cases where contractors demobilise, when work resumes, it will include the extra scope of work to cover the damage done to the structure when the contractor was not on the site. You may have seen this in Ibanda;
3. Contractors' claims for the demobilisation and also reputational damage to the country, which will cause contractors to increase their future bid prices to cater for the risk of non-payment;
4. Delayed utilisation of external finances, which results in increased financing costs for the loans; and
5. Increased accidents at the abandoned sites and across the road network where interventions are required.

In addition to the direct costs mentioned above, Madam Speaker, there is a larger risk of losing the value of the road assets that the Government of Uganda has invested in over the last 15 years. The total paved network currently stands at 6,306 kilometres, as of Financial Year 2024/2025. This paved network is increasingly at risk of deterioration due to under-investment in timely maintenance. As a result of the underfunding, already, 615 kilometres of the paved network have deteriorated beyond maintenance levels and will require expensive interventions in the form of rehabilitation or, in some cases, full reconstruction.

Madam Speaker, it is much cheaper to undertake periodic maintenance interventions such as resealing and local repairs compared to the full rehabilitation that is usually required when a road is neglected. The cost of the periodic maintenance ranges from Shs 646 million to Shs 1.14 billion per kilometre, while the cost of rehabilitation ranges from Shs 2.28 billion to Shs 2.66 billion per kilometre.

The periodic maintenance activities renew the life of the road. A good example is the Kampala Northern Bypass, where the periodic maintenance currently being implemented will give the road a new lease of life at a reasonable

cost, compared to waiting until the road requires full rehabilitation later on down the road.

If no periodic maintenance activities are done on the national road network in the Financial Year 2025/2026, projections indicate that, in addition, 500 kilometres of paved roads, currently in fair condition, will degrade to the point of requiring full rehabilitation. This loss in asset value, Madam Speaker, has been estimated at around Shs 1.007 trillion over that financial year, that is, 2025/2026.

My prayer, Madam Speaker, is that, together, the challenges I have described require urgent intervention to mitigate the adverse effects of the current funding shortfalls. I propose the following strategy to help mitigate this, and we have shared this with the different committees:

1. Provide additional resources to enable contractors on the ongoing projects such as Mityana-Mubende, Kampala-Jinja, Karuma-Pakwach, Najjanankumbi-Busabala, Kira-Matugga, Tororo-Busia, to complete them on schedule;
2. Providing funds for land acquisition and counterpart funding for ongoing externally financed projects to ensure the external resources are not left lying idle. For example, Rwekunye-Apac, Lira-Puranga, Muyembe-Nakapiripirit, Kiruhura-Kamwenge, Namagumba-Budadiri, just to mention but a few;
3. Provide funds for key maintenance projects such as in Mbarara-Ishaka, Nebbi-Arua, Mubende-Kyenjojo, et cetera, and emergency bridge repairs;
4. Provide funds for payment of outstanding arrears to reduce the accumulation of interest and maintain the service providers' confidence in the Government's commitment to pay for works done;
5. Prioritisation of funding for maintenance and ensuring funds are released in a predictable manner to enable proper planning for maintenance activities.

Assurances

Madam Speaker, the Ministry of Works and Transport commits to conducting road safety inspections at all work zones to ensure that adequate warnings in the form of signage and other safety devices are installed. The ministry will also continue to conduct inspections of black spots across the road network to install mitigation measures to ensure that the safety of our road users is guaranteed.

Madam Speaker, I would like to assure you and all the honourable members that the Ministry of Works and Transport is committed to utilising the allocated resources in the most effective manner possible for reliable and safe works, transportation infrastructure and services. I beg to submit.

**THE SPEAKER:** Thank you. Honourable minister, we are aware that you do not have the money, as you have said, but for the other issue that we are talking about, much as you may not have the money, how come you put the road barriers on the road without the signs of the road barriers? That is one of the causes of the accident.

Secondly, you have not been able to tell us how much your unpaid interim payment certificates are. You are talking about money, money, money. How much are we talking about?

Thirdly, you also needed to tell us about the Uganda National Roads Authority (UNRA) uncompleted projects after the Rationalisation of Agencies and Public Expenditure (RAPEX). Which one have you completed? At what stage is the other? What is the position, and what is the stage of those uncompleted projects?

Lastly, after the removal or after the going away of UNRA, who is taking responsibility to supervise? We are seeing that it is as if there is nobody responsible for any supervision. You could first respond to those and then Members come in. I will give Members 20 minutes. *(Members rose.)* No, let him respond.

**MR ECWERU:** Madam Speaker, when this House directed me yesterday to come up with

this report, I had wanted to request Parliament to allow me, particularly for about a week, to speak about the resources that we have received and how we have broken them down. My expectation was that by next week, most of the contractors that are receiving the money, particularly given by this House in the supplementary, would be back on the road.

Therefore, I wanted to speak when the contractors are on the road. However, because of the urgency, I thought I could give you just an overview of the challenges that the ministry is facing. This is also on the understanding that we are in the budgeting process so that Members can understand.

Right now, I can also say with a lot of certainty that because of the investigations going on, we would not even wish to speak about some of the specific accidents that have unfortunately bedevilled the country in the last few days. The reality is that we are being—

**THE SPEAKER:** What investigations? Much as there is an investigation, we are asking: Who is putting those barriers on the road? Now that you are saying the contractors have abandoned the roads, who is putting those barriers on the roads?

**MR ECWERU:** Madam Speaker, all the areas — that is why I captured in the report that we are going to enforce, particularly, that the professional responsibility of the contractors is to make sure that the signage that they put to indicate that their work is ongoing is properly visible. That is something that we are working on. We do not want to even say this went wrong because we may be jeopardising what is likely to come out. We are undertaking that one as a ministry to make sure that it is followed very carefully. We will communicate to this House.

About who is taking responsibility, it is Gen. Katumba and I. We are taking full responsibility for the supervision of the ministry — and you can imagine we are talking about commanders —

**THE SPEAKER:** Hon. Ecweru, you need to convince this House that the Ministry of Works and Transport — I do not want to mention names — is doing its work. As I said yesterday, you

are going to make this House regret why we rationalised UNRA. Shadow Minister?

3.08

**THE SHADOW MINISTER OF WORKS AND TRANSPORT (Mr Francis Mwijukye):** Thank you, Madam Speaker. The annual crime report of the Uganda Police Force 2024 shows that since 2020, the total number of people who have died in road accidents is 22,306. Five thousand one hundred fifty four (5,154) people have died in 2024 only. This reflects a fatal increase of 7 per cent from 4,000 in 2023 to 5,000 in 2024. This is very alarming.

In 2023, the Speaker convened a meeting of Uganda National Roads Authority (UNRA), the Ministry of Works and Transport, the Police, the Leader of the Opposition, the Ministry of Health, the Chairperson of the Committee on Physical Infrastructure, and the Shadow Minister for Works and Transport. Resolutions were made and adopted by this House. The Minister of Works and Transport pledged to implement those resolutions.

However, those resolutions have never been implemented in respect to the accidents. Even before I go to the second one, the minister should update us on those resolutions; how they were implemented, if they were implemented.

Secondly, the minister is lamenting. He convinced us here, together with the Minister of Public Service, that whatever they were doing in rationalisation was in this country's best interests and that they were promoting effectiveness in the ministry.

At least UNRA was managing the debt. Now you are failing to even manage the debt. Where we come from, through Sheema District, Mbarara District, to Buhweju, the road is impossible. It is a national road. Now, you say that you have no money, and so you will not be moving from Mbarara to Bushenyi. You are lamenting.

Finally, the arrears: the high cost of financing the foreign companies. Why don't we support the local companies? All these companies you are talking about have arrears amounting to almost Shs 1.581 trillion; most of this is to foreign companies. I

do not know your relationship with them. Why don't we support the local companies? Maybe the money would not be going to this figure. It is high because of them being foreign companies. Otherwise, Madam Speaker, most roads are impassable and we cannot wait.

**THE SPEAKER:** Thank you. Honourable minister? It is very unfortunate you did not respond to what I was asking you. I was very specific. For instance, where there was an accident that we talked about yesterday, what have you done? The road barriers are still there. There are no signs to show that there is a road barrier there. Why do you want so many other people to continue dying? It is simple. You do not need money to put up a road sign.

**MR MWIJUKYE:** Madam Speaker, I forgot –

**THE SPEAKER:** No, I am talking to the minister.

**MR ECWERU:** Madam Speaker, work is resuming on the road in the next few days.

**THE SPEAKER:** Therefore, between the few days and now, if somebody gets in an accident there again, I am asking, what does it cost the ministry to put a sign that there is work here and there are road curbs in this place?

**MR ECWERU:** We undertake to do what is necessary.

3.13

**MR DICKSONS KATESHUMBWA (NRM, Sheema Municipality, Sheema):** Madam Speaker, I am glad the minister is here, but also the Minister of Public Service, Hon. Muruli Mukasa, who defended rationalisation, is also here. The promise was that we were going to be more efficient and better.

We gave you UNRA. Madam Speaker, UNRA had, for example, a department – I think a unit – for road safety. You have not activated it in the ministry. You are talking about money. We want to know the issue of continuity. When you took over UNRA, for example, the maram roads across the country were abandoned.

Even the little money that you took, we want you to tell us what you have done. Where is the efficiency that was promised? Sometimes you pass through the roads and you wonder whether there is anyone in charge. If you look at the barriers, when you are going to the airport, through the Kampala-Entebbe Expressway, the traffic jam has increased.

Honourable minister, even with some of your contracts, you expect the contractor to make sure that there is continuity of the roads.

However, if you look at the works that are going on, some of the contractors appear unsupervised. This is a challenge for you. You need to assure this House that we did not make a mistake by giving you UNRA. We want you to assure us how better you have become since we gave you UNRA. How much have you saved and how much more are you doing?

**THE SPEAKER:** Honourable minister, what is even more disturbing when we go to the constituencies, to the villages, and you are asking the LC5s why the roads are not worked on; they will say that is a UNRA road. Is UNRA still alive? Why haven't you communicated to the districts on what to do? Everybody is waiting, saying, this is a UNRA road. Do you still have UNRA in place? First answer that. *(Laughter)*

**MR ECWERU:** Madam Speaker, there is no more UNRA. There is only the Department of National Roads in the Ministry of Works and Transport. The reality is that it is also true – I am sure colleagues have followed my statement very carefully. We had big outstanding arrears –

**THE SPEAKER:** How much? That is what I have asked you. Let us not do lamentations. How much?

**MR ECWERU:** Unless I re-read the whole report, Mama, but I can tell you with certainty that there were arrears. This House was kind to give us a supplementary and the supplementary has reached the local contractors just this week.

That is why I had requested this House; by next week when the contractors are on the road, it

will be very important for us to come and brief this House and say, we have done this with the resources that you have given us. This is the outstanding resource that is waiting. That is what is going to happen.

**THE SPEAKER:** A point of clarification from Hon. Patrick.

**MR OSHABE:** Thank you very much, Madam Speaker. We want the minister to be kind to us. There were District, Urban, and Community Access Roads (DUCARs) that were managed by UNRA. They are national roads in nature and those are the roads that concern us mainly – us who come from rural areas.

Now, when you come here and talk about them generally, you do not help us. The Speaker's question is, what is on the ground? Those roads are not catered for by the districts because previously they were managed by UNRA. Now they are in their state. I can tell you the road from Kassanda up to Kiyuya has become so impassable. That road was being maintained by a framework contract.

Now, I want to get a clarification from you. When you got UNRA, did you stop all framework contracts? Did you stop all of them?

The other point of clarification is: what is the status now? Who is responsible for those roads that were previously called UNRA roads? Tell us. There are these big roads that are national in nature, but there are also those roads that used to get financing from the Uganda Road Fund, which was also closed. Thank you very much.

3.19

**MR DAN ATWIJUKIRE (NRM, Kazo County, Kazo):** Thank you very much. Madam Speaker, I have listened to the minister, and of course, we interact with the Ministry of Works and Transport very often.

However, Madam Speaker, if what you read is what the minister was supposed to report about, then he set his own question. You wanted a report on the status of roads in Uganda. What the minister gave you is the status of big projects.

Madam Speaker, the biggest portion of our roads is murrum; the normal roads that our people use on a daily basis. Those roads are supposed to be currently maintained by the Ministry of Works and Transport.

Madam Speaker, the accidents we are talking about that are reported and get our attention do not form 20 per cent of the accidents that happen on those murrum roads. *(Applause)* It is my considered opinion that the minister goes back and brings another report. This does not form 25 per cent of the road status in Uganda.

It is very important, Madam Speaker, that the Ministry of Works and Transport - I understand there are constraints of finances and the rest, but they must come out to the country and declare these constraints if they are indeed there, instead of leaving the country in continuous demand. He has not talked about bridges -

**THE SPEAKER:** Even the ferries.

**MR ATWIJUKIRE:** Even the ferries, but these were roads - Madam Speaker, it is my view that the minister goes back and brings answers to the right question, and then gives you, or this Parliament, the roadmap on how they are going to handle the murrum roads, and how they want to respond to those big projects he is talking about.

Otherwise, as it is now, it is just cosmetics for an ugly person to look beautiful. When the cosmetics go away, the person will remain ugly.

**THE SPEAKER:** Honourable minister, one, you need to tell us the action taken on the errant contractors, and the Government supervisory personnel who have taken the issue of safety into their own hands. I have talked about the barriers because there are no signs anywhere. It is not only on Busabala Road, but all over.

We need to look at the progress by ensuring the continuity and the timely completion of the projects that were started by UNRA. We transferred the money from UNRA to you. What are you doing with our money?

We also need to look at the roads at the district level to know who is responsible. What plan do you have? Where is the roadmap? Have you communicated to the districts about what should be done to those roads? These roads are impassable. Like Hon. Oshabe said, there are more accidents on those roads than on the main roads.

The other thing is on the interim certificates - we are talking about budgets. How much are we talking about? You only bring a report lamenting that there is no money.

Leader of the Opposition, do you have something to add? No, we are telling him what should be in the report.

3.23

**MR JONATHAN ODUR (UPC, Erute County South, Lira):** Thank you, Madam Speaker.

Madam Speaker, I wanted to ask the minister about the information going out to the public. It concerns safety on the road, but there are concerns from the public about the new express penalty scheme. In one of the provisions, we are being told that if one does not pay within three or six months, their vehicles can be auctioned. However, someone else may be driving my car, and I am not aware. How can I lose the ownership of my car like that?

Would the minister also come and officially brief Parliament on that proposal that is being made, so that we can explain to our people better, for them to comply?

**THE SPEAKER:** On the penalties, people should also pay.

3.24

**MS SARAH OPENDI (NRM, Woman Representative, Tororo):** Madam Speaker, I thank you for giving time to this very important subject.

**THE SPEAKER:** We are not debating.

**MS OPENDI:** I am not debating, but this is an issue he also needs to take up.

Madam Speaker, we have discussed the issue of road safety in this House. Unfortunately, when somebody dies, is when we pay attention but afterwards we forget. As we speak, there is a conference on road safety, in Munyonyo.

Madam Speaker, the issue that I wanted to put across is that road maintenance is a key factor in road safety. For as long as we do not dedicate adequate funds to road maintenance, we will continue losing people.

We have discussed the motion on the road fund, Madam Speaker. We have a law in place where all these levies, transit fees, and all monies are supposed to be collected –

**THE SPEAKER:** Hon. Sarah Opendi, can we first tell the minister what to bring us in the statement. I know where you are driving us to.

Honourable minister, go back and bring a comprehensive report capturing all the things that we have asked of you.

3.25

**THE LEADER OF THE OPPOSITION (Mr Joel Ssenyonyi):** I want to assist the minister a bit, Madam Speaker.

We took the trouble to extract the resolutions of the meeting on road safety, and we passed them here on 13 July 2023. This is a copy of the *Hansard*. Read through these resolutions. As you respond to each one, your response will be buttressed a bit more. You are touching this and touching the other, instead of the critical issues. This here, that I am laying - I hope it will get to the minister - the resolutions captured here will help so that you can respond succinctly.

Madam Speaker, the minister seems to be non-committal. For example, on the road signage and all of that, you have said that you are going to do what is necessary. I do not know what that means, because between now and tomorrow, somebody else might get a challenge.

The other issue that Members are raising is that when you are going to fix a road, sometimes you dig up and leave all those potholes, which

keep widening. Even on some of the national roads, cars hit them, and accidents occur. Can we get some commitment?

Finally, Madam Speaker, some of the local contractors complain that the Government takes donkey's years to pay them, so they get stuck. As we speak, the total payables that the Government owes to local contractors, people that provide services, goods, and so on and so forth, is Shs 10 trillion.

By the way, as we have had exchanges with the Ministry for Finance, Planning and Economic Development, it does not capture that as part of our debt. On our end, we have said that once somebody provides a good or a service, and you do not pay them, it is a debt. But the finance ministry, because of the debt-to-GDP ratio issue, does not want it to be so high. So, they say that these local payables will not be part of our debt. It is part of our debt.

Honourable minister, many of these local contractors say they have abandoned sites because you are not paying them. What is happening with that?

**THE SPEAKER:** Honourable minister, we need a report, and it should be here on Tuesday.

**MR ECWERU:** Madam Speaker, I beg that you give me a week, because like I said –

**THE SPEAKER:** No, Tuesday.

**MR ECWERU:** Why? Because - like I said –

**THE SPEAKER:** Tuesday.

**MR ECWERU:** I wanted to –

**THE SPEAKER:** Members are supposed to go for recess. Can we have the report on Tuesday? Next item.

**MR ECWERU:** I will comply.

## BILLS SECOND READING

### THE TAX PROCEDURES CODE (AMENDMENT) BILL, 2025

**THE SPEAKER:** Honourable members, yesterday, we stood over the Tax Procedure Court (Amendment) Bill, 2025, and we asked the chairperson plus the minority presenters, and the minister to go and harmonise. Can we have a report from the chairperson? (*Hon. Mpuuga rose*) Hon. Mathias Mpuuga, I will give you time after this.

3.29

**THE CHAIRPERSON OF THE COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda):** Thank you, Madam Speaker. Indeed, yesterday, when we broke off, the contention was over the penalty in the proposal in the Bill to double the tax, which was trying to address the unfairness to the taxpayer.

The minority report was saying, instead of saying a taxpayer who was supposed to pay Shs 100 million did not pay, when you double it becomes Shs 200 million, we should cap the penalty. It was resolved, and I am glad to report that we said we should leave it as it is in the Bill, and as reported by the committee, that we double the tax.

On the matter of the NIN, we also resolved that capturing the NIN does not mean that one has to make a tax return, because there is a provision in the law that talks about the tax registration. We are therefore, in tandem with the minority report.

On another issue, Madam Speaker, under the Tax Procedures Code Act, 2024 (TPC), was about the amendment of the TPC to cater for waiver of interest and penalty, where a member proposed that we should look at how we can clean the ledgers. That, along with the guidance of the Attorney-General, we have come to a position, which I will request the Hon. Nandala-Mafabi to read.

The final aspect was about the centralised payment gateway system, where Members are requested to address. We had proposed in the committee report that we allow a year. But that is a matter for discussion. Thank you.

**THE SPEAKER:** Thank you. Hon. Nathan Nandala?

3.31

**MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko):** Thank you very much, Madam Chairperson. We looked at the tax - we had a very good computation, and the Attorney-General did some maths.

It says, "... up to 30 June 2024, and this tax must be paid by 30 June 2026." The argument that came in was: why, when we are coming to the end of the financial year, which is 30 June 2025?

If somebody goes to Uganda Revenue Authority (URA) and says: "I have been given a whole year, so I do not need to pay money now, until after one year," it will be depriving the Government of tax, or income, which may have accrued.

It was, therefore, agreed that if someone has the money from 1 July 2025 but has not paid, interest will accrue on that. What one pays is what will remain as the balance; that will be interest. That means, all the money outstanding by 30 June 2025, if you do not pay it by then, will be accruing interest.

On this one, when you are going to pay, whatever time you pay, it will have the money you are paying plus interest. Meanwhile, the one that will have up to now, whenever you pay, a portion is written off. Let me give you what it means: from 1 July 2024 to 30 June 2025 is one year. There will be an additional interest that will have accrued up to that time. It was agreed that the one that will be applying apportionment will be that additional from -

**THE SPEAKER:** Hon. Musa, there is something a member wishes to raise. Please await.

**MR NANDALA-MAFABI:** Madam Speaker, the additional, which was accruing from 1 July 2024 to 30 June 2025, will be the one that will be apportioned according to when one is paying. Meanwhile, the one from 1 July 2025 will be full, because one will not have paid their tax. That is for purposes of keeping Government money.

The other one was about ledgers. Again, the Attorney-General guided that if URA has been charging interest and principal, and when a taxpayer pays money, and they apply the money on interest and the penalty before the principal, then that is not done right. What should be done is that all the money taxpayers have paid should first be applied to the principal - that calls for URA to clean their ledgers. All the money the taxpayers have been paying should be applied to the principal to determine what would be the outstanding interest and the principal as of 30 June 2024. This is now the formulation. Attorney-General, am I right? Thank you. We shall then bring the amendments.

**THE SPEAKER:** Can we now move to Committee Stage?

3.35

**MR ENOS ASIIMWE (NRM, Kabula County, Lyantonde):** Thank you, Madam Speaker. Before we move to the committee stage, my minority report has not been considered. We did a reconciliation, but the position the chairperson has put forth is not what we agreed on regarding the issue of the centralised payment gateway system.

My argument is that the Government does not have a centralised payment system. That is number one. If we pass the Bill as it is, we are actually debating in anticipation.

Number two, if we pass the clause the way it is, it means that -

**THE SPEAKER:** Which clause are we talking about?

**MR ENOS ASSIMWE:** We are looking at clause 5, which intends to insert section 93(a) immediately after 93. The insertion requires that operators of casino, gaming, and betting activities to conduct all transactions, both for receiving

wagers and making pay-outs exclusively, through a centralised payment gateway system, licensed by Bank of Uganda.

Clause 2 also says that the Bill further seeks to introduce section 93(b), which states that an operator of a casino, a gaming or betting activity, who fails to use or integrate with a gaming and betting centralised system, be penalised.

My point of departure is that they do not have the system. That is number one. By trying to pass the clause the way it is, they are trying to create a monopoly. They are trying to get a service that is being provided by 45 licensed companies by the Bank of Uganda, and taking that responsibility to a single company because they do not have the system themselves.

My prayer is that we leave the clause the way it is because that does not change its intention, but we remove the word “centralised” and change the word “system” to “systems” because there are 45 systems in place, and they want to centralise it to one, implying that they are trying to create a monopoly for one company.

My prayer to the House is that we remove the word “centralised” because that does not change the intention of the clause. Thank you, Madam Speaker.

**THE SPEAKER:** Attorney-General -

3.38

**THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka):** Madam Speaker, the Member understood what the Government is trying to do. The Government is looking for a centralised system; that is correct. We cannot distribute tax collection to 45 people because the 45 systems are in place now when the tax is being lost.

The Government is now saying that let us link it to one system authorised under the national payment system and link it to URA –(Interjection)- what the entity does in its back end is their private business but when interacting with the Government, they will go through that same pathway. That is exactly what the Government is trying to do.

**MR ENOS ASIIMWE:** Thank you so much, Attorney-General. The Government can achieve what it wants to achieve without centralising. You can link the URA system to all the 45 systems; you can integrate –(Interjection)- listen. You can integrate –

**THE SPEAKER:** There is a procedural matter.

**MR SSEMUJJU:** My understanding is that a minority report has been presented. You cannot present a minority report and debate it. The procedural issue I am raising now is whether this strange way of dealing with this particular law is going to continue; that you present a minority report, but also debate it yourself.

**THE SPEAKER:** Honourable members, I put the question that the Tax Procedure Code (Amendment) Bill, 2025 be read the second time.

*(Question put and agreed to.)*

## BILLS COMMITTEE STAGE

### THE TAX PROCEDURES CODE (AMENDMENT) BILL, 2025

**MR MUHAMMAD NSEREKO:** Madam Chairperson, I have a view - it is not fair -

**THE CHAIRPERSON:** You will not talk until I allow you. Wait I will allow you to speak. What is the issue that you are raising?

Honourable members, when we come to the House, let us keep cool because at the end of the day, we are legislating for millions of people out there. That is why I want you to be calm. The microphone can only be on when you are calm - then you can legislate and bring your ideas. We either take or reject them. You can now present if you have cooled down.

**MR MUHAMMAD NSEREKO:** Thank you, Madam Speaker. I am concerned by the way the honourable member was gagged. It is not fair because he did not present his minority report for us to debate.

What he is talking about is that Africa is walking itself into colonialism. Companies are coming from outside with ideas of digitising tax collection and management, but to loot this country dry. I can give examples.

We have a company called RippleNami - it is important that our countrymen understand what Africa is going to be duped into. RippleNami is making money in the name of streamlining rental income tax, but walking away with a proportion of our taxpayers' money. Madam Chairperson, that is why I wanted this debate at Committee Stage -

**THE CHAIRPERSON:** Hon. Muhammad Nsereko, you are raising a policy matter on digitisation. What you should do is to bring your argument on the clause, we discuss it and find a middle ground.

**MR MUHAMMAD NSEREKO:** That is why I wanted to tell you that the right time for me to have debated this was at that stage. This is where Members would have arrived at this stage, well knowing what happens to where Africa is being put. Cartels are running into digital payment systems, making people their own slaves. What this means is that for every payment that you are making - recently, an agreement was signed between this Government and the United Arab Emirates; that they are creating a single payment gateway for taxes. We are becoming slaves in this country.

**THE CHAIRPERSON:** Hon. Muhammad Nsereko, I want you to help this House. Look at the object of this Bill, but if you have a law that you want to bring on that - it is a very good law - please bring it and we shall pass it in this House.

**MR MUHAMMAD NSEREKO:** Most obliged, Madam Chairperson. However, I remain with these reservations because our role is to enlighten our Members that might not know what we are being duped into and passing as an august House.

**MR SSENKYONYI:** Madam Chairperson, I would like to see how we come to the same place, now that we are talking about centralising things. Hon.

Enos is concerned about monopolising this entire process; that you are going to have one person. That means you knock out 45 who are licensed, operating and have employees.

The Attorney-General is saying that the issue here is about tax collection. We need to be sure and to understand each other, and that no one is confusing the other, because the Attorney-General seems to say -

**THE CHAIRPERSON:** Honourable Leader of Opposition (LOP), for us to understand each other; let us look at the object of the law.

- “1. An Act to amend the Tax Procedures Code, Cap 343, to provide for the use of the National Identification Number and the registration number as the Tax Identification Numbers;
2. To provide for the gaming and betting centralised payment gateway system;
3. To provide for the penal tax for failure to use or integrate with the gaming and betting centralised payment gateway system and for related matters.”

There is nothing like digitisation. We have a centralised payment system that is authorised by the central bank, where we are saying, “If you have gone for betting, instead of you asking for your cash at the counter, you must go through a payment system to be paid.” Can we continue?

Clause 1

**THE CHAIRPERSON:** I put the question that clause 1 stands as part of the Bill.

*(Question put and agreed to.)*

*Clause 1, agreed to.*

*Clause 2, agreed to.*

Clause 3

**THE CHAIRPERSON:** I put the question that clause 3 -

**MR NANDALA-MAFABI:** Madam Chairperson, I move that clause 3 be amended as follows, under section 47:

- i. The principal tax outstanding at 30<sup>th</sup> June 2024 will be the total principal less the tax already paid;
- ii. The interest and penalties up to 30<sup>th</sup> June 2024 are waived;
- iii. The interest which has accumulated from 1 July 2024 –

**THE CHAIRPERSON:** Let us agree on the text, on how it should read.

**MR NANADALA-MAFABI:** We shall do the text because this is what we discussed –

**THE CHAIRPERSON:** Attorney-General, help in drafting.

**MR NANDALA-MAFABI:** Let me make this and then we can conclude on the draft.

“(1) The principal tax outstanding as at 30 June 2024 will be the total principal less the tax already paid.

(2) The interest and the penalties up to 30 June 2024 are waived” –

**THE CHAIRPERSON:** That is the same as the one in the Bill.

**MR NANADALA-MAFABI:** No, that is the principal. The one we are going to is apportionment. “(3) The interest, which has accumulated from 1 July 2024” - because that was not covered by the waiver – “to 30 June 2025 will be waived on a pro rata basis as the taxpayer pays the taxes by 2026.”

The justification for that is that they divide it.

“(4) The interest from 1 July 2025 will be charged on all the outstanding tax until paid because this one is not covered by the Bill for waiver.”

Finally – I think this was a recommendation – “(5) Uganda Revenue Authority (URA) should reconcile the ledgers.” However, we never gave it a timeframe -

**THE CHAIRPERSON:** That cannot be in the law.

**MR NANDALA-MAFABI:** Yes! So, we can say URA should reconcile the tax ledgers – can we say within 30 days?

**THE CHAIRPERSON:** No, the minister will instruct URA. Redraft.

**MR KIRYOWA KIWANUKA:** Thank you, Madam Chairperson. I think Hon. Nandala has put together the principles as we agreed, and we are on the same page. For the drafting, we want to propose that we leave clause 3(1) as it is, leave clause 3(2) as it is and add clause 3(3) to read as follows: “(3) For avoidance of doubt, subsections (1) and (2) shall apply to the interest that accrues on the principal tax from 1 July 2024 to the date the taxpayer pays the principal.”

This means that if the taxpayer starts paying the principal amount in, say, August of 2025, that taxpayer has until July 2026 to pay off the debt. If by July 2026, he has paid off the debt, but there was interest that had accrued, it will also be waived in accordance with subsections (1) and (2) above. I beg to submit.

**MR NANADALA-MAFABI:** Thank you very much. Since you have brought “avoidance of doubt”, let me add the same: “for avoidance of doubt, the principal tax outstanding as at 30 June 2024 is the total principal less the tax amount paid” – because we want to be on the same page.

**THE CHAIRPERSON:** Yes, Hon. Katesh?

**MR KATESHUMBWA:** I think that I get where you are going, but when we talk of outstanding principal tax, it is expected that you would have less off. So, my view is that the way the Attorney-General has framed it deals with the period we were discussing in our caucus. Also, leaving the clauses the way they are caters for the backward period. So, I would like to say that we should go with the amendment that he has proposed, because it caters for the issues that we were worried about.

**THE CHAIRPERSON:** Hon. Nathan, it captures what you want.

**MR NANDALA-MAFABI:** Fine. Since we have all agreed, it is in the *Hansard*. The other point, Madam Chairperson, is about the ledgers. We said that we can put it in the law. Do we propose a period for –

**THE CHAIRPERSON:** No, that one does not come in the law.

Honourable committee chairperson, are you in agreement with the Attorney-General?

**MR KANKUNDA:** Yes, I am in agreement.

**THE CHAIRPERSON:** Minister?

**MR MUSASIZI:** I was part of the meeting.

**THE CHAIRPERSON:** Do you agree?

**MR MUSASIZI:** Collective responsibility. *(Laughter)* The meeting agreed -

**THE CHAIRPERSON:** Hon. Musasizi, do you agree?

**MR MUSASIZI:** I do.

**THE CHAIRPERSON:** I put the question that clause 3 be amended as proposed by Hon. Nandala and the Attorney-General.

*(Question put and agreed to.)*

*Clause 3, as amended, agreed to.*

*Clause 4, agreed to.*

Clause 5

**THE CHAIRPERSON:** Let him read his amendment and then you come in.

**MR KANKUNDA:** Madam Chairperson, I will read the amendment proposed by the committee. Clause 5 is amended by inserting, immediately after the proposed section 93A (2), the following –

“(3) An operator of a casino, gaming or betting activity who is required to receive a wager or money staked and only make pay-outs through the gaming and betting centralised payment gateway system referred to under subsection (1), shall comply with subsection (1), within a period of twelve months from the date of the commencement of this Act.”

The justification is to give a transition period of 12 months to an operator of a casino, gaming, and betting activity who is not compliant with the proposed section 93A at the commencement of this Act, to integrate the equipment into a centralised payment system.

**THE CHAIRPERSON:** Hon. Muhammad Nsereko?

**MR MUHAMMAD NSEREKO:** Madam Chairperson, I have a huge problem with the creation of monopolies, mainly through payment systems. The new wave of multinationals coming to ignorant African countries and robbing them clean is through the monopolisation of their taxation mandatory payment systems. A case in point is how URA came to us, through the Ministry of Finance, Planning and Economic Development, and stated that someone had presented block chain and smart technology that would be used by a company that had not even been five years old – registered in Delaware, called RippleNami, to help to collect rental income tax.

Ugandans were whipped. We came here and made alterations to the rates of payment of rental income tax, which increased, without the company deploying any tools of technology. Today, it walks out with a huge percentage of money from the taxpayers' contribution. Such bogus agreements have put this country at a loss of not only revenue, but have also killed innovation. The same is being introduced in this wave.

Recently, the Government, through an agreement signed with United Arab Emirates (UAE) investors, in the name of creating a single payment gateway system for all payments made for Government contributions and taxation – at the end of the day, these companies know that if you collect billions of dollars and take a percentage, even

if it is \$120 million, they will have robbed you clean. These things we can do. Dear honourable colleagues and comrades, your children can do this work exactly.

Let the Central Bank and the Ministry of Finance, Planning, and Economic Development come and tell us just two systems that they have not tendered out and are running directly. I challenge the minister who is here. Tell me just two payment systems you have not tendered.

What we are saying, honourable Attorney-General and Madam Chairperson, is that all those who have been paying are going through various payment platforms, some of that are even owned by your children. It means that there is no monopoly. What Uganda Revenue Authority (URA) has to do is to create an interface with them and you will see all the taxes. Why create one monopoly that you do not even talk about and legislate in anticipation that the ministry of finance intends to give them an enabling law to create a tool for a centralised system? The centralised system is already there.

Under the Act, anyone that is paying electronically must be approved by the Bank of Uganda (BOU). Therefore, what they intend to do is to create another company. For the avoidance of doubt, this will come to pass that we are legislating in anticipation. We will be back to round one and you will know exactly that this was tendered out. Before you know, this is money being shared by government officials and multinationals.

**THE CHAIRPERSON:** Hon. Karim Masaba?

**MR MASABA:** Thank you, Madam Chairperson. The issue of contention here is the monopoly - creating one company. However, the 45 companies that exist right now are licensed by the Bank of Uganda to operate and receive. They include MTN, Airtel and other service providers. I think what we need to have on board is the assurance from the Attorney-General that these players are not going to be eliminated, but they need to link their systems to the Bank of Uganda and URA because the issue is about evading taxes.

**MR KIRYOWA KIWANUKA:** First of all, I want to confirm that the 45 players are not going to be eliminated. For example, under Section 5 of the National Payments Act, we have what we call the Real-time Gross Settlement (RTGS). When you want to pay money by RTGS, all the banks can use it, so that is a payment system. It does not close the other banks.

Even when you have this payment system, it does not stop the other players. When you want to settle the payment through that system, that is what you use. It is a government system that has to be licensed by the Bank of Uganda. Therefore, the other 45 or 100 players are not going to be eliminated.

**THE CHAIRPERSON:** What about the timing?

**MR KIRYOWA KIWANUKA:** Madam Chairperson – (*Interjections*) – let me finish.

**THE CHAIRPERSON:** Honourable members, let us give time to each person.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, the tax procedures codes are brought for the purposes of collecting tax –

**THE CHAIRPERSON:** And for one year.

**MR KIRYOWA KIWANUKA:** If you tell us that this Act should come next year, then we may as well just say we should not collect the tax this year. It serves no purpose.

**THE CHAIRPERSON:** So, it must be with immediate effect. It is an integrated system – (*Hon. Nsereko rose*) – Hon. Muhammad, first sit – okay, come and sit here - (*Laughter*) - honourable members, I put the question that clause 5 be amended as proposed by honourable –

**MR MUSASIZI:** Madam Chairperson, we propose that clause 5 stands part of the Bill.

**THE CHAIRPERSON:** I put the question that clause 5 stands part of the Bill.

(*Question put and agreed to.*)

*Clause 5, agreed to.*

*Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

4.03

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Chairperson, I beg to move a motion that the House resumes and the Committee of the Whole House reports there too.

**THE CHAIRPERSON:** I put the question that the House do resume and the Committee of the whole House reports thereto.

*(Question put and agreed to.)*

*(The House resumed, the Speaker presiding.)*

REPORT FROM THE COMMITTEE OF  
THE WHOLE HOUSE

4.04

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Tax Procedures Code (Amendment) Bill, 2025” and passed it with amendments.

MOTION FOR ADOPTION OF THE  
REPORT OF THE COMMITTEE OF THE  
WHOLE HOUSE

4.04

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the report from the Committee of the whole House be adopted.

**THE SPEAKER:** I put the question that the report of the Committee of the whole House be adopted by this House.

*(Question put and agreed to.)*

*Report adopted.*

BILLS  
THIRD READING

THE TAX PROCEDURES CODE  
(AMENDMENT) BILL 2025

4.05

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the Bill entitled, “The Tax Procedures Code (Amendment) Bill, 2025” be read for the third time and do pass.

**THE SPEAKER:** I put the question that the Tax Procedures Code (Amendment) Bill, 2025 be read the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT TITLED, “THE TAX  
PROCEDURES CODE (AMENDMENT)  
ACT, 2025

**THE SPEAKER:** Title settled and the Bill passed. *(Applause)*

BILLS  
SECOND READING

THE INCOME TAX (AMENDMENT) (NO.  
2) BILL, 2025

4.07

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move a motion that the Income Tax (Amendment) (No. 2) Bill, 2025, be read for the second time.

**THE SPEAKER:** Is it seconded? *(Members rose.)* Okay, it is seconded by: Hon. Isaac, Hon. Amos, Hon. Moses, Hon. Musa, the Minister for Karamoja Affairs, the Prime Minister, Hon. Omara, Hon. Alanyo, Hon. Nekesa, Hon. Kabanda, Hon.

Margaret, Hon. Acuti, the Member of Parliament for Butaleja, Dr Kamara, Hon. Akello, and the Members of Parliament for Mitooma, Mbarara and Ibanda.

The others are: Hon. Jennifer, the Member of Parliament for Maracha, Dr Emily, Hon. Betty, Hon. Atima Lee, Hon. Goli, the Members of Parliament for Bukedea, Alebtong and Zombo, Dr Ayume, Member of Parliament for Ngora, and the Deputy Chairperson of the Committee on Budget, Hon. Achia and Hon. Leku. Even mama Mavunjina and Hon. Hellen. Speak to your motion.

**MR MUSASIZI:** Madam Speaker, the object of the Income Tax (Amendment) Bill is to amend the Income Tax Act to provide for the exemption of start-up businesses established by citizens for three years from tax, and to extend the tax exemption of the Bujagali Hydro Power Project up to 30 June 2032, and to amend Schedule 2 of the Act to prescribe the International Atomic Energy Agency as a listed institution, and for other related matters. I submit, Madam Speaker.

4.08

**THE CHAIRPERSON COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda):** Madam Speaker, the committee considered the Bill and the original report. I beg to lay them.

Madam Speaker, I would like to go straight to the real issues, since the object of the Bill has been clearly stated.

4.2 Tax exemption for the Bujagali Hydro Power Project

Clause 2(a) of the Bill provides for an amendment to Section 21(1) (ab) to extend the tax exemption of the Bujagali Power Project to 30 June 2032.

Section 21(1) (ab) of the Income Tax Act, Cap. 338, provides that the income of the Bujagali Hydro Power Project is exempt from income tax up to 30 June 2024. On 20 February 2025, Parliament passed the Income Tax (Amendment) Bill, exempting the income of the Bujagali Hydro

Power Project from tax up to 30 June 2025. The Bill has, however, not yet been assented to by the President.

The amendment seeks to substitute subsection (1) (ab) of Section 21, in order to exempt the income of the Bujagali Hydropower Project up to 30 June 2032, from income tax for a period of seven years.

The committee was informed that the power purchase agreement between the Government and the Bujagali Hydro Power Project runs up to 2032, and that the Government committed in the agreement to provide income tax exemption for the period of the agreement.

The committee observed that by extending the Bujagali Hydropower Project tax exemption, the anticipated increase in the generation tariff from \$ 8.31 cents to \$ 9.6 cents per unit will be averted, establishing the end-user tariff at an average of Shs 459.8 per unit, instead of rising to Shs 481.7 per unit.

The committee recommends that Bujagali Hydro Power Project be exempted from Income Tax for a period of seven years, as proposed in the Bill, to be consistent with the power purchase agreement, which runs up to 2032.

4.3 Exemption of tax for start-up businesses for three years

Clause 2(b) of the Bill provides for the insertion of a new subparagraph (za), to exempt income derived from a business established by a citizen after 1 July 2025, for three years, where:

1. The business is registered with an investment capital not exceeding Shs 500 million;
2. Where the citizen or their associate has not previously benefited from the exemption; and
3. The citizen files a tax return, including a business information return referred to in Section 147 of the Act, in the format prescribed by the Commissioner-General.

The committee was informed that the proposal is aimed at promoting entrepreneurship and innovation.

The committee observed that:

1. The three-year exemption period is a good proposal given that the majority of the new businesses started stand to benefit from this exemption. It has been noted that many businesses in Uganda rarely reach their fifth anniversary of their operations;
2. The proposal will promote formalisation of the SMEs by encouraging business registration as a requirement for qualification for an exemption;
3. The proposed registration with an investment capital not exceeding Shs 500 million is a reasonable threshold for many start-up businesses; and
4. The Bill provides for a business to be registered with an investment capital not exceeding Shs 500 million. The provision, as it is, is subject to misinterpretation that the investment capital must be registered. However, the provision intends to have a registered business with an investment capital not exceeding Shs 500 million. There is need to amend the provision to reflect that it is a registered business, which has invested Shs 500 million.

The committee, therefore, recommends that Clause 2(b)(i) should be amended to reflect that it should be a registered business, which has invested capital not exceeding Shs 500 million, other than a business registered with an investment capital not exceeding Shs 500 million.

#### 4.4 Exemption of tax on chemicals for agricultural use

Clause 2(c) provides for insertion immediately after the words “agricultural use”, the word “or”.

The committee noted that this would provide clarity on the existing exemption relating to chemical manufacturers. It clarifies that the exemption applies only to chemicals intended for agricultural or industrial use, thus removing the ambiguity.

The committee recommends that chemicals intended for agricultural use be exempted from tax as proposed in the Bill.

#### 4.5 Exemption of capital gains tax on transfer of assets

Clause 3 of the Bill proposes to substitute section 76(4)(a), to amend the definition of reorganisation to indicate that the transfer of business assets can be made by a natural or a legal person and not a company alone.

The committee was informed by the Minister of Finance, Planning and Economic Development that the proposal is intended to offer roll-over relief to permit businesses to restructure for efficiency and strategic flexibility without being burdened by the capital gains tax when there is no significant change in underlying ownership of the business.

The committee observed that the amendment will make it possible for individuals who own assets to transfer them to companies that they own or control as part of the restructuring of the business without having to incur capital gains tax. Further, by removing the tax barrier for such transactions, the amendment will enhance efficiency, simplify restructuring, and provide clarity in the law.

The committee, therefore, recommends that the proposal to exempt businesses which are transferring assets to another person other than an individual controlled by the transferor or the shareholders should be adopted.

#### 4.6 Increase in Digital Service Tax

Clause 4 of the Bill proposes an amendment to Section 86 of the Principal Act, to provide for a new subsection (5), indicating that the section shall not apply where a non-resident person is deriving income from providing digital services in Uganda to an associate in Uganda.

Another new subsection (6) is proposed to provide that Section 82 or 84 of the Act shall apply to the income of a non-resident person derived from providing digital services in Uganda to an associate in Uganda.

The committee was informed that currently, all non-resident entities that render services in Uganda through digital platforms are required to pay 5 per cent Digital Service Tax (DST) on this income. Under Section 82, a consumer of a service from a non-resident is required to withhold on the payment made to those non-resident entities at a rate of 15 per cent. The differential tax rates incentivise the multinational enterprises to extract most of their income from Uganda through digital services, which poses a revenue risk.

To address this, the committee observed that the proposed amendment includes related party transactions from DST. Instead, transactions between non-resident and digital service providers and their Ugandan associates will be taxed under the Withholding Tax Regime provided for in Sections 82 and 84 of the Income Tax Act. Section 82 provides for a tax on international payments, and Section 84 provides for a tax on payments to non-resident contractors or professionals.

The committee, therefore, recommends that the amendment be passed as proposed in the Bill to enhance compliance and improve revenue.

#### 4.7. Exemption of the International Atomic Energy Agency from tax

Clause 5 of the Bill proposes an amendment to Schedule 2 to the Principal Act to insert the International Atomic Energy Agency (IAEA) under Schedule 2 as one of the listed institutions under the Act.

The IAEA was established in 1957 as an autonomous agency within the UN system, and is headquartered in Vienna, Austria. Uganda gained membership in the institution, IAEA, in 1967. This implies that the income earned by the IAEA will be exempt from tax. As a principle, all UN-related agencies are required to be listed under the Second Schedule of the Income Tax Act.

The committee, therefore, recommends that the International Atomic Energy Agency be tax-exempt as proposed in the Bill.

In conclusion, the committee recommends that the Income Tax (Amendment) Bill No. 2, 2025, be passed subject to the proposed amendments. I beg to submit.

**THE SPEAKER:** Thank you, committee chairperson. Hon. Ibrahim?

4.20

**MR IBRAHIM SSEMUJJU (FDC, Kira Municipality, Wakiso):** Thank you, Madam Speaker. I will just go to the areas of disagreement.

1. Lack of policy and studies to support the Bill  
Madam Speaker, there is a commitment by the Minister of Finance, Planning and Economic Development, Hon. Matia Kasaija, to move away from annual piecemeal tax proposals. This commitment is contained in the Domestic Revenue Mobilisation Strategy for 2019/2020-2023/2024. This is what the minister, Hon. Matia Kasaija, said: *“In order to achieve our revenue potential, we will move away from ad hoc annual tax policy changes. These piecemeal adjustments with little alignment and overarching strategy have created a high degree of unpredictability and uncertainty in our tax policy direction. The domestic revenue mobilisation strategy will address this as well as ensure that our future tax policy embodies the principle of simplicity, fairness, citizen welfare, and sustainability.”*

It cannot be the same minister asking Parliament to maintain what he says causes uncertainty in the sector - piecemeal, ad hoc proposals.

If he has forgotten you, Parliament has a duty to remind him of this commitment. The domestic revenue mobilisation strategy came of age last financial year. Because it is wonderful, Hon. Kasaija even extended it. We must help him to stick to it. The help is in the form of rejecting these piecemeal proposals.

The Committee on Finance, Planning and Economic Development, which today, in a majority report, proposes approval, needs to revisit its report on

the Income Tax (Amendment) Bill last year. Chaired by the same person, the committee stated thus: “The frequent amendment of tax laws has caused challenges to both the taxpayer and Uganda Revenue Authority while administering taxes.” It cannot be the same committee now entertaining and recommending what it noted was full of challenges.

As we remind the Hon. Matia Kasaija, not here now in flesh, but represented by Hon. Musasizi, we also need to remind the Committee on Finance, Planning and Economic Development that this is what you recommended last year.

Secondly, specifically on Bujagali, Madam Speaker; about two months ago, to be exact on the 4<sup>th</sup> of February, junior minister, Hon. Henry Musasizi, tabled before Parliament the Income Tax (Amendment) Bill, 2025, which Parliament approved on the 20<sup>th</sup> of February accepting the income of Bujagali hydropower up to 30 June 2025, just about two months ago.

This particular Bill of two months ago has not, as the majority Members of the committee noted, has not been assented to. The same minister has brought another amendment for Bujagali. The reason he is doing so is because on 18 May 2022, you, Parliament, refused –

**THE SPEAKER:** Hon. Ssemujju, just a correction that it was assented to; I have an assented copy.

**MRSSEMUIJU:** I take note of that, Madam Speaker. In the committee, we are told it had not been assented to, but we take the information.

The reason Hon. Musasizi is trafficking these piecemeal amendments to benefit Bujagali is that on 18 May 2022, you, Parliament, refused to grant Bujagali a five-year tax exemption extension. Bujagali was first granted this sort of exemption in 2017, which was five years ending in 2022.

In 2022, Hon. Musasizi sought another five-year extension, which parliament refused. He has now resorted to annual amendments, like he did two months ago when he brought one, and now he is bringing another. I think he has

now returned in full gear, with a request to extend the Bujagali tax exemption for seven years.

The reason you, Parliament, declined to extend the exemption beyond a year was largely because the objective or purpose for which it was granted had not been made.

The objective was a reduction of the power tariff. While Bujagali continued making abnormal profits, the tariff continued to rise. There is even an ad hoc committee report to this effect. The ad hoc committee of Parliament found out that by 2021, Bujagali had benefited from a Shs 388 billion tax exemption.

**THE SPEAKER:** Point of procedure?

**MR OTINGIWI:** Madam Speaker, my honourable colleague and brother keeps referring in his statement that you, Parliament, excluding himself, as if he is not a Member of this Parliament. I do not know why he does not say we, Parliament. He keeps excluding himself in his statement, saying you, Parliament, but isn't he a Member of this House, part of this parliament?

**THE SPEAKER:** It is collective responsibility. We passed it and it is us.

**MR SSEMUIJU:** I do not want to do work that is not mine; teaching English. I am presenting a report to Parliament, therefore, I cannot say, “I, Parliament”. *(Laughter)* I am now before you to judge me. Can I continue, Madam Speaker? *(Laughter)*

**THE SPEAKER:** Can you wind up.

**MR SSEMUIJU:** This matter is serious. You need to understand it.

**THE SPEAKER:** Hon. Ssemujju, wind up.

**MR SSEMUIJU:** While Bujagali continued making abnormal profits, the tariff continued rising. There is even an ad-hoc committee report to this effect.

The ad-hoc committee found out that by 2021, Bujagali had benefitted from Shs 388 billion tax exemption. That is why you, Parliament, refused to extend the exemption. Hon. Musasizi is now daring you. He is checking both your memory and resolve.

Table – (*Hon. Musasizi rose*) – this is in the report, Hon. Musasizi. I will give you a copy. The table below is showing the income on which we are supposed to collect tax as of 2021. This is from the ad-hoc committee report. It was Shs 1.2 trillion and the tax we were supposed to have collected was Shs 388 billion, which we did not; every year we continue exempting.

The certificate of financial implication for the income tax claims that end-user electricity tariff will reduce from Shs 481.7 to Shs 459.8 per unit. This is not true, because currently, the tariff is at Shs 892. When you pay Shs 10,000, you get 11.20 units.

Babysitting Bujagali

The Auditor-General also raised serious issues about Bujagali business ethics, which Government must explain before asking for any further exemption. For example, Bujagali wrongly claimed \$114,114 as part of insurance, yet this obligation was supposed to be met by its supplier and not Government.

Although residence statuses for SGBHL and SNPINBV were confirmed for Mauritius and Netherlands respectively, validation of their status as beneficial owners of the dividends had not been processed. And although Government is a proud owner of shares in this company, it is receiving no dividends when profits are declared.

That is why the Auditor-General recommended negotiating with other shareholders in Bujagali with a view of Government acquiring shares that provide voting rights. It should be noted that Government does not participate in the appointment of Bujagali's directors nor does it have a representative on the board.

This minority report, therefore, recommends that before this extension is granted, a comprehensive cost-benefit analysis of the tax exemptions to determine the value for money is necessary. We need to assess the impact of the exemptions on electricity tariff, the financial viability of Bujagali project, and the overall economic benefits to the country.

We must also comply with the recommendations of our ad-hoc committee on Bujagali and the special audit report on the same regarding Bujagali Energy Ltd. in respect to renegotiating the terms in the public-private partnership.

Government must recover all excess payments made to Bujagali Energy Ltd. What follows is just the history. I do not have to go through this. Colleagues can read it to refresh themselves on where all this started from. Madam Speaker, thank you very much.

**THE SPEAKER:** Thank you, Hon. Ibrahim. Yes, Hon. Nathan Nandala Mafabi.

4.33

**MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko):** Thank you, Madam Speaker. I would like to thank Hon. Ssemujju and colleagues. Bujagali is a very touchy issue. I am just trying to add on a few issues so that you take care when you try to grant periods.

First of all, the amended income tax law of 2024/2025 is wrong because we had already passed a law. What would have been right was to remit tax or to waive the tax because income had already been earned and it was to - so, Attorney-General, that law is wrong. You may have to go back and come here to seek a waiver - (*Interjections*) - I just give free advice - (*Interjections*) - no, the one that you just amended in February, where you tabled it here and we passed it - the one that Madam Speaker said has been assented to. They went and changed it to make it different.

Madam Speaker, seven years is quite big. Hon. Musasizi, who is my younger brother, is trying to take advantage of the next election so that the new Parliament may not see this but we must be careful with what we are doing.

The true story is that this company has been exempted from tax from 2011 to 2024. They came here because that exemption had expired.

Number two, between 2006 to 2012, they charged interest of 15 per cent but never paid the withholding tax on it. This means that they have a tax to pay, and the ad-hoc committee at that time found that it was \$63 million.

The money they have taken illegally, Hon. Ssemujju has said that it is Shs 380 billion but as we speak, it is over \$800 million. We want to be clear about what is happening.

Everybody under the agreement will be running after maintenance costs, miscellaneous charges, operational costs, and a return on investment. Return on investment means that if you have invested your money, you get a return. Moreover, the return on investment in this project is 19 per cent.

Given that they have already got a return on investment, which is treated as an expense, there is no way you will now make a profit to be subjected to corporation tax.

In reality, this means that they are overcharging us so that they can have an excess to be termed as a profit, which again, they are saying should not be taxed, yet that would be the money to be remitted to the Consolidated Fund.

It means that if we gave you 10 million, when your expenses, including return, is 9 million, the balance of 1 million should be refunded to the Consolidated Fund. I am not aware who is in this.

Madam Speaker, this project changes investors every year. The reason it is a very lucrative business is that within one year, when one puts in their investment, they get it back with a huge return.

In fact, for your information, Total – this one which is now trying to work on energy – has also bought shares. By next year it will sell it at a profit.

This investment that changes shareholders every year and at a big margin, means that the people

of Uganda are being fleeced of their meagre resources, which could be used in another area.

The ad-hoc committee's report was very clear, and we would be very far if it was implemented. Recently, when we asked the International Finance Corporation (IFC) a question about this, the president of IFC said: "Oh, that one! Keep quiet; don't talk about it. It needs to be when we are behind doors." We asked: "What are the reasons?" He said: "Those are complicated things."

These are complicated things because there is some person here who is lying to the President of Uganda that if we do not do it, we are in trouble. I ask colleagues to read a book called *Confessions of an Economic Hit Man*. It is a very vital book. If you read it, you will see that there are economic hitmen in Uganda, both in our Government and outside it.

I propose that, given this, we should not allow Bujagali Energy Limited any exemption. We should only ask them to remit all the excess money they get to the Consolidated Fund. *(Applause)*

Number two is that the reports of both the Auditor-General and the ad-hoc committee, which was done recently, should be implemented. If we do it, it will go a long way to address this. Attorney-General, I am willing to escort you to the President to explain this, because I think that when you are there, you fear him.

Now, the legal issue here - *(Laughter)* - they say this agreement can be reviewed. There is a clause in this agreement which can be reviewed. Attorney-General, you, being a very intelligent guy, should advise the Government to review the agreement. Reviewing the agreement does not need seven years; it needs even one week. I know your brain. Given that, we have attached the report of what we discussed.

I request that, as a Parliament, we reject these seven years. If the Attorney-General wants, we can give him only one month.

**THE SPEAKER:** How much time?

**MR NANDALA-MAFABI:** We can give the Attorney-General one month to handle this matter.

**THE SPEAKER:** Would this not be a breach on our part? I want to know.

**MR NANDALA-MAFABI:** It will not because we would have reviewed it long ago. However, Madam Speaker, if you want to insist on the review, and the Attorney-General needs time, we can give him between six months and one year.

This Attorney-General helped a colleague to produce a Bill last night - (*Hon. Kiryowa Kiwanuka rose*) - For you, Hon. KK, to accept two paragraphs without reading them! (*Laughter*)

Madam speaker, I want to move that.

4.40

**MR JONATHAN ODUR (UPC, Erute County South, Lira):** Madam Speaker, I am in support of the report of the minority, but let me point out a few things, and I will read this, which I have extracted from the ad-hoc committee's report that we adopted.

"The haemorrhage and repatriation of resources from Uganda has been modernised through treaties and Memoranda of Understanding (MOUs)." I am modifying this to say "the haemorrhage and repatriation of resources is now being modernised through Parliament" –

**THE SPEAKER:** No, through agreements such as the one of Umeme, Bujagali dam project – those are the bad agreements.

**MR ODUR:** Yes, because Parliament has the power to deal with it. What is the basis of imposing income tax? It is that I have traded – (*Interjections*) - Yes, until you reach profit before tax, and then you impose. If I do not make a profit, am I liable to pay income tax, according to the laws of Uganda? No. So, all these exemptions and the years mean they have been making profit, and we have been gracious enough to be able to provide that.

We are struggling to raise resources, Madam Speaker - it is the right time to pay attention to this matter, and stick to what Parliament agreed.

Madam Speaker, if I may address you on this, there is what we call "pricking your own eye". You were in the Chair when these ad-Hoc committee's recommendations were adopted. It cannot be you, Madam Speaker, presiding over and throwing away the child that you produced in this ad-Hoc committee's report. That is the issue that I bring to your attention. We do not want to be a laughing stock, that people think Parliament is so forgetful that it does not recall what it has done.

These are the ridicules we suffer as Members of Parliament. Immediately we pass this, people start questioning: "Are they MPs? Did they go to school? Do they read?" This House must be consistent. We must follow the precedent that we have set.

All I am asking is, as cited in these recommendations, that Bujagali Energy Limited (BEL) should refund \$342 million in excess payment. Then, there is another one where the ministry for finance was supposed to account for \$2.83 million.

Last year, when we graciously, on your own plea, Madam Speaker - I was not able to read through the *Hansard*, but I vividly remember you told us: "Honourable members, these things are not cast in stone. We are not going away. Next year, we will be there." The year has come. You cannot go away from your own words, Madam Speaker. It is a ruling. It is a point of law.

**THE SPEAKER:** I am not the one voting, and I am not the one who brought the amendment. I am only chairing.

**MR ODUR:** Thank you. With that assurance, when the "nays" have it –

**THE SPEAKER:** Have they already voted? (*Laughter*)

**MR ODUR:** ...I hope that we shall stand by that. Lastly, Madam Speaker, sometimes it is difficult to sympathise with the Government on their proposals. We are all Ugandans in

the first place. However, the ministers and the Attorney-Generals have a duty to help.

A number of businesses suffer in Uganda from the inability to pay taxes, only to hear that we, parliamentarians, grant people who are already playing golf and flying private jets to go and enjoy from this, yet we have just passed more taxes here to touch on people. It does not make sense. *(Laughter)* It defeats logic. Schools are suffering – *(Interjection)* *(Member rose\_)*

**THE SPEAKER:** Let Hon. Odur finish.

**MR ODUR:** Madam Speaker, I am usually very courteous. If a Member wants to give me information, if there is time, I allow it because that is the essence of debate. Whether he wants to shoot my point or not, let him give that information.

**MR KANKUNDA:** Thank you. I appreciate Hon. Odur. We have just proposed that all companies that have invested or intend to invest by 1 July 2025 be exempted from income tax for three years. So, we cannot say that we are not helping Ugandans.

**MR ODUR:** Thank you. That is okay. I am talking of evidence. There are reports published by the ministry for finance, which show that Ugandan companies cannot go beyond five years. What is the issue? It is taxation – *(Interjections)* - Yes.

Madam Speaker, as representatives of the people, we should be sensitive to the Ugandans who are toiling day and night and who have been requesting to be exempted. They do not – *(Interjections)* - I do not want to go into the other details, but many people seated in this Parliament are business owners. We know what people are going through.

I invite your indulgence, Madam Speaker, to restore respect in this Parliament. Let us stand by the resolutions that we have made. Otherwise, we will be a laughingstock. You have just told us about how you are nearly – but I already regretted how we decided on the Rationalisation of Government Agencies and Public Expenditure (RAPEX). Please do not come here next year and tell us you made a mistake.

**THE SPEAKER:** You tell the minister.

**MR ODUR:** I want to point out to the minister what I would term “fraud”. When you make a tax Bill and then propose in the commencement that the Act shall be deemed to have come into force on 1 July 2024, which is retrospective legislation. It can only be done when the facts of the amount -

**THE CHAIRPERSON:** It is 2025.

**MR ODUR:** I think I missed something. I was looking at that. I am sorry if that went off. What I am saying is, lastly, this Parliament should do its work and allow any other Parliament that comes after us - we may be Members or not - to come and make this decision.

To say seven or eight years and something like that, I think, will be very disrespectful to the future Parliament. I invite that once we make a decision, either way, we be respectful of the Constitution and know that the mandate of the 12<sup>th</sup> Parliament should be respected. I thank you.

**THE CHAIRPERSON:** Yes, Hon. Karim?

**MR MASABA:** I have been given permission. Honourable minister, please take your seat. Thank you very much, Madam Chairperson. I have been part of this Bujagali thing together with my committee chairperson, Hon. Kateshumbwa. We have looked at this thing for the last four years, the same number of years we have been in Parliament, as part of the ad hoc committee.

If I recall correctly, the Attorney-General agreed with us in the committee. He said that whatever happened was because the country was in a crisis of electricity and the President wanted us to solve this problem because the country was facing a shortage of electricity.

That is why some of the things were done hurriedly. I do not know if you recall that, Attorney-General, but that was in one of the meetings captured in the report of the ad-hoc committee.

**MR KIRYOWA KIWANUKA:** This agreement was done in 2007.

**MR MASABA:** Attorney-General, what I am stating is that when you came before the committee, you did agree with us and said by the time the first agreement was signed, there was a crisis in the country. A renegotiation of this agreement was done. When you showed us the agreement, I think in 2022/2023, there was still a window where the Government had the powers to come and renegotiate again with these people, which I believe, Attorney-General, you agree with me on.

When you look at our ad-hoc committee report, we did recommend that the Government renegotiates with Bujagali and the Auditor-General should do an audit. When the minister was before the Floor of Parliament here, he requested for time for the Auditor-General to finish his work and then we review this matter once again.

The Auditor-General is done with that special audit report, and one of the recommendations is still to renegotiate this agreement, when you look at the special audit report.

Therefore, I do not know why the minister is now rushing to propose that the amendment covers up to 2032, instead of him coming to present before this Parliament what they have done to implement the report of the ad hoc committee and the report of the Auditor-General.

Therefore, my view is, because we do not want the electricity tariffs to go up, we need the minister to tell us, like Hon. Nandala-Mafabi suggested, one year or six months is good enough. Maybe, if you are requesting for a period of one year to implement all the recommendations that the ad hoc committee suggested and what the Auditor-General has recommended, that would be understandable.

We would know that the next Parliament, even if we are not here, will do work on our behalf and on behalf of the Ugandans, to see how best we can save taxpayers' money.

My view and the one we had raised was that the income of Bujagali Power Plant should be

exempted up to 30 June 2026. That is one year, which we believe the next Parliament will have work to do and look into to see how they can solve this problem.

**THE CHAIRPERSON:** Hon. Karim has a right to make suggestions. There is a procedural matter.

**MR MPUUGA:** Thank you. Madam Chairperson, you need to reign on the honourable minister because these are his proposals and Members are debating them. When he rises, it is an act of intimidation to the Members and he needs to calm down and listen to them -

**THE CHAIRPERSON:** Hon. Mathias, you wanted to respond to what was being raised.

**MR MPUUGA:** Let him be patient. The procedural matter I am raising is that, a House you presided over ordered for an inquest by an ad-hoc committee. I remember you wrote to me officially then as the Leader of the Opposition (LOP) and I seconded Hon. Karim and Hon. Muwanga-Kivumbi, who did a wonderful job.

Without an action-taken report before this House, are we not being taken for a ride in the park? The minister has returned here with a fresh proposal to revisit a matter on which the House made a very clear decision with no report on action taken.

Madam Chairperson, wouldn't you guide procedurally this House to ask of the minister to take leave of this matter, apologise and respect this House and we move to the next matter?

**THE CHAIRPERSON:** Hon. Attorney-General, tell us the impact.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, I just want to make one point clear -

**THE CHAIRPERSON:** Hon. Odur said we need to renegotiate.

**MR KIRYOWA KIWANUKA:** He is saying that we need to renegotiate but it takes two to negotiate. Parliament can say, go and renegotiate but if the other party is not renegotiating, there will be no renegotiation.

The discretion to give or not to give the tax waiver is really with Parliament and that one is perfectly fine. What I can only tell you is that I can only read the agreement that is before me and the calculation for the tariff is as follows; let me read it. I am just sharing information.

This is the computation in clause 4.1 of the computation of the capacity payment. The capacity payment for any month M shall be calculated as follows -

**THE CHAIRPERSON:** First, I need an answer on the implication of giving or not giving.

**MR KIRYOWA KIWANUKA:** That is what I am saying. The implication of not giving is that the Corporate Income Tax is just loaded back onto the tariff. When you are computing the tariff, you put in the repayment tariff debt, the interest on the tariff debt, the tariff equity repayment, the Corporate Income Tax and other tax components, the monthly O and M fees, the miscellaneous charges and then you get the tariff.

If the tariff is four and we do not give the tax waiver, all they have to do is add back that figure and put the tariff. It is that simple - *(Interjections)* - Honourable

Colleagues, let me finish. Please listen to me. My job is just to interpret the contract as I have it. What its eventual number will be is not mine. I do not know what the number will be. I do not know whether the tariff will go higher or lower, but what I know is that if we do not waive the tax, it will be added. The experts will tell you.

Madam Chairperson, the other issue that I wanted to - *(Interjection)* -

The tax is on profit and that is the point. Hon. Nandala-Mafabi, I have read the report of the ad-hoc committee and it said that the Government lost US \$348 million.

All we are waiting for is instructions to go and recover \$348 million through court or not. The other experts did not hold the same view. The issue that we need to calmly address our minds to, and like Hon. Masaba said, is that it was not a terribly good agreement, but it is what we have.

We have been agitating over it like Umeme that we have just finished. It, is what we have. That is the agreement we have before us - *(Interjections)* - let me finish. because for me - *(Interjections)* - what I am saying, honourable colleagues -

**THE SPEAKER:** Honourable members, let the Attorney-General conclude.

**MR KIRYOWA KIWANUKA:** What I am saying, honourable colleagues, is that - *(Interjections)* - Let me conclude -

**THE SPEAKER:** Let the Attorney-General - *(Hon. Ssemujju rose)* - Hon. Ssemujju, he is not the one chairing the House. Please, let him conclude.

**MR KIRYOWA KIWANUKA:** Honourable colleagues, what I am requesting us to do is to appreciate the consequences of our actions. If indeed colleagues in the House say that the tariff will be reduced, then it is perfectly fine. The Government can go on and try to renegotiate, but while this process is going on, the terms of the contract are clear.

**THE SPEAKER:** Hon. Karim and Hon. Jonathan have the same view that we give you a short time to go and renegotiate. That is where we stopped. Let me first hear from the minister, the owner. Hon. Nandala-Mafabi also had the same view.

4.58

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, whereas I appreciate what Hon. Karim is putting on the table, conditioning it on the term of this Parliament is something I do not agree with. Why?

In 2017, I was the Chairperson of the Committee on Finance, Planning and Economic Development. That was the first time this proposal was brought to the House. We gave an exemption of five years, which stretched to another term of Parliament. Madam Speaker - *(Interjection)* - yes.

Madam Speaker, this agreement expires in 2032 -

**THE SPEAKER:** The agreement expires in 2042; the loan is 2032.

**MR MUSASIZI:** Yes. We have been coming here every other time. We thought of asking for seven years to avoid a situation of coming here every year to ask for an extension. That is why I still pray that Parliament allows us the seven years –(Interruption)

**MS OPENDI:** Madam Speaker, the honourable minister who was the chairperson of the Finance Committee has rightly told us that in 2017 - I heard him clearly - they gave an exemption for five years. The minister knew that this agreement expires in 2032. As the chairperson of the committee then, why didn't you extend to 2032? You gave them five years; why?

Is it for the minister –?

**THE SPEAKER:** You give what you are asked. He did not have powers to suggest on his own. Hon. Sarah?

**MS OPENDI:** Can I conclude my point, Madam Speaker? This is a point of order to the minister. Is he in order now to tell us that we should extend to 2032, when at that time, he was the chairperson and knew about this agreement and its terms?

**THE SPEAKER:** What is the difference between now and 2032?

**MS OPENDI:** He was a chairperson then.

**THE SPEAKER:** I am asking what the difference is between now and 2032.

**MS OPENDI:** Madam Speaker, it is seven years away from now and the House is saying our term ends in 2026. Can we, since we have extended by one year previously –?

**THE SPEAKER:** Do you want to debate or are you asking for a point of order?

**MS OPENDI:** Is it in order for the former chairperson of the Committee on Finance, who is now the Minister of Finance, to come here and speak for Bujagali Hydro Power Project and ask

the House to extend for seven years, when at that time, he knew about the details of this contract and only gave them five years? Why didn't he propose beyond the five years?

**THE SPEAKER:** Actually, Hon. Sarah, it is you who is not in order because you do not have what to say and you just wanted to say whatever. There is nothing that has been added. Yes?

5.02

**MR MUHAMMAD NSEREKO (Independent, Kampala Central Division, Kampala City):**

Thank you, Madam Speaker. Before the minister comes in, the issue I would like him to address is that for every exemption we give, there is a gap or void that is created that must be filled as a burden by other taxpayers. Like we previously debated, we asked you to come back with a computation of the projection that we are meant to waive, so that we know.

Like Hon. Nandala-Mafabi has said, we have previously waived to the tune of about \$800 million. What is the projection of the waiver that we are going to give for the next seven years, so that you come out and boldly tell the country that our projection for the next seven years is to waive about \$1 billion? Let the people know that Hon. Musasizi, the Minister of Finance, went to Parliament and told Ugandans that we are going to waive \$1 billion of corporate income tax from Bujagali.

Therefore, I would like to agree with you that, first, you are not informed about the figures. Because you are not informed about the figures, you cannot come to us with clean hands and tell us to commit Ugandans, through a waiver, for the next seven years. That is what I said in 2017 and that is what I am saying now because we have reaped nothing.

As a result, Hon. Nandala-Mafabi –

**THE SPEAKER:** Can we conclude on this issue?

**MR MUHAMMAD NSEREKO:** As a result, the ad hoc committee came up with a report to show that you have given Ugandans air. They have lost over \$345 million. The reason is that you move us blindly, and we shall not accept a

waiver of multinational income tax for seven years beyond our mandate and our term of office. If it was done before, it was – (*Member timed out.*)

**THE SPEAKER:** Honourable members, we are trading on blame. A mistake was made; it is there and we will live with it. Let us now agree how much time –

**MR MUHAMMAD NSEREKO:** But should we sanitise the mistake?

**THE SPEAKER:** You sanitised Umeme. Why don't you buy out? I only want a suggestion on a balance.

5.05

**MR FELIX OKOT-GONG (NRM, Dokolo South County, Dokolo):** Madam Speaker, Umeme Uganda Limited has been a thorn in our flesh for so long. The President has always complained that this was a very bad deal. For 250 megawatts, the project cost was over \$900 million, close to a billion. In addition to that, we have been giving them waivers for all these years, coming to over \$600 million.

Madam Speaker, the cost of our tariff is caused by this bad project of Bujagali, and because of that, it contributes to 40 per cent of the tariff costs. As Ugandans, we need to decide whether we clear this thing at once and forget about it or continue suffering.

When you come to the tariffs for investors, the industries cannot manage; we cannot manage. When we tell them that we increase – (*Hon. Omara rose*)

**THE SPEAKER:** Hon. Paul, when an elder is speaking, you sit down.

**MR OKOT-OGONG:** We object to this waiver. I know Ugandans are not mindful of the cost. They are going to add the corporation tax, then the tariff will be too high, and our industries will not manage, and we cannot manage. The President has always quarrelled with those who negotiated –

**THE SPEAKER:** What is your suggestion?

**MR OKOT-OGONG:** My suggestion is that, giving it seven years, we are overstepping. Let us go incrementally as we weigh. Let us give them one year as they negotiate. I believe that the ministry of finance will negotiate because we might give them our recommendation, and they will sit on it. We give them one year because we do not want our people to suffer.

**THE SPEAKER:** Hon. Aogon?

5.05

**MR SILAS AOGON (Independent, Kumi Municipality, Kumi):** Madam Speaker, at least I was part of this House at the time when we had all these debates - there were many questions. One of them was, "When we give you the waivers, will we be able to see the reduction in the tariff?" For that reason, we need time to go through all these calculations and submissions.

My submission is, let us give two years – (*Interjection*) - because those will give us the opportunity to look through. (*Interjection*) Yes, two years, that will give us - because right now we are going for elections - Madam Speaker, I was still speaking. I want to justify my statement. Number one, right now, people are running to the –

5.08

**MR NANDALA-MAFABI (FDC, Budadiri County West, Sironko):** Madam Speaker, I want to make a few corrections, and I am happy my chairperson, Hon. Amos, and Hon. Kateshumbwa know it. Those who know that a profit is; you get income minus expenses, and if the expenses are less than the income, you make a profit. It is the profit that is subject to income tax. In the case of Bujagali, the expenses are the following; miscellaneous charges, which my Attorney-General mentioned, operation and maintenance (OM), interest on loans borrowed, and that is a debt. The third issue, which would have been after making a profit, then you make a return, has also been expensed, is a return on investment at 19 per cent. We can also treat it as interest, which is an expense under miscellaneous charges.

Colleagues, if you have agreed that the return on investment is an expense, then there will be

nowhere to make a profit because everybody has been covered.

If we get zero, multiplied by 30 per cent, it means it will be zero. This formula was done to make us worried, but in reality, there is no cause for worry. The people who are remitting the money to the generation are remitting too much money. They should remit money equal to paying those costs –

**THE SPEAKER:** Hon. Nathan, can we –

**MR NANDALA-MAFABI:** That is what I am coming to, Madam Speaker. Therefore, that is paying a cost and because of that, honourable colleagues, we need to understand it in that context. I want to plead with the Government that it is time you review the agreement. I think the agreement, when we are reviewing, does not need a lot of time because we passed the law when we made the ad hoc committee in 2022, and by now it should have been reviewed.

The second issue is about our refund. The Attorney-General is saying the refund cannot be done. We do not have evidence that you have failed to collect the money we told you to collect, because we have a lot of debt collectors.

**THE SPEAKER:** Hon. Nathan, can you conclude? I have about five laws to complete.

**MR NANDALA-MAFABI:** Five clauses.

**THE SPEAKER:** Five Bills.

**MR NANDALA-MAFABI:** We must get a middle point –

**THE SPEAKER:** Including political parties.

**MR NANDALA-MAFABI:** Political parties - (*Laughter*) - Colleagues, I am one of those who have been on zero, but I want to say for purposes of harmony to move, we want to move an amendment, seven years is out of question. It should have been less than six months, but for the purpose of us to move forward, let us allow

you one year to resolve these problems for the good of the country.

**THE SPEAKER:** Hon. Kateshumbwa?

5.12

**MR DICKSONS KATESHUMBWA (NRM, Sheema Municipality, Sheema):** Madam Speaker, there is no doubt that if we did not have Bujagali in our energy mix, the tariffs would be very low. The reason we have high tariffs is because we have Bujagali in our energy mix due to the bad agreement we entered into with a lot of commitments. The only way out is for the Government to look at the loan because the loan, resulting in a return on investment of 19 per cent is what is making the capacity payments very high. For us to commit a longer period, I think we should – (*Hon. Ssemujju rose*) allow me to finish my point. I was the chairperson of the ad hoc committee. (*Interruption*) The information, we have.

Madam Speaker, rather than us committing a longer period, yet it can give us a room as a Government to have resources to settle the loan and reduce these payments, we can allow one year, and then the ministry can come back here on the actions they are willing to take, so that we keep moving forward.

**THE SPEAKER:** Minister?

**MR MUSASIZI:** Madam Speaker, I wish to plead with the House to allow me three years.

**THE SPEAKER:** Honourable Members, there is always a solution from the Leader of the Opposition (LOP). Maybe he wants to lobby a middle ground for two years.

5.14

**THE LEADER OF THE OPPOSITION (Mr Joel Ssenyonyi):** Madam Speaker, I think that the Government and the Attorney-General need to help us here to come clean because, here, you are mentioning that the power purchase agreement between the Government and the Bujagali Hydropower Project, which was to run up to 2032, you are saying that Government committed to waive income tax. That is what is

in the report of the committee – *(Interjection)*- let me get it for you here. We want to be helped. How do we get a copy of that power purchase agreement so that we can be certain of some of these things? That is number one, but number two – *(Interruption)* – No; in the library, it is not there. Attorney-General, I request that you share it with me right now since you have it.

Secondly, I am not an accountant; I am a lawyer and a few other things, but you see, even for basic accounting, when you say that once there is no waiver, the tariff will go up, yet the tariff is already factored into the cost of production. Here, we are targeting profit because profit is exclusive to the cost of production. It is not true when we say that once you remove the waiver, once there is no waiver, then the tariff will go higher because the tariff is determined by the cost of production.

You have already taken care of your production cost. The profit that we are interested in is after you have dealt with the cost of production entirely.

Therefore, I think it is blackmail, Madam Speaker, when we are told that once we do not have a waiver, the tariff will go higher. How does it make accounting sense for those of us who are not accountants?

We want to tax the profit, but you are saying, “Leave the profit alone. Once you touch it, the cost of production will go higher and the tariff”, but the cost of production is taken care of already. That means the tariff remains as is.

For those of us who are not accountants, let us not be confused – *(Hon. Omara rose\_)* - there is some information from a senior accountant.

**THE SPEAKER:** Honourable members, I put the question that “The Income Tax (Amendment) Bill, 2025” be read for the second time.

*(Question put and agreed to.)*

## BILLS COMMITTEE STAGE

### THE INCOME TAX (AMENDMENT) (NO.2) BILL, 2025

#### Clause 1

**THE CHAIRPERSON:** I put the question that clause 1 stands as part of the Bill.

*(Question put and agreed to.)*

#### Clause 2

**THE CHAIRPERSON:** Committee chairperson-

5.18

**THE CHAIRPERSON OF THE COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda):**

Madam Chairperson, clause 2 is amended in paragraph (b) by substituting for proposed paragraph (za)(i), the following,

*“(i) registered business with invested capital not exceeding Shs 500 million.”*

#### Justification

For clarity, it should be a registered business, which has invested capital not exceeding Shs 500 million, other than a business registered with an investment capital not exceeding Shs 500 million. I beg to submit.

**MR NANDALA-MAFABI:** Madam Chairperson, investment capital is both your own money and borrowed money. The only money you can register is your share capital. The other one may be in form of debentures or loans. It is incumbent upon the person who is saying, “I have a share capital of Shs 20 million, but I have borrowed another Shs 480 million to make Shs 500 million.

This can be got in the balance sheet and returns. It is upon you to say that on day one, you must have an investment of Shs 500 million to register a company. That will be wrong and not be forthcoming to do the investment.

**THE CHAIRPERSON:** What is the amendment?

**MR NANDALA-MAFABI:** The fact is that, if I have my registered business with a share capital and I either borrowed or whatever money I get to the tune, which is less than Shs 500 million, I should be given the grace period, other than saying that I should register it.

To show you that I have registered it, I should go to Uganda Registration Services Bureau (URSB) and say I have a business with share capital Shs 500 million. I pay stamp duty on that. What I am saying is that investment money is both your money and borrowed money.

**THE CHAIRPERSON:** Thank you.

**MR MUSASIZI:** Madam Chairperson, what Hon. Nandala-Mafabi and the committee chairperson are saying and what we proposed leads us to the same thing. When we say “a registered business, which has invested capital not exceeding...” means – (*Hon. Nandala-Mafabi rose*)

**THE CHAIRPERSON:** Is it the same?

**MR MUSASIZI:** Yes. I want to persuade him to support me.

**MR NANDALA-MAFABI:** Madam Chairperson, that is why I was saying that you do not need to amend this, “Business registered with an investment capital not exceeding...”

**THE CHAIRPERSON:** What you are talking about is “invested.” This is “investment capital” that may include both equity and loans.

**MR NANDALA-MAFABI:** In short, I agree with your statement, not the amendments, which are coming.

**THE CHAIRPERSON:** It stays as it is.

**MR MASABA:** Madam Chairperson, I think we are on the same page –

**THE CHAIRPERSON:** Hon. Nathan is saying that we maintain it as it is. There is no amendment.

**MR MUSASIZI:** Madam Chairperson, the amendment was for clarity. Therefore, since it is clear, we maintain it as it is. I have no problem.

**THE CHAIRPERSON:** Yes, it stands as part of the Bill.

**MR MUSASIZI:** The committee had thought that our proposal was not clear –

**THE CHAIRPERSON:** No, they changed the meaning.

**MR MUSASIZI:** Since the House thinks it is clear, so we stay it as it is.

**MR MASABA:** Honourable minister, before you proceed, we are losing the point. What the committee wanted to cure was that of a business that is registered, not capital at registration. When you look at the law as it is, it talks about –

**THE CHAIRPERSON:** A business is registered with an investment capital.

**MR MASABA:** Yes, so we changed it to a registered business with investment capital, which is okay. I think we need to go with the amendment for clarity of the committee.

**THE CHAIRPERSON:** So, that stands as part of the Bill.

**MR SSEMUJJU:** My proposal, Madam Chairperson, is to delete Section 21(1)(ab) on the income of Bujagali Hydropower Project up to 30 June 2032.

**THE CHAIRPERSON:** Not deleting. You replace 32 with the year that you are putting.

**MR SSEMUJJU:** No, I am making my proposal. If the Chairperson is also making a proposal –

**THE CHAIRPERSON:** Okay.

**MR AOGON:** Madam Chairperson, the popular opinion of the House is that by 30 June 2026, the waiver stops. It is one year. Let us substitute it.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 2 be amended as proposed.

*(Question put and agreed to.)*

*Clause 2, as amended, agreed to.*

**MR NANDALA-MAFABI:** So, what have we done? There are two amendments. Have we taken the last one of 2026?

**THE CHAIRPERSON:** The last one. That was a deletion. The other one was an amendment of one year.

**MR NANDALA-MAFABI:** Okay.

Clause 3

**THE CHAIRPERSON:** I put the question that clause 3 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 4, agreed to.*

*Clause 5, agreed to.*

*Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

5.24

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Chairperson, I beg to move a motion that the House resumes and the Committee of the whole House reports thereto.

**THE CHAIRPERSON:** I put the question that the House resumes and the Committee of the whole House reports thereto.

*(Question put and agreed to.)*

*(The House resumed, the Speaker presiding.)*

REPORT FROM THE COMMITTEE OF  
THE WHOLE HOUSE

5.25

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg

to report that the Committee of the whole House has considered the Bill entitled, "The Income Tax (Amendment)(No.2) Bill, 2025" and passed it with amendments.

MOTION FOR ADOPTION OF THE  
REPORT OF THE COMMITTEE OF THE  
WHOLE HOUSE

5.25

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move a motion that the report from the Committee of the whole House be adopted.

**THE CHAIRPERSON:** I put the question that the report of the Committee of the whole House be adopted by this House.

*(Question put and agreed to.)*

*Report adopted.*

BILLS  
THIRD READING

THE INCOME TAX (AMENDMENT)(NO.2)  
BILL, 2025

5.26

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that "The Income Tax (Amendment) (No.2) Bill, 2025" be read for the third time and do pass.

**THE SPEAKER:** I put the question that "The Income Tax (Amendment) (No. 2) Bill, 2025" be read the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT TITLED, "THE  
INCOME TAX (AMENDMENT) (NO.2)  
ACT, 2025"

**THE CHAIRPERSON:** The title is settled and the Bill passed. *(Applause)*

3) THE EXTERNAL TRADE  
(AMENDMENT) BILL, 2025.

5.27

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move a motion that the Bill entitled “The External Trade (Amendment) Bill, 2025” be read for the second time.

**THE SPEAKER:** Seconded? (*Members rose*)  
It is seconded by Hon. Amos, Hon. Alanyo, Hon. Nekesa, Hon. Esenu, Hon. Ezama, minister for Karamoja Affairs, Hon. Omara, Hon. Silas, Hon. Sarah, Hon. Ibanda, Hon. Panadol, Hon. Goli, Dr Ayume, Hon. Katesh, Member for Alebtong, Hon. Sam, Member for Koboko and Hon. Pamela.

Thank you. Speak to your motion.

**MR MUSASIZI:** Madam Speaker, the object of this Bill is to impose an infrastructure levy on imports which are for home use, to provide for import declaration fees on imports for home use, and to impose an export levy on wheat bran, cotton cake and maize bran.

I also wish to report to you that this has been one of the contentious Bills, where we needed harmonisation, and our meeting was very fruitful. We have already harmonised the two sides. I hope that we shall quickly run through this process.

**THE SPEAKER:** Hon. Nathan, can you give us the harmonisation?

5.29

**MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko):** Madam Speaker, before the committee chairperson comes in, it is true that one of the contentious Bills was this, and what we discovered is that sometimes we have to be careful. For example, we have been paying an infrastructure levy of 1.5 per cent on all the goods that were coming in, but we have been using a legal notice from the East African community. So, what has happened is that instead of the legal notice, we are putting it in the law, but it has been applicable. I want everybody to know that.

The second one is about import declaration. In East Africa, they have sat down – and I am told the lowest rate is 0.6 per cent and the other is two per cent. However, in Burundi and Rwanda, they charge in kilogrammes. For every kilogramme, you pay \$5. We were told that, next week, there will be harmonisation in the Council of Ministers, and Uganda is going with a position which they believe that if they table, it will be accepted by everybody.

The middle point, which Uganda is going with, which we want to put here, is one per cent. So, given that there is 0.6 per cent and two per cent – given the \$5 per kilogramme, which is two per cent; if you took potatoes or gold, a kilogramme would be \$5. They are not looking for the value, but weight. We are saying it should be a percentage of the value.

Therefore, given that they want one per cent, we agreed that as Uganda, we take one per cent. Those were the two contentious issues, but we have resolved them.

**THE SPEAKER:** Thank you very much. Hansard, capture the report from the committee; Hon. Nathan has explained it all.

5.31

**MR IBRAHIM SSEMUJJU (FDC, Kira Municipality, Wakiso):** Thank you, Madam Speaker. First of all, this Bill had not been presented. I actually do not know how the harmonisation happened on a Bill before it is presented, but I will go ahead and read the minority report.

So, this harmonisation happened -

**THE SPEAKER:** This Bill was tabled in the House. How did you come up with a minority report?

**MR SSEMUJJU:** Yesterday, when we were handling the Tax Procedures Code (Amendment) Bill, we had a disagreement and you advised us to go and harmonise. However, this particular one was not presented yesterday. So, I wanted that to be captured on the record.

**THE SPEAKER:** So, what are you talking about?

**MR SSEMUJJU:** I am not aware that there was even harmonisation on this. That is the point I am making. If it happened – can I present –

**THE SPEAKER:** There was harmonisation in the committee.

**MR SSEMUJJU:** Which committee?

**MR NANDALA-MAFABI:** Madam Speaker, let me make it clear. Yesterday, when you sent us off, you said that “for all those with minority reports, we have a meeting tomorrow to harmonise before we come”. That is what we agreed. When we were leaving, the chairperson called upon everybody who had a minority report to come. The Attorney-General also came.

The reason we went there was as per the directive you gave yesterday. If we overstepped, we are sorry. However, in that meeting, on our side –

**THE SPEAKER:** No, it was a proper way. That was good management by the committee chairperson.

**MR NANDALA-MAFABI:** We had my brother, Hon. Karim.

**MR SSEMUJJU:** Madam Speaker, let me ease the work. With or without harmonisation, I am going to be very brief. I have two areas of disagreement and one is on studies and policy, which I presented in an earlier report, so, I do not have to repeat it. Our disagreement is on the - let me read it the way it is.

Bill will raise commodity prices  
The Bill proposes a 1.5 per cent infrastructure levy on goods being imported into the country. This levy is payable by the importer at the point of entry.

The Bill further introduces a one per cent declaration fee on all goods being imported into the country. In effect, this Bill introduces two new taxes on imported goods.

What this means is that when you import, say, a shirt or pair of jeans, you will be required to pay 2.5 per cent of the value of that shirt or pair of

jeans, as declared by Uganda Revenue Authority at the point of entry.

The authority is already collecting from these same items Value Added Tax (VAT). A typical businessman or woman, therefore, pays corporate tax, VAT, excise, PAYE, withholding, stamp duty, etc. These multiple taxes are the reason businesses are collapsing.

By approving this proposal, you are legislating your people out of work. Already, businesses are closing because of too many taxes and fees from local authorities, and here you are being asked to introduce extra taxes and, of course, all these taxes are going to be passed over to the consumers. Moreover, this Government recognises the inability by the population to pay all these multiple and high taxes, the reason it is waiving penalty and interest on principal tax not paid in the Tax Procedures Code (Amendment) Bill. You are waiving penalty and interest to enable people to pay on one hand, but on the other hand, you are heaping them with new taxes.

The justification for the new taxes is that we need to raise Shs 79 billion, which is part of the Shs 765 billion required to counter-fund the construction of the Standard Gauge Railway. The railway will cost us Shs 10.8 trillion, which as usual we will borrow. This money can be realised by reallocation in the budget. You have allocated Shs 2.96 billion in the budget for workshops and seminars. Why don't you just chop Shs 79 billion for the Standard Gauge Railway instead of imposing a new tax?

You know Uganda is a net importer of goods and services, so if the strategy is to protect industries, it will also backfire because the population is poor. We ask the NRM government to be merciful before it proposes extra taxes. I will leave the one on the studies because I have covered it in an earlier report, Madam Speaker.

**THE SPEAKER:** Thank you. Yes, Hon. Elijah?

**MR OKUPA:** I just need some clarification. After having listened to Hon. Musasizi and Hon. Nathan about the Infrastructure Development Levy that the Government or the Ministry of

Finance, Planning and Economic Development has been using a legal notice, but now we would like to formally put it into law. Hasn't that been illegal because it is only Parliament that imposes a tax, because if it were legal, then there was no need to bring in this amendment?

**THE SPEAKER:** It was not illegal.

**MR OKUPA:** Yeah, I am asking for clarification because if it was genuine, then there was no need to bring it here. If they have been doing it, why bring it now? I need that clarification from Hon. Nandala-Mafabi.

**THE SPEAKER:** The committee chairperson is clarifying.

**MR SSEMUJJU:** Before the committee chairperson comes in, Madam Speaker, I think we need to read these proposals together with the Certificate of Financial Implications. The minister says he wants to raise Shs 79 billion from this proposal of the Infrastructure Development Levy to fund the Standard Gauge Railway. That means he has not been collecting because if he was collecting, then the Certificate of Financial Implications is a lie –

**THE SPEAKER:** He has been collecting. You cannot get a figure before you know what you have been collecting.

**MR SSEMUJJU:** Then you cannot say you are going to raise the money to fund the Standard Gauge Railway, which money you have been raising already.

**THE SPEAKER:** Maybe you are improving.

**MR KANKUNDA:** Madam Speaker, I just want to clarify that the mention of the Standard Gauge Railway could have come, but this money is not meant for the Standard Gauge Railway -

**THE SPEAKER:** Specifically.

**MR KANKUNDA:** It is just infrastructure. It was just in a discussion; it is not even in the law; it is not written in the Bill – *(Interjections)*  
– Bring the Bill – *(Hon. Ssemujju rose)*

**THE SPEAKER:** Hon. Ssemujju, have respect for your colleagues. Why are you standing when somebody is speaking?

**MR KANKUNDA:** Madam Speaker, the raising of the revenue because of the Bill does not only refer to the Infrastructure Development Levy. There are also the import declaration fees. We also see a fee put after the ban on imposing an export levy on wheat bran, cotton, cake, so it is not necessarily out of the Infrastructure Development Levy, but rather on the other items that are the object of the Bill. I needed to clarify that.

**THE SPEAKER:** Hon. Kateshumbwa?

**MR KATESHUMBWA:** Madam Speaker, I just want to give information. First, the Infrastructure Development Levy was introduced some time back in 2014, and it has roots in the East African Community Customs Management Act. What the Government is doing is to formally domesticate it here, which should be done with other amendments that take place during the pre-budget in Arusha. We should task the minister to always do that.

Secondly, the fear of the increasing cost; the amendments as have been presented have carefully taken care of the exclusions under the Exemption Schedule in the East African Community Customs Management Act. Therefore, what we should be demanding of the Government, if we are saying Shs 1.5 is for supporting the infrastructural development, then the question should be, what projects are underway?

We need the railway. Someone talks about the Standard Gauge Railway. We needed it yesterday. If the ministry has identified this as a resource for that, we should be able to support the Government in achieving that purpose. The infrastructure is assisting all the imports that come through in this country and the exports.

However, in taking care that it does not increase the cost of production and manufacturing, all those exclusions have been provided because they are closely related to the schedule under the Act that provides for those exclusions - the Fifth Schedule.

**MR NANDALA-MAFABI:** Madam Speaker, I want to give an answer to Hon. Elijah. Well, I have also been paying when I import the Infrastructure Development Levy. I did not understand it, and I tried to look around. It was only today that I saw a notice. I think, of course, why they are coming to domesticate is that they discovered that if somebody went ahead, they could really - Hon. Elijah has a point, and Attorney-General, you must be careful.

Why wasn't it originally in our laws, given the fact that it is in the East African Community Customs Management Act? That is the first.

Secondly, the other question that is very important for us, is that we have been collecting it for a long time. To which account has it been going? Where is it? It is purposely for infrastructure. You must also show us, I think that is where my younger brother, Hon. Musasizi, the Minister of State for Finance, Planning and Economic Development, must show us where the other illegally collected Infrastructure Development Levy is.

**THE SPEAKER:** Not illegally. *(Laughter)*

**MR NANDALA-MAFABI:** Okay, because it was not domesticated. Hon. Elijah has raised a very good point, because he knows. Where has it been deposited? Have you made a mistake already, or what? Why I am saying they are making it a law now is that they want to make it look as part and parcel of the entire budget.

**THE SPEAKER:** Domesticate.

**MR KATESHUMBWA:** Hon. Nandala, it goes into the Consolidated Fund.

**MR NANDALA-MAFABI:** That is what I am saying; it is not going to the Consolidated Fund now. Otherwise, when it is infrastructure under normal circumstances, if you put it purposely for infrastructure, there would be another special consolidated account called "Infrastructure", where all collections would go, like the Road Fund, and the Petroleum Fund. That is how it should have been.

Now, the Attorney-General and the minister should tell us what plan they have so that you can separate it. I would agree if you are saying, Standard Gauge Railway. Have you created an account specifically for the Infrastructure Development Levy?

**THE SPEAKER:** Honourable members, I put the question that the External Trade (Amendment) Bill, 2025, be read the second time.

*(Question put and agreed to.)*

## BILLS COMMITTEE STAGE

### THE EXTERNAL TRADE (AMENDMENT) BILL, 2025

#### Clause 1

**THE CHAIRPERSON:** I put the question that clause 1 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 1, agreed to.*

#### New clause

**THE CHAIRPERSON:** New clause.

#### 5.44

### **THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda):**

Madam Chairperson, the new clause we are proposing to insert is for clarity. The Bill is amended by inserting immediately after clause 1 the following:

"Amendment of the External Trade Act

The External Trade Act, in this Act referred to as the principal Act, is amended in section 1 by inserting the definition of the word "home use" immediately after the definition of the word "goods" as follows:

"Home use" means goods imported into a customs territory for free circulation and do not include goods for re-export and goods in transit."

The justification is to provide a definition for the word “home use” which is used in the proposed sections 3A and 3B in the Bill. I beg to submit.

**THE CHAIRPERSON:** Hon. Nathan? Did you harmonise?

**MR NANDALA-MAFABI:** On home use, we have to be careful. There is home use in the market for trading. Is it universal? What about the personal profit? *(Laughter)*

**THE CHAIRPERSON:** I put the question that the proposed new clause stands part of the Bill.

*(Question put and agreed to.)*

*New clause, agreed to.*

*Clause 2, agreed to.*

*Clause 3, agreed to.*

*Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

**THE CHAIRPERSON:** The people of Kira are watching. *(Laughter)*

5.46

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Chairperson, I beg to move that the House do resume and the Committee of the whole House reports thereto.

**THE SPEAKER:** I put the question that the House resumes and the Committee of the whole House reports thereto.

*(Question put and agreed to.)*

*(The House resumed, the Speaker presiding.)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

**THE SPEAKER:** Honourable minister?

5.47

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to report that the Committee of the Whole House has considered the Bill entitled, “The External Trade (Amendment) Bill, 2025” and passed it with amendments.

MOTION FOR THE ADOPTION OF THE REPORT OF THE COMMITTEE OF THE WHOLE HOUSE

5.47

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move the motion that the report from the Committee of the whole House be adopted.

**THE SPEAKER:** Thank you. I put the question that the report of the Committee of the whole House be adopted by this House.

*(Question put and agreed to.)*

*Report adopted.*

BILLS  
THIRD READING

THE EXTERNAL TRADE (AMENDMENT) BILL, 2025

**THE SPEAKER:** Honourable minister?

5.48

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the Bill entitled, “The External Trade (Amendment) Bill, 2025” be read for the third time and do pass.

**THE SPEAKER:** I put the question that “The External Trade (Amendment) Bill, 2025” be read the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE EXTERNAL TRADE (AMENDMENT) ACT, 2025”

**THE SPEAKER:** Title settled and the Bill passed.

## BILLS SECOND READING

THE STAMP DUTY (AMENDMENT) BILL,  
2025

**THE SPEAKER:** Honourable minister?

5.49

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that “The Stamp Duty (Amendment) Bill, 2025” be read for the second time.

**THE SPEAKER:** Is the motion seconded? *(Members rose)* Seconded by Hon. Melissa, Hon. Jennifer, Hon. Esenu, Hon. Margaret, Hon. Karim, Hon. Silas, Hon. Nebanda, Hon. Acuti, Hon. Santa, by this whole side. Speak to your motion.

**MR MUSASIZI:** Madam Speaker, the Bill seeks to amend Schedule 2 of the Stamp Duty Act to provide for nil duty for agreements or memoranda of an agreement and a mortgage deed.

**THE SPEAKER:** Thank you. Committee chairperson? A brief one and we capture your whole report.

5.50

**THE CHAIRPERSON OF THE COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda):** Thank you, Madam Speaker. I beg to lay the committee’s original report. And as said by the

honourable minister, the object of the Bill looks at two areas. To provide for nil duty for agreements or memorandum of an agreement and provide for nil duty for a mortgage deed or mortgage of a crop.

On the matter of nil duty for agreement and memorandum on an agreement, the committee observed that the removal of the Shs 15,000 stamp duty shall ease registration of agreements and memoranda.

The committee recommends that Shs 15,000 stamp duty on agreements or memorandum of agreement should attract nil duty as proposed by the Bill.

Object number two, nil stamp duty for mortgage deeds and mortgage on crop. The committee observes that the credit-related instruments attracting stamp duty; this duty increases the cost of credit and reduces private sector borrowing, which is vital for economic growth.

To address this, Government proposes a nil duty on mortgage deeds and mortgage of a crop in order to support access to affordable credit and promote business growth.

The committee recommends that the 0.5 per cent stamp duty on mortgage deeds and the Shs 15,000 on mortgage of a crop should attract nil stamp duty as proposed in the Bill.

We conclude by saying that the committee recommends that “The Stamp Duty (Amendment) Bill, 2025” be passed without amendments.

I beg to submit.

**THE SPEAKER:** Thank you. Motion?

5.52

**MS SANTA ALUM (UPC, Woman Representative, Oyam):** Thank you, Madam Speaker. This is a very interesting Bill trying to reduce the burden on businesses. I, therefore, move that the question be put and we go to the Committee Stage. I beg to move.

**THE SPEAKER:** Thank you. Is the motion seconded? (*Members rose*) Seconded by Hon. Silas, Hon. Melissa, Hon. David, Hon. Jennifer, Hon. Ezama, Hon. Omara, the business person Hon. Okot and even Hon. Ssemujju.

I put the question that The Stamp Duty (Amendment) Bill, 2025 be read a second time.

*(Question put and agreed to.)*

BILLS  
COMMITTEE STAGE

THE STAMP DUTY (AMENDMENT) BILL,  
2025

Clause 1

**THE CHAIRPERSON:** I put the question that clause 1 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 1, agreed to.*

**MR NANDALA-MAFABI:** I want to seek advice from the Attorney-General and the Minister of Finance, Planning and Economic Development. The reason why this came was that if I gave an employee an appointment letter, I was to register it and pay stamp duty. Now, can we read this one, number (a) Agreement or memorandum of an agreement? You are saying nil. Is it also going to deal with staff appointment letters? This is because URA was taxing, saying if you give anybody an appointment letter, whether clean or not, you must pay stamp duty. Does it address it? Confirm on this so that we –

**MR KIRYOWA KIWANUKA:** Yes, Madam Chairperson. The issue was to remove the duty on any of that registrable memorandum. So, if you agree, you can keep it. Before, you were required to pay duty on it. But now you can have your agreement without duty.

**THE CHAIRPERSON:** I put the question that clause 2 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 2, agreed to.*

*Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

5.54

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Chairperson, I beg to move the motion that the House do resume and the Committee of the whole House reports thereto.

**THE CHAIRPERSON:** I put the question that the House resumes and the Committee of the whole House reports thereto.

*(Question put and agreed to.)*

*(The House resumed, the Speaker presiding.)*

REPORT FROM THE COMMITTEE OF  
THE WHOLE HOUSE

**THE SPEAKER:** Honourable minister?

5.54

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled “The Stamp Duty (Amendment) Bill, 2025” and passed it without amendments.

MOTION FOR ADOPTION OF THE  
REPORT OF THE COMMITTEE OF THE  
WHOLE HOUSE.

5.55

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker I move a motion that the report from the Committee of the Whole House be adopted.

**THE SPEAKER:** I put the question that the report of the Committee of the Whole House be adopted by this House.

*(Question put and agreed to.)*

*Report adopted.*

BILLS  
THIRD READING

THE STAMP DUTY (AMENDMENT) BILL,  
2025

5.56

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the Bill entitled, “The Stamp Duty (Amendment) Bill, 2025” be read for the third time and do pass.

**THE SPEAKER:** I put the question that the “The Stamp Duty (Amendment) Bill, 2025” be read a third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE  
STAMP DUTY (AMENDMENT) BILL,  
2025”

**THE SPEAKER:** Title settled and the Bill passed.

BILLS  
SECOND READING

THE HIDES AND SKINS (EXPORT DUTY)  
(AMENDMENT) BILL, 2025

5.57

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move a motion that “The Hides and Skins (Export Duty) (Amendment) Bill, 2025” be read for the second time.

**THE SPEAKER:** Is it seconded? - *(Members rose)*

It is seconded by Hon. Pamela, Hon. Baka, Hon. Melissa, Hon. Betty, Hon. Ezama, Hon. Samuel, Hon. Samuel, Hon. Samuel, UPDF MP, Col. Nekesa, Hon. Alanyo, Hon. Silas Aogon, Hon. Santa Alum, Hon. Sarah, Hon. Ibanda, *Panadol*, Hon. Margaret, the Chairperson, MP from Alebtong, Hon. Goli, Hon. Okot, Hon. Esenu, Hon. Musa, Hon. Jennifer, Bunyole MP is also here, MP from Karamoja is also here, and Hon. Moses.

Speak to the motion.

**MR MUSASIZI:** Madam Speaker, this Bill seeks to amend the Hides and Skins (Export Duty) Act Cap. 337, to repeal Schedule 2 of the Act, and for other related matters. It is as simple as that.

5.59

**THE CHAIRPERSON OF THE COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda):** Madam Speaker, this Bill was brought to the committee, and I hereby submit the original report and lay it on the Table.

Madam Speaker, the object of the Bill is to amend the Hides and Skins (Export Duty) Act, Cap. 337, to repeal Section 2(3), Section 4(2) and Schedule 2 of the Act, thus removing all exemptions from the hides and skins export levy.

Madam Speaker, imposition of a levy on raw and semi-processed hides and skins

Clause 2 of the Bill amends the Hides and Skins (Export Duty) Act, Cap. 337, by repealing Section 2(3), Section 4(2) and Schedule 2 of the Act. Currently, the Act exempts certain items from the export levy, including pickled, partly or wholly tanned hides and skins; cattle masks, pizzles and sinews; glue stock (hides and skins); and any game hide obtained under a license issued under the Uganda Wildlife Act.

Clause 2(1) of the Hides and Skins (Export Duty) Act, provides for imposition of a levy on hides and skins exported out of Uganda, at a rate of \$0.8 per kilogramme. This includes raw hides and skins exported for processing.

Clause 2(3) of the Act provides that no levy shall be payable for any item in Schedule 2 to the Act. Schedule 2 provides for exemptions from export duty.

The committee was informed that the removal of these exemptions is driven by the following key policy recommendations.

1. A surge in glue stock export, which has contributed to depletion of the raw material for the local industries;
2. A shortage of raw materials for tannery industries undermining their productivity and growth;
3. Promotion of import substitution and export-oriented industrialisation, in line with the Government's policy of encouraging local value addition, and strengthening domestic manufacturing.

By eliminating these exemptions, the amendment seeks to enhance availability of raw materials for Uganda's tannery industry, support local value addition, and align with broader economic strategies aimed at industrial growth and export orientation.

The committee observed that the imposed amendment seeks to limit export of raw hides and skins, which are inputs of local industries to produce leather products.

There is an innovation to process hides and skins as processed food for export in (Ponmo). This value addition enterprise has benefited from the tax exemptions and promoted value addition in Uganda's local industry. The rejected hides and skins from tanneries are transformed into processed food, and Uganda Revenue Authority (URA) has categorised Ponmo under glue stock, and has not assigned it a separate product category.

Therefore, Madam Speaker, the committee recommends,

The proposed charge of \$0.8 or rather 80 cents per kilogram be charged on raw hides and skins exported out of the country, and we propose that that be adopted.

URA should exempt this category of Ponmo from export duty.

Conclusion, the committee recommends that, "The Hides and Skins (Export Levy) (Amendment) Bill, 2025" be passed subject to the proposed amendments. I beg to submit.

**THE SPEAKER:** Honourable Members, you have heard. It is a direct law.

6.05

**MR SILAS AOGON (Independent, Kumi Municipality, Kumi):** Madam Speaker, I have something to make a comment on.

**THE SPEAKER:** On which clause?

**MR AOGON:** On the clause that says hides and skins.

**THE SPEAKER:** How many clauses does the law have?

**MR AOGON:** The one of 0.8 cents.

**THE SPEAKER:** Okay. We will make an amendment when we reach that clause.

I put the question that "The Hides and Skins (Export Levy) (Amendment) Bill, 2025" be read a second time.

*(Question put and agreed to.)*

#### BILLS COMMITTEE STAGE

#### THE HIDES AND SKINS (EXPORT DUTY) (AMENDMENT) BILL, 2025

#### Clause 1

**THE CHAIRPERSON:** I put the question that clause one stands part of the Bill.

*(Question put and agreed to.)*

*Clause 1, agreed to.*

Clause 2

**THE CHAIRPERSON:** Which clause is that?

**MR AOGON:** Clause 2. *(Laughter)* Madam Chairperson, I am very right. I am concerned because some of the people who deal in hides and skins are in my constituency. Allowing this particular proposal to go through will affect their business.

I am one person who believes that people should be given an opportunity to trade freely.

If someone is giving me better prices out of the country, why should I be cocooned within the borders of Uganda and be forced to look around for market and anybody will give you very small money.

My people should make money. If they are exporting to America and America is giving us better money, that should be the way. Therefore, my proposal is for deletion of this particular proposal because it will affect my business persons who are helping my constituency to survive, Madam Chairperson.

**MR NANDALA-MAFABI:** I want to ask for a clarification from my brother or the honourable minister; if I took a cow from here to Rwanda, to sell it across a border, do you tax me? I am carrying milk because agricultural-

**THE CHAIRPERSON:** There is no cow tax.

**MR NANDALA-MAFABI:** There is no cow tax? So, Madam Chairperson, am I raising this-

**THE CHAIRPERSON:** The product-

**MR NANDALA-MAFABI:** Yes, the product like milk maybe. But now here, if we are not careful, people will carry our cows and go and slaughter them across the border. *(Laughter)*

You have to be very careful because if there is no tax on the cow, the only milk it will carry is for that day only. That is not a big issue.

However, if you take a cow, that when it crosses as an agriculture- and is not taxed, they will take cows across Kenya, Sudan...So, we better be careful.

**MR KIRYOWA KIWANUKA:** The information is that, that example you have used does not apply.

**THE CHAIRPERSON:** However, you know that taxation is on a value addition of a product.

**MR KIRYOWA KIWANUKA:** It cannot apply because you cannot tax goods within the community. Because the community is one. So, goods coming from Uganda to-, if you are moving cows to think they cannot be taxed. You would use an example of if a person were moving a cow, say, to London. If you want to dodge this tax, you have to put it on a plane and take it to London or somewhere.

**THE CHAIRPERSON:** Yes, on Emirates.

**MR KATESHUMBWA:** Madam Chairperson, I know the history of this tax, it is to try and encourage value addition of processing of hides in Uganda, for over the years. What we are attempting to do now, and why the committee did not agree with the Government, is that we are attempting to classify food as hides.

The people who are processing these hides into foodstuff and export are requesting from Government is a harmonised System (HS) code, a nomenclature that applies to the product they are exporting. If someone has got offcuts of hides, cleaned them, cooked them, and packaged them for export to West Africa, you cannot say that he is exporting hides. They need to have a proper nomenclature code, applicable and then we deal with the hides separately.

**THE CHAIRPERSON:** Hon. Nathan.

**MR BYANYIMA:** These West African people have been carrying those hides and skins under that umbrella. It is good for them to pay a tax and there should be no excuse at all because our local industries here are missing out on the raw materials. The moment we put a tax, it will be good for this country.

**THE CHAIRPERSON:** Thank you.

**MR BYANYIMA:** As Members of Parliament, we should not think of spending and we do not look for revenue.

**THE CHAIRPERSON:** Thank you.

**MR MASABA:** The information I am trying to provide is that, when you look at the amendment that is proposed by the committee, it is in support of the Government-

**THE CHAIRPERSON:** Actually, the committee has not yet moved an amendment. Can we first allow the committee to move the amendment and then, look at it?

**MR KAKUNDA:** Thank you, Madam Chairperson, the committee recommends that Clause 2 is substituted for the following:

The Amendment of the Hides and Skins Export Duty Act. The Hides and Skins Export Duty Act is amended in Schedule 2 by deleting paragraphs 1, 2, 3(b), 3(C), and 4.

Justification is to exempt glue stock from export levy in order to promote the innovation to process hides and skins as processed food for export, which is called *Ponmo*. This value addition enterprise, categorised as glue stock, has benefited from the tax exemptions and promoted value addition in Uganda's local industry.

**MR NANDALA-MAFABI:** Madam Chairperson, there is a problem. Glue stock is cooking and exporting hides. Now, we are saying that we must promote value addition. Then we should also tax value addition. And since you have brought it now, I am now trying to agree with my elder brother Hon. Nathan because we have Jinja Tanning Industry.

Let us have it take the hides to make shoes and whatever. In short of that, anything which is being used to be exported out should be liable to tax.

**THE CHAIRPERSON:** Including the glue stock?

**MR NANDALA-MAFABI:** Including the glue stock. So, I do not agree that Glue stock should be exempted It should also be taxed. (*Members rose*)

**MR MASABA:** Before the Deputy Chairperson comes in. Madam Chairperson, when you look at what the committee is proposing and what the Bill is proposing, the Bill was proposing that all hides and skins, including glue stock should be taxed.

However, in the wisdom of the committee, after interacting with the various stakeholders, we are in support of adding value in the country. We should be able to add value to all hides and skins in the country, so we should tax whoever intends to export.

**THE CHAIRPERSON:** Why don't we maintain clause 2 as it is in the law?

**MR MASABA:** That is where I am coming. When you look at 3(a), the one that we are leaving in exemption, it is the team that is adding value to the Glue stock. And glue stock is more of the off-cuts, because it is defined as those hides and skins that they cut into small pieces.

There are people who have set up factories in the country to process and use these offcuts, because in their justification, they were always throwing away these as wastes and they invented ways of how they can process and export it as finished or ready to consume food, not hides and skins.

**THE CHAIRPERSON:** Hon. Moses.

**MR ALEPER:** Thank you, Madam Chairperson. This innovation will in no way undermine the Tanning Industry because *Ponmo* is actually from rejected hides and skins from the Tanning industry. So, it will not undermine the Tanning Industry in any way. Thank you.

**MR NANDALA-MAFABI:** Let me tell you, people will even come for cow dung and yet cow dung is used for fertiliser as manure. Even the hooves, can be used to-

**MR KATESHUMBWA:** Can I provide additional information? I think, the fear of the industry and I understand where my Colleague Hon. Nandala is coming from. It is an issue of regulation.

According to our law, hides and skins is a restricted export. That is why you need a license. Rather than killing the industry of rejects the things which would be an environmental problem, which some of these young innovators have looked at, seen the market and are processing food.

Rather than killing it because we are fearing that even the others are going, we can support them, and then we have regulations to make sure we avoid anyone misusing this provision.

**THE CHAIRPERSON:** Hon. Kateshumbwa, I thought we are only taxing what is exported. We do not tax what we use locally.

**MR KATESHUMBWA:** No. The amendment as they were proposing, is even to look at the final product. As far as nomenclature is concerned, if you have transformed offcuts into food – that pommo - and you are exporting it, the classification is food; you are not exporting hides. This is where we need to draw the line.

We are supporting value addition in Uganda and do not want to lose raw materials for turning the hides into shoes, etc. However, if someone has got offcuts, prepared them and produced a product here - they have factories - the product will not be hides, and skins and they are adding value. It is an issue of classification.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, we need to be very careful. We are discussing the Hides and Skins (Export Duty) (Amendment) Bill. If the people you are talking about are exporting food, this law does not deal with them –(Interjection)- no, it does not deal with them. If they are exporting food –(Interjection)- no. The issue with you is classification by URA.

**MR KATESHUMBWA:** Can I give information? When they appeared before us, they said that when they try to export, the revenue authority does not give them the applicable code, so, they keep classifying them under hides and that is a problem.

**THE CHAIRPERSON:** That is administrative.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, if they are classified as hides and skins, they will be got here. If you are saying it is food, then it is not here. We are proposing that the Government puts a levy on the people who are exporting hides and skins, not anything else.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 2 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 2, agreed to.*

*The Title, agreed to.*

#### MOTION FOR THE HOUSE TO RESUME

6.17

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Chairperson, I beg to move that the House resumes and the Committee of the whole House reports thereto.

**THE CHAIRPERSON:** I put the question that the House resumes and the Committee of the whole House reports thereto.

*(Question put and agreed to.)*

*(The House resumed, the Speaker presiding.)*

#### REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

6.19

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to report that the Committee of the whole House has considered a Bill entitled “The Hides and Skins (Export Duty) (Amendment) Bill, 2025” and passed it without amendments.

MOTION FOR ADOPTION OF THE  
REPORT OF THE COMMITTEE OF THE  
WHOLE HOUSE

6.20

**THE MINISTER OF STATE FOR  
FINANCE, PLANNING AND ECONOMIC  
DEVELOPMENT (GENERAL DUTIES)**

**(Mr Henry Musasizi):** I beg to move a motion that the report from the Committee of the whole House be adopted.

**THE SPEAKER:** I put the question that the report of the Committee of the whole House be adopted by this House.

*(Question put and agreed to.)*

*Report adopted.*

BILLS  
THIRD READING

THE HIDES AND SKINS (EXPORT DUTY)  
(AMENDMENT) BILL, 2025

6.20

**THE MINISTER OF STATE FOR  
FINANCE, PLANNING AND ECONOMIC  
DEVELOPMENT (GENERAL DUTIES)**

**(Mr Henry Musasizi):** Madam Speaker, I beg to move a motion that the Hides and Skins (Export Duty) (Amendment) Bill, 2025 be read the third time and do pass.

**THE SPEAKER:** I put the question that the Hides and Skins (Export Duty) (Amendment) Bill, 2025 be read the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, "THE  
HIDES AND SKINS (EXPORT DUTY)  
(AMENDMENT) ACT, 2025"

**THE SPEAKER:** Title settled and Bill passed.  
*(Applause)*  
Thank you.

MOTION SEEKING LEAVE OF THE  
HOUSE TO INTRODUCE A PRIVATE  
MEMBER'S BILL ENTITLED  
"THE POLITICAL PARTIES AND  
ORGANISATIONS (AMENDMENT) BILL,  
2025"

6.22

**MR MATHIAS MPUUGA (NUP, Nyendo-  
Mukungwe Division, Masaka City):**

Thank you, Madam Speaker. I rise to move a motion seeking leave of the House to introduce a Private Member's Bill entitled "The Political Parties and Organisations (Amendment) Bill, 2025" – initially, 2024 - moved under rules 58, 127 and 128 of the new rules of Parliament.

*"WHEREAS Article 79 of the Constitution of the Republic of Uganda empowers Parliament to make laws on any matter for the peace, order, development and good governance of Uganda;*

*AND WHEREAS Article 94(4)(b) of the Constitution and Rule 127 of the Rules of Procedure permit a Member of Parliament to introduce a Private Member's Bill;*

*AWARE that Article 29(1)(c) of the Constitution guarantees a person's right to associate with others, including the right to form and join associations, trade unions and political and other civic organisations;*

*NOTING that Article 72 of the Constitution recognises and guarantees the right of every person to form political parties and organisations;*

*RECOGNISING that the Political Parties and Organisations Act, Cap. 178 is the principal law that regulates the formulation, registration, membership and organisation of political parties and organisations;*

*CONCERNED that sections 17 and 18 of the Political Parties and Organisations Act providing for mergers and creation of coalitions by political parties and organisations are limited in scope and restrictive, since they do not provide for the status of the coalition or a newly created party arising out of the merger*

*of political parties and organisations, as well as the effect of a coalition and the merger on persons occupying elective offices representing affected parties;*

*FURTHER CONCERNED that the failure to prescribe detailed provisions to govern the formation of mergers and coalitions has affected the uptake in the formation of mergers and coalitions by political parties in Uganda, since the legal regime relating to the formation is unclear, restrictive and limited in scope;*

*FIRMLY CONVINCED THAT unless the Political Parties and Organisations Act is amended to provide detailed provisions on the formation and creation of mergers and coalitions by political parties and organisations, political mergers and coalitions shall remain informal and unregulated and political parties shall remain disunited;*

*NOW, THEREFORE, be it resolved that Parliament grants me leave to introduce a private Member's Bill entitled, "The Political Parties and Organisations (Amendment) Bill, 2025, a draft of which is attached here to the speaker, and do order the publication of the Bill in preparation of its first reading.*

I beg to move.

**THE SPEAKER:** Is it seconded? (*Members rose*) It is seconded by Hon. Silas. We are granting leave. It is also seconded by Hon. Nathan, Hon. Aeku, Hon. Omara, Hon. Okot, Hon. Acuti, Hon. Betty and the honourable member for Alebtong. Would you like to speak to it? He has already spoken.

Honourable members, I put the question that Hon. Mpuuga be granted leave of the House to introduce a private member's Bill, "The Political Parties and Organisation (Amendment) Bill, 2025.

*(Question put and agreed to.)*

**THE SPEAKER:** The Clerk is instructed to support the Member in ensuring that the Bill - The Clerk will write to the Minister of Finance, Planning and Economic Development - Yes, Hon. Dorcas?

**MS ACEN:** Thank you, Madam Speaker. While I stood to second the motion, I am also concerned

that yesterday, the House also granted leave to Hon. Nakut over a similar, or I would say the same issue.

The clarification I am seeking is that, as it stands, we have two Members granted leave. How will it be harmonised? Will it be done at the committee stage?

**THE SPEAKER:** These are two laws with different objectives and that issue was already settled. That is why we allowed Hon. Mpuuga to come with this law. Next item?

#### PARLIAMENTARY APPROVAL OF A REQUEST FOR THE DISPOSAL OF PIECES OF LAND BY THE KAMPALA CAPITAL CITY AUTHORITY

**THE SPEAKER:** Honourable members, listen. Section 34(6) of the Public Finance Management Act, 2015 requires the accounting officer not to pledge or otherwise encumber the land or any asset of a Vote without permission from Parliament.

To this end, we received letters from the Executive Director of Kampala Capital City Authority dated 1<sup>st</sup> April, seeking parliamentary approval to lease, not dispose, the following pieces of land: Plot 2, Kenneth Close in Kamwokya, Plot M731, Old Kira Road, Plot M880, off Spring Road, Plot 406, Namirembe, Plot M69, M70 land at Lugogo.

The justification for this disposal is for development and revenue purposes in the form of ground rent and property rents; they want to get rent from that property. Considering that this intended disposal has a bearing on the budget plans and priorities for the Vote of the subsequent financial year, the House approval is required. As Parliament - Yes?

6.30

**MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko):** The reason why we are raising this is that, we are aware Kampala City has a lot of land. I will give an example: In Naguru, I am one of those the district land board of Kampala City leased land some time back, and they did it because

the land was plain; that was many years in the early 90s.

Now, land is a very important asset, and there are so many institutions of the Government lacking offices, who are looking for where to develop. The Government should be the first priority to take the land to use for the purpose of building their offices. For example, the Ministry of Gender, Labour and Social Development is renting from –

**THE SPEAKER:** Hon. Nathan, these people have exercised what - you know, we are the ones supposed to approve. Let us get the report and give the committee to go and check those lands.

**MR NANDALA-MAFABI:** Madam Speaker, we have made a mistake before. The person who should have read that is the minister for Kampala. For you, Madam Speaker to read that, you have erred because you are not a minister for Kampala, you are the Speaker for Parliament of Uganda.

**THE SPEAKER:** The letter was written to me and the amendment says, “to the Speaker.” Do you want me to delegate to the Minister of Kampala? what we can do is to give our committee to go and see that land, give us a report before we approve. The issue is referred to the Committee on Physical Infrastructure and will report back immediately. Next item?

Hon. Nathan, I want to ask, if I am to sell the land in Bukedea - if the district wants to sell land - do they have to come and ask for permission from Parliament? That is what the amendment of your law says.

**MR NANDALA-MAFABI:** We shall explain why Kampala City was put in the law –

**THE SPEAKER:** No, it is not only Kampala City. It is any Vote holder. An accounting officer in Bukedea has to come and seek for authorisation in Parliament. Next?

MOTION FOR A RESOLUTION OF PARLIAMENT TO AUTHORISE GOVERNMENT TO BORROW UP TO UNITED STATES DOLLARS (USD) 106 MILLION FROM THE ISLAMIC DEVELOPMENT BANK AND (USD) 25 MILLION FROM THE ABU DHABI FUND FOR DEVELOPMENT FOR THE UPGRADING OF KUMI-NGORA-SERERE-KAGWARA ROAD (98KM)

**THE SPEAKER:** Honourable members, as you recall, on 9 January, 2025, the Government tabled this request. As we conclude the budget approval process, it is only prudent that we conclude the sources of funding as well.

Pursuant to Article 159 of the Constitution and rule 162 of the Rules of Procedure, I therefore, invite the minister to move a motion to the effect, seeking parliamentary approval to borrow. Honourable minister? What are you saying we do, Hon. Nathan?

6.34

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move a motion to authorise the Government to borrow up to US \$106 million from the Islamic Development Bank and US \$25 million from the Abu Dhabi Fund for development for upgrading of Kumi-Ngora-Serere-Kagwara Road (98 kilometres). I beg to move.

**THE SPEAKER:** Thank you. There was an explanation on this law. It is straightforward. It is basically funding.

**MR MUSASIZI:** Madam Speaker, the actual name of the road is Kumi-Ngora-Serere-Kagwara-Kasilo Road.

**THE SPEAKER:** Kasilo?

**MR MUSASIZI:** Where Hon. Okupa Elijah comes from.

**THE SPEAKER:** Ninety-eight Kilometres. Honourable members – (*Members rose*) – what

do you want to debate? I put the question that Parliament approves the request by Government to borrow \$106 million from the Islamic Development Bank and \$25 million from Abu Dhabi Fund for Development for upgrading of Kumi-Ngora-Serere-Kagwara-Kasilo Road (98 kilometres).

*(Question put and agreed to.)*

**THE SPEAKER:** Hansard, please capture the entire report. Next.

**MR MPUUGA:** Point of Procedure, Madam Speaker – *(Mr Nandala-Mafabi rose\_)* – I was given permission first, not you. Thank you.

**THE SPEAKER:** The oldest Leader of the Opposition (LOP).

**MR MPUUGA:** I will wait for you. Please submit.

**MR NANDALA-MAFABI:** Thank you, Madam Speaker. The procedural issue I am raising is that we have the chairperson of the committee. We do not have any problem. We need to also see our chairperson on the microphone.

**THE SPEAKER:** Okay. The committee chairperson is going to thank all of you for approving.

**MR NANDALA-MAFABI:** But he also lays the minutes and the report.

**THE SPEAKER:** Yes. He is going to lay. Committee chairperson?

**MR NANDALA-MAFABI:** Then there is an area Member of Parliament.

**THE SPEAKER:** Chairperson, please lay.

**MR MPUUGA:** Before the committee chairperson, Madam Speaker -

**THE SPEAKER:** Before you, the young LOP. Committee chairperson, please lay the minutes and the report.

6.37

**THE CHAIRPERSON OF THE COMMITTEE ON NATIONAL ECONOMY (Mr Bosco Ikojo):**

Thank you, Madam Speaker. I want to also thank the Members of Parliament for even approving the loan before the committee lays it before the House. That shows that there is need for this road to be worked on.

Madam Speaker, this road has been pending from the Third National Development Plan (NDPIII). Now we are in the Fourth National Development Plan (NDP IV). I am happy that the Government of Uganda was in position to secure funding from the Islamic Development Bank, \$106 million and \$25 million from Abu Dhabi Fund for Development for the upgrade of Kumi-Ngora-Serere-Kagwara Road.

The committee scrutinised the loan and we made our recommendations. I also want to thank the area Members of Parliament from Serere, Ngora and Kumi who attended the meeting with us as we were scrutinising this loan.

I, therefore, want to take this opportunity, to lay the report of the Committee on National Economy on the proposal to borrow up to \$106 million from Islamic Development Bank and \$25 million from Abu Dhabi Fund for Development for the upgrade of the road.

Madam Speaker, while we were scrutinising this loan, we realised that the town councils through which the road was passing were not catered for. As a committee, we recommended that whatever contingency that will accrue from the loan should be utilised to upgrade roads within the town councils in which the project is going. These include; Kasilo Town Council, Kadungulu, Kagwara, Serere, Ngora Town Council, Ocaapa and Kumi Municipality. I beg to lay the report of the committee.

**THE SPEAKER:** Thank you. Former LOP?

**MR MPUUGA:** Madam Speaker, can we humbly take benefit of our knowledge of the rules; the Public Finance Management Act (PFMA) and the Constitution, to humbly ask of the Speaker to put the question after the laying of the document. I know these matters are emotive, but they can be challenged, Madam Speaker. Those who will read the record will get trouble in understanding how we moved.

I am not rising to oppose the decision of the House, but we could move a little cleaner so that our motivation can be understood. I am very sure the report speaks about the impact on the economy and how our debt burden is going up. Probably, that is when we shall be appreciated. May I humbly ask of you to put the question now that there is a consensus that we need the loan, regardless of whether we have had a debate of the pros and cons. Thank you.

**THE SPEAKER:** Let us have the next loan first moved.

**THE SPEAKER:** By the way, when I mentioned the approval, I put the question. I did. Hon. Goli, didn't I? Honourable minister, move a motion.

MOTION FOR A RESOLUTION OF  
PARLIAMENT TO AUTHORISE AN  
ADDENDUM BY GOVERNMENT TO  
THE PROPOSAL TO BORROW UP TO  
EUROS 162,445,674.1, AN EQUIVALENT  
OF \$178,276,661.7 FROM THE EXPORT-  
IMPORT BANK OF CHINA (CEXIM)  
TO FINANCE THE DEVELOPMENT OF  
INDUSTRIAL PARKS - POWER SUPPLY  
TO INDUSTRIAL PARKS AND POWER  
TRANSMISSION LINE EXTENSION:  
INCLUSION OF SINOSURE INSURANCE  
PREMIUM

6.42

**THE MINISTER OF STATE FOR  
FINANCE, PLANNING AND ECONOMIC  
DEVELOPMENT (GENERAL DUTIES)**

**(Mr Henry Musasizi):** Madam Speaker, I beg to move a motion to authorise Government to amend, by way of an addendum, the proposal to borrow up to Euros 162,445,674.1, an equivalent of \$178,276,661.7 from the Export-Import Bank of China (CEXIM) to finance the development of industrial parks - power supply to industrial parks and power transmission line extension: Inclusion of SINOSURE Insurance Premium.

**THE SPEAKER:** Is it seconded? It is seconded by Hon. Silas, Hon. Elijah, Hon. Samuel, Hon. Nekesa and Hon. Bahati - by the whole side. Speak to it.

**MR MUSASIZI:** Madam Speaker, on 30 January 2020, Parliament passed a resolution authorising Government to borrow up to Euros 162,462,445.694 from the Industrial and Commercial Bank of China to finance the power supply to industrial parks and grid upgrade and power transmission extension project. Six months later, the Minister of Finance, Planning and Economic Development moved a motion to amend the same resolution of Parliament by substituting Industrial and Commercial Bank of China with the name EXIM Bank of China, as evidenced in the revised drawn agreement between the Government of Uganda and the EXIM Bank of China.

The minister informed the House that during implementation, the government of China had indicated that the financing institution would be the Exim Bank of China, not the Industrial and Commercial Bank of China, as had previously been stated, and intimated that the same terms and conditions would apply.

Based on the statement by the Minister of Finance, Planning, and Economic Development that the terms and conditions were the same, Parliament, by resolution, authorised the Government to change the creditor. On 23<sup>rd</sup> January 2025, I presented an addendum to provide for the insurance premium of 7.06 percent on the loan principal and interest of the approved borrowing up to Euros 164.445 million, an equivalent of \$178.276 from the Export-Import Bank of China to finance the same project.

What does this mean to the cost? Everything in the cost remains unchanged. To bring the House up to speed, I can go through the terms. The total amount is Euros 162.45 million to finance 75 per cent of the commercial contract that will deliver the same project. The terms are the following; Maturity period is 15 years, grace period is 5 years, and the repayment period is 10 years. the interest rate is 6 months EURIBOR (Euro Interbank Offered Rate), plus 2.6 per cent margin per annum, and the management fee is 1 per cent of the loan amount.

The commitment fee is 0.5 per cent, the insurance cost - this is the Sinosure that we are bringing in as an amendment, is 7.06 per cent of both principal and interest. The effective interest rate without

insurance is 5.16 per cent, the effective rate with insurance changes now to 5.85 per cent. The effective interest rate with insurance on principal only is 5.63 per cent.

Madam Speaker, with this information, I pray that the House considers the Motion so that we can proceed with providing the necessary infrastructure to the industrial parks.

**THE SPEAKER:** Thank you, honourable minister. Can we have the report laid on the Table and the minutes?

6.48

**MR ROBERT MIGADDE (NRM, Buvuma Islands County, Buvuma):** Thank you, Madam Speaker. I beg to lay on the Table the minutes of the committee. I beg to lay.

**THE SPEAKER:** Please do.

**MR MIGADDE:** Like the minister mentioned, this loan was approved by Parliament on the 30<sup>th</sup> but at that time, the assumption was that there was going to be no insurance. Up to today, no disbursement has been made since 2020 because the terms were amended later, and we are supposed to pay insurance. That is why there is that change.

Therefore, the amount remains Euros 162 million or \$178 million, but this time including insurance. The only change is on insurance.

Because of that, we have one observation on the delayed presentation of the addendum.

The committee observed that the loan agreement was signed by both the lender and the borrower in May 2024, following the Parliament's initial approval in 2020.

The committee also observed that China Export and Credit Insurance Corporation approved the insurance policy on the 29<sup>th</sup> 2022.

The committee noted that the processing of this loan facility had been riddled with significant time lags and, as such, had affected the implementation of this project.

The committee recommends that the Minister of Finance, Planning, and Economic Development does a comprehensive loan approval submission. The minister should ensure that all the key components of the loan facilities, including associated insurance covers such as Sinosure, where applicable, are clearly outlined and submitted to Parliament at the time of the loan approval request to avoid piecemeal approvals and associated delays.

The committee further recommends that the Minister of Finance, Planning, and Economic Development should be held accountable for any omissions or delays in submitting complete information to Parliament and should institute internal checks to improve the quality and timelines of borrowing proposals. This will enhance the credibility of the projects implementation timelines.

Madam Speaker, that is one of the key proposals we had, and in conclusion, the committee noted that as part of the loaner conditions for effectiveness, the borrower should provide the lender the evidence of payment of an insurance premium. That means it has to be paid before. In this case, the insurance policy is to be issued by the insurance company, which is Sinosure.

Without this insurance payment, no disbursement can be affected. That is why, since 2020, no financing would be available from this source for the power supply to industrial parks and the power transmission line extension. Given the fact that this loan had been approved, as highlighted in the background, the committee proposes that;

1. The House considers the approval of this request in line with the committee recommendations that the insurance premium be computed based on the principal loan amount and not both the principal and interest. Additionally, the provision within the financing agreement to waive sovereign immunity should be done away with, given the interest premium charge, which the committee believes is sufficient and offers assurance that the loan is secured.
2. Going forward, the minister for finance presents complete loan terms and conditions to Parliament for consideration and approval

after careful consolidation of associated costs and risks.

3. The House, in the future, enacts laws defining Uganda's protected assets and strongly protects our sovereign immunity at all times.

Madam Speaker, I beg to move.

**THE SPEAKER:** Thank you.

6.53

**MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko):** Madam Speaker. This loan is very important, and it is almost 7 o'clock. I want to move a Motion that we adjourn the House.

**THE SPEAKER:** Honourable Members, I now put the question that the Parliament approves an addendum to the proposal to borrow up to Euros 162,445,674, equivalent to \$178,276,661 million from Export-Import Bank of China, to finance the development of industrial parks, power supply to industrial parks and power transmission lines extension, inclusion of Sinosure Insurance Premium.

*(Question put and agreed to.)*

**THE SPEAKER:** Honourable members, tomorrow, House is starting at 10.00 a.m. and we should be able to finalise with appropriation. Kindly be there for appropriation.

The House is adjourned to 10.00 a.m. tomorrow.

*(The House rose at 6.56 p.m. and adjourned until Thursday, 15 May 2025 at 10.00 a.m.)*