

**BILLS  
SUPPLEMENT No. 17**

**BILLS SUPPLEMENT**

*to the Uganda Gazette No. 67 Volume XCVIII dated 14th October, 2005*

Printed by UPPC, Entebbe by Order of the Government.

**Bill No. 26**

*Labour Unions Bill*

**THE LABOUR UNIONS BILL, 2005.**

**MEMORANDUM.**

The object of this Bill is—

- (a) to regulate the establishment, membership and administration of labour unions;
- (b) to replace the name “trade unions” with “labour unions”, to make the right to organise more acceptable to a wider field of workers and thus remove the misconception of “Trade” and its connotations; and
- (c) to repeal the Trade Unions Act, Cap 223 and replace it with a modern law incorporating current concepts of the Labour Movement.

Part I of the Bill, incorporating clauses 1 and 2 provides for commencement and the interpretation of words and phrases used in the Bill.

Part II of the Bill, incorporating clauses 3 to 12 deals with, among other things, the right of the employees to organise themselves in any labour union, prohibits the employer from interfering with an employee's right of association and creates an offence for an employer who interferes with that right. It empowers the labour union or employee who believes that an employer has interfered with the employees' right to bring an action in the Industrial Court.

14th October, 2005.

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This Part also gives the Registrar power to investigate the affairs of any employer to ensure compliance with the employees' right of association and gives instances where the activities of a labour union or federation of employees will not be unlawful, by reason that they are in restraint of trade.

It also allows a registered labour union to affiliate to a registered federation of labour unions, requires every registered trade union and federation of labour unions to submit annually to the Registrar a list of organisations to which it is affiliated both in Uganda and abroad and a list of organisations from which it has received financial assistance and makes it an offence to fail to furnish or knowingly furnish false particulars.

Part II also requires that any representative of a labour union designated for appointment to the Labour Advisory Board be appointed by the most representative registered organisation for the purpose designated by the Registrar and allows labour unions to form or dissolve branches as it thinks appropriate for the purposes of the management of its affairs.

Part III of the Bill, incorporating clauses 13 to 24 provides for the appointment of a Registrar by statutory instrument, by the Minister, notification of the appointment in the *Gazette* and the duty of the Registrar to keep and maintain a register of labour unions.

This Part also provides for the application for registration of labour unions to be made by the Secretary General or any officer of the organisation, sets out the details to be included in the application and also the requirements for registration which among others include; three certified copies of the constitution and rules of the organization; prescribes twenty persons as the minimum number of members of a labour union and requires committee members to be employed in Uganda.

Registration of a labour union by any name similar to that of an existing registered labour union that is likely to confuse, is prohibited. The Registrar is empowered to refuse to register a labour union if he

or she is satisfied that the labour union has not complied with the provisions of the Act. The Registrar can also cancel the registration of the certificate in certain instances but must give sufficient notice to the organisation.

Under this Part, a labour union aggrieved by the decision of the Registrar to cancel the certificate may appeal to the Industrial Court within one month after the date of refusal to register, or the cancellation. Consequences of cancellation, powers of the Registrar to interdict or suspend certain officers of the organisation if the Registrar is satisfied that the officer has been convicted by a court of law or is being investigated, are also provided for.

Part IV of the Bill incorporating clauses 23 to 54 lays down the rights, immunities and privileges of registration, imposes liability on a registered organisation on any valid and enforceable contract made by the registered organisation or its agent, gives the registered organisation power to sue and be sued in its name and requires the constitution or rules of the organisation to provide for the appointment or election of three or more trustees and filling of vacancies in the office of trustee.

This Part also requires that any property belonging to the organisation vests in the trustees and gives the registered organisation power to purchase or lease land or real property notwithstanding the provisions of the Trustees Incorporation Act. A minor is allowed to be a member of a labour union. Provision is also made for other officers of the organisation.

Part IV further prohibits a person from being a voting member of a registered organisation unless he or she is employed or is resident in Uganda, provides for the holding of annual general meetings and extra ordinary meetings in addition to any other meetings, requires records of the meetings to be kept by the registered organisation and allows labour unions to amalgamate.

Part IV also gives the effect of change of the name of a registered organisation and requires every registered organisation to have a registered office and postal address within Uganda. It requires that the constitution or rules of the registered organisation provide for matters specified in Schedule 2, the notification of change of officers or trustees and their titles, notification of dissolution and effects of dissolution.

This Part also states the sources of funding of registered organisations and application of the funds. A registered organisation is required to keep proper books of account which shall be circulated in the annual general meeting of the registered organisation. It provides for annual returns, allows inspection of accounts and documents of the registered organisation by any officer, trustee or any member of the organisation, makes it an offence to obstruct, oppose or in any manner hinder any authorised person from carrying out the inspection and gives the Registrar power to call for detailed accounts.

Part V of the Bill incorporating clauses 55 to 63 provides for offences and penalties, allows a minor who is a member of a registered organisation to nominate a relative to whom any monies payable on death of the minor shall be paid, provides for the mode of service of documents on a registered organisation, requires certain facts to be notified in the *Gazette*, gives the Minister power to make regulations for purposes of carrying out or giving effect to the Act, repeals the Trade Unions Act, Cap. 223 and provides for transitional matters.

Schedule 1 prescribes the value of a currency point and Schedule 2 provides for matters to be provided for in the constitution or rules of a labour union.

BAKOKO BAKORU ZOË,  
*Minister of Gender, Labour and Social Development.*

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CONSTITUTION OR RULES OF A LABOUR UNION.**

A BILL for an Act

ENTITLED

**THE LABOUR UNIONS ACT, 2005.**

**An Act to regulate the establishment, registration and management of labour unions and to provide for other related matters.**

BE IT ENACTED by Parliament as follows:

PART I—PRELIMINARY

**1. Commencement**

This Act shall come into force on a date to be appointed by the Minister by statutory instrument, and different days may be appointed for the commencement of different provisions.

**2. Interpretation**

In this Act, unless the context otherwise requires—

“affiliated union” means a registered labour union affiliated to any federation of labour unions which the Registrar may certify as a registered federation of labour unions;

“child” means a person who is under the age of eighteen years;

“currency point” means the value specified in relation to a currency point in Schedule 1;

“employee” means any person who has entered into a contract of service or a contract of apprenticeship as defined in the Labour Disputes (Settlement and Arbitration) Act and includes a person who is employed by or for the Government of Uganda, including the public service, any local authority or any parastatal organisation but does not include a member of the Uganda Peoples’ Defence Forces;

“employer” means any person or group of persons, including any company or corporation, any public, regional or local authority, any governing body of an unincorporated association, any partnership, any parastatal organisation or any other institution or organisation, for whom an employee works or has worked, or normally worked or sought to work, under a contract of service, and includes the heirs, successors, assignees and transferors of any person or group of persons for whom an employee works, has worked, or normally works;

“executive committee” includes a body, by whatever name called, to which the management of the affairs of a registered federation of labour unions or a registered labour union are entrusted, and includes the chairman, secretary and the treasurer of any such federation or registered labour union;

“federation” means a registered federation of labour unions;

“financial year” means a period of twelve months ending on the thirty-first day of December;

“functions” include powers and duties;

“Industrial Court” means the Industrial Court established by the Labour Disputes (Arbitration and Settlement) Act, 2005;

“injury” includes any actionable wrong and any injury to a person in respect of his or her business, occupation, employment or other source of income;

“intimidate” means causing, in the mind of a reasonable person, apprehension of injury to him or her, to any member of his or her family, including his or her dependants, or reasonable apprehension of violence or damage to his or her person or property;

“Labour Advisory Board” means the Labour Advisory Board established by the Employment Act, 2005;

“labour dispute” means any dispute or difference between an employer or employers and employees, or between employees and employees, connected with the employment or non employment, or the terms of the employment, or with the conditions of labour, of any person, or with the economic and social interests of workers;

“labour union” means any organisation of employees created by employees for the purpose of representing the rights and interests of employees and includes a registered labour union in existence at the commencement of this Act;

“lock-out” means the closing of a place of employment, or the suspension of work, or the refusal by an employer to continue to employ or to re-engage any number of persons employed by him or her as a result of a dispute with the aim of compelling those persons or if aiding another employer in compelling a person or person employed by him or her to accept terms or conditions of or affecting employment;

“Minister” means the Minister responsible for labour matters;

“minor” means any person aged between eighteen to twenty years;

“National Organisation of Trade Unions” means the National Organisation of Trade Unions (established by the Trade Unions (Amendment) Decree, 1973), and functioning immediately before the commencement of this Act;

“officer” when used with reference to a registered organisation or an organisation which seeks to become registered, includes any member of the executive committee of the organisation, but does not include a trustee or an auditor;

“prescribed” means prescribed by regulations made under section 59;

“property” means any moveable or immovable property;

“public trustee” means the Public Trustee appointed by the Public Trustee Act;

“register” means the register of labour unions kept by the Registrar under section 14;

“registered” means registered under section 19;

“registered office” means the office of an organisation which is registered under section 40, as the head office of that organisation;

“registered organisation” means a federation of labour unions as the Registrar may certify in the *Gazette*; or a labour union which is registered under this Act;

“registered postal address” means the address of an organisation registered under section 40;

“Registrar” means a person appointed by the Minister under section 13 to act as Registrar of Labour Unions and includes any person appointed to be or to act as an assistant Registrar of Labour Unions;

“Secretary General” means the Secretary General of a labour union;

“strike” means the cessation of work by a body of persons employed and acting in combination, or a concerted refusal or a refusal under a common understanding, of any number of persons employed to continue to work for an employer in consequence of a dispute, done as a means of compelling the employer, or to aid other employees, to accept or not to accept terms or conditions of or affecting the employment.

**PART II—GENERAL PRINCIPLES OF FREEDOM OF ASSOCIATION**

**3. Right of employees to organise**

Employees shall have the right to organise themselves in any labour union and may—

- (a) assist in the running of the labour union;
- (b) bargain collectively through a representative of their own choosing;
- (c) engage in other lawful activities for the purposes of collective bargaining or any other mutual aid practice; and
- (d) withdraw their labour and take industrial action.

**4. Employer not to interfere with right of association**

An employer shall not—

- (a) interfere with, restrain or coerce an employee in the exercise of his or her rights guaranteed under this Act;
- (b) interfere with the formation of a labour union or with the administration of a registered organisation;
- (c) discriminate in regard to the hire, tenure or any terms or conditions of employment in order to discourage membership in a labour union;
- (d) discharge an employee on account of his or her lawful involvement or proposed lawful involvement in the activities of a labour union, including his or her

participation in industrial action arising in connection with a labour dispute and not in contravention of the Labour Disputes (Arbitration and Settlement) Act, 2005; and

- (e) prevent or otherwise hinder a labour union official from having access to his or her employee or employees' representatives or otherwise omit to accord any labour union official facilities to enable him or her to discharge their responsibilities promptly and efficiently.

## **5. Offence on contravention of section 4**

An employer who contravenes section 4 commits an offence and—

- (a) is liable, on conviction, to a fine not exceeding ninety six currency points or imprisonment for a term not exceeding four years, or to both; and
- (b) in case of a continuous offence, is liable, on conviction, to a fine of two currency points for every day or part of a day during which the offence continues.

## **6. Labour union or employee may bring action**

(1) Where an employee or labour union is satisfied that an employer has contravened section 5, the employee or the labour union, as the case may be, may bring on action to the Industrial Court.

(2) The Industrial Court shall, if it is satisfied, that the contravention has occurred, order appropriate relief for the complaining party, including, but not limited to the reinstatement of any employee who has been dismissed.

## **7. Registrar's powers to investigate violation of section 5**

(1) For the purpose of ensuring compliance with sections 3 and 4, the Registrar may investigate the conduct of any employer in relation to any of the matters set out in sections 3 or 4 and may call on the employer to produce, for the Registrar's inspection, all or any of the books or documents of the employer, or to provide in writing any information or explanation which the Registrar may require.

(2) It is an offence for any employer to hinder or obstruct the Registrar in the course of his or her making investigations under subsection (1) or to fail or omit to produce any of the books or documents of the employer, or to fail or omit to furnish any information or explanation which the Registrar may require.

(3) An employee who believes that his or her rights under sections 3 or 4 have been infringed by an action taken by his or her employer or prospective employer shall have a right of action to the Industrial Court for an appropriate order.

### **8. Restraint of trade clauses**

The functions of a labour union or a federation of labour unions so far as they relate to the regulation of relations between employees and employers, or between employees and an employers' organisation, or between employees shall not, by reason only that they are in restraint of trade, be unlawful so as—

- (a) to render the labour union or a federation of labour unions or any of its members liable to criminal proceedings;
- (b) to render the labour union or a federation of labour union or any of its members liable in tort;
- (c) to make any agreement or trust void or voidable;
- (d) to render any rule of a labour union or federation of labour unions unlawful or unenforceable.

### **9. Registered federations of labour unions**

(1) A registered labour union may affiliate to a registered federation of labour unions.

(2) A federation of labour unions may be established for any lawful purpose including the following—

- (a) to formulate policy relating to the proper management of labour unions and the general welfare of employees;

- (b) to co-ordinate and supervise the activities of the federation in order to ensure that undertakings entered into by individual unions or by a federation of labour unions on behalf of its affiliated labour unions are duly honoured;
- (c) to plan for and administer, in collaboration with other interested bodies or persons, workers' education programmes;
- (d) to serve as a link between registered labour unions, the Government and international organisations in all matters of mutual interest;
- (e) to serve generally as a consultant on all matters relating to labour union affairs; and
- (f) to affiliate to national and international federations of labour unions.

(3) The Secretary General of a registered federation of labour unions shall lodge with the Registrar—

- (a) a list of the affiliated unions qualified to vote in elections held by the federation for any office in the federation, or for any other matter;
- (b) the rules governing the holding of elections set out in paragraph (a); and
- (c) the rules governing the holding of any meetings including extraordinary general meetings of a registered federation of labour unions.

(4) It shall be the responsibility of the Secretary General to ensure that the particulars and information lodged with the Registrar in subsection (3) are correct and kept up to-date.

## **10. Supply of information**

(1) Every registered labour union and federation of labour unions organisation shall submit annually, to the Registrar—

(a) a list of organisations in Uganda and abroad, to which it is affiliated; and

(b) a list of organisations, in Uganda and abroad, from which it has received financial assistance.

(2) An officer of a registered organisation commits an offence—

(a) if, when required to provide information under subsection (1) fails to do so within reasonable time; or

(b) where he or she knowingly furnishes false particulars.

### **11. Representation on the Labour Advisory Board**

A representative of a labour union designated for appointment to the Labour Advisory Board shall be appointed by the most representative registered organisations for the purpose, as designated by the Registrar.

### **12. Labour union branches**

(1) A registered labour union may, for purposes of the management of its affairs, form or dissolve branches as it thinks appropriate and the Registrar shall be kept informed of the formation or dissolution of the union's branches at all times, by the labour union.

(2) A registered labour union shall, where requested by the Minister or the Registrar, provide information on the number and location of its branches at any specified time.

## **PART III—REGISTRATION OF LABOUR UNIONS**

### **13. Registrar**

(1) The Minister shall, by statutory instrument appoint a Registrar of Labour Unions who shall be a senior public officer and who shall be responsible for the performance of the functions conferred upon the Registrar.

(2) The Minister may appoint one or more assistant Registrars of Labour Unions and such other officers as may be required, for purposes of this Act.

(3) The Minister may review the appointment of the Registrar and other officers as may be required, from time to time.

(4) No suit shall lie against any official appointed under this section for anything done or omitted to be done by him or her in good faith, and without negligence in the due performance of any function conferred by this Act.

(5) The Minister shall notify, in the *Gazette*, the appointment of the Registrar of Labour Unions.

#### **14. Register of labour unions and other books**

(1) The Registrar shall keep and maintain, in the prescribed manner, a register of labour unions and such other books and documents as is required by this Act and as the Minister may direct, in which the Registrar shall record or cause to be recorded, such particulars as may be prescribed by this Act.

(2) A copy of an entry or an extract from the register or other book or document maintained under this section, and certified as accurate by the Registrar, shall be prima facie evidence of the facts stated in the copy of the entry, or extract.

#### **15. Application for registration.**

(1) An application for registration as a labour union may be made by the Secretary General or any other officer of the organisation seeking registration as a labour union.

(2) An application for registration shall be accompanied by three certified copies of the constitution, and the rules of the organisation seeking registration as a labour union and a statement of the following particulars—

(a) the name of the organisation seeking registration as a labour union, the address of its head office and its postal address;

(b) the number of members;

- (c) the titles, names, ages, addresses and occupations of its officers; and
- (d) a revenue stamp of an amount prescribed by the Minister.

**16. Minimum number of members**

A labour union shall not be registered unless it can show, to the satisfaction of the Registrar, that it is composed of not less than twenty members.

**17. Committee members to be employed in Uganda**

A labour union shall not be registered unless the members of its executive committee or any of its other committees are persons who are employed in Uganda.

**18. Confusing names**

A labour union shall not be registered by any name which is similar to or is likely to cause confusion with the name of an existing registered labour union or a labour union which has applied for registration.

**19. Certificate of registration**

(1) Subject to this section and to sections 20 and 21, the Registrar shall register a labour union in the prescribed manner and issue to it a certificate of registration in the prescribed form.

(2) A certificate issued under this section shall, for all purposes, unless proved to have been cancelled or withdrawn, be conclusive evidence that the labour union has been duly registered under this Act.

(3) The Registrar may, before registering a labour union, require additional information for purposes of being satisfied that the application for registration complies with this Act.

**20. Refusal of registration**

(1) The Registrar shall refuse to register a labour union if he or she is satisfied that—

- (a) the labour union has not complied with this Act, or regulations made under this Act, or any reasonable request or order made by the Registrar, made in accordance with this Act or regulations made under this Act in respect of the registration;
- (b) any one of the principal objects of the constitution or rules of the labour union is unlawful or conflicts with this Act, or regulations made under this Act;
- (c) any of the proposed officers of the labour union is a person who has been convicted of an offence involving fraud or dishonesty;
- (d) the principal objects of the organisation seeking registration are not in accordance with those of a labour union, as defined by section 2 of this Act; and
- (e) the labour union is, directly or indirectly, under the substantial control of an employer or an organisation of employers.

(2) The Registrar shall inform, in writing, a labour union which is denied registration under this section, the reason or reasons for the refusal within a reasonable time from the date of the receipt of the application by the Registrar.

## **21. Cancellation of registration**

(1) The Registrar shall cancel the registration of a registered organisation—

- (a) where the registered organisation has been dissolved in accordance with this Act and the constitution of the registered organisation; or
- (b) if the Registrar is satisfied that—
  - (i) the registered organisation has ceased to exist;
  - (ii) the registration was obtained by fraud, misrepresentation or mistake;

- (iii) any of the principal objects of the registered organisation has become unlawful;
- (iv) the constitution of the registered organisation, has become unlawful; or
- (v) the registered organisation has willfully, and after notice from the Registrar, contravened any provision of this Act or allowed any rule to continue in force, which is inconsistent with any provision of this Act, or has rescinded any rule providing for any matter for which provision is required by this Act.

(2) The Registrar shall give to every registered organisation the registration of which he or she proposes to cancel, at least two months' prior notice in writing, except in cases falling within subsection (1) (a).

(3) A registered organisation served with a notice under subsection (2) may, within two months after receiving the notice show cause to the Registrar in writing why the Registrar should not effect the proposed cancellation.

(4) In deciding whether to proceed with the cancellation under subsection (1) or not, the Registrar may hold any inquiry which he or she may consider appropriate in the circumstances.

(5) A registered organisation which has either failed to show cause under subsection (3) or which, having attempted to show cause, has failed to satisfy the Registrar that its registration should not be cancelled the Registrar may, after the expiration of the period of two months referred to in subsection (2), cancel the registration.

(6) An order made by the Registrar under this section cancelling the registration of a registered organisation shall briefly state the grounds for the cancellation of the registration and shall immediately be served on the registered organisation affected by the order.

(7) Upon cancellation of the registration of a registered organisation, the certificate of registration shall cease to have effect.

**22. Appeals.**

(1) A labour union aggrieved by the decision of the Registrar refusing or canceling its registration may, within one month after the date of the order for refusal or cancellation of registration, appeal to the Industrial Court.

(2) The Registrar is entitled to be heard on an appeal brought under subsection (1).

(3) Where the appeal is in respect of an order for cancellation of registration, the labour union shall be deemed to be registered until the appeal is finally determined.

**23. Consequences of cancellation of registration**

(1) Where the registration of registered organisation is cancelled under section 21, the organisation shall cease to enjoy the rights and immunities granted by section 25.

(2) Notwithstanding the cancellation of registration under section 21, no civil or criminal proceedings shall be brought in any court against any officer or member of the organisation for which registration has been cancelled for any action taken by that officer or member personally in contemplation of or in furtherance of a labour dispute, where the proceedings are based only on the individual's participation in the organisation for which registration has been cancelled or participation in industrial action or picketing by the organisation for which registration has been cancelled.

(3) Any liability incurred by an organisation which has had its registration cancelled may be enforced against the assets of the registered organisation.

(4) Where the registration of a labour union is cancelled, the Secretary General shall, within one month of the cancellation, return the certificate of registration to the Registrar.

**24. Powers of Registrar to interdict or suspend certain officers**

(1) The Registrar may, after having given an officer or person acting as an officer an opportunity to be heard, interdict or suspend the officer or the person acting as an officer of a registered organisation, where the Registrar is satisfied that the officer or person has been convicted by a court of law, or is being investigated with a view to prosecution for—

- (a) misuse, misappropriation or mismanagement of the funds of the labour union; or
- (b) willful and persistent failure to comply with directions properly given by the Registrar under this Act.

(2) Where the Registrar interdicts or suspends any officer or person under sub-section (1) the Registrar shall, after having given the officer or person acting as the officer an opportunity to be heard, as soon as is practicable, forward to the Industrial Court a certified copy of his or her decision.

(3) The Industrial Court may direct the Registrar to remove or reinstate the officer or person acting as the officer of a registered organisation.

PART IV—RIGHTS AND RESPONSIBILITIES OF REGISTERED  
ORGANISATION.

**25. Rights and immunities of a registered organisation**

(1) A registered organisation shall enjoy the following rights, immunities and privileges—

- (a) it may sue or be sued under its registered name;
- (b) no suit or other legal proceedings shall be brought in any civil court against a registered organisation or any of its officers or members in respect of any act done in contemplation of or in furtherance of a dispute concerning a registered organisation to which the registered organisation is a

party, only on the ground that such an act induces some other person to break a contract of employment, or that it is in interference with the rights of some other person to dispose of his or her capital or his or her labour as he or she wishes;

(c) a suit brought against a registered organisation or against any of its members or officers on behalf of themselves and all other members of the registered organisation in respect of any tortious act alleged to have been committed by or on behalf of the registered organisation shall not be entertained by any court of law;

(d) every employer shall be bound to recognise, for the purposes of collective bargaining, and in relation to all matters affecting the relationship between the employer and his or her employees, any registered labour union to which any of his or her employees have previously subscribed their membership where the employees fall within the scope of membership of the labour union;

(2) Every employer is bound, under subsection (1)(d) to recognise any registered organisation, and the registered organisation representing the employees in question shall bargain in good faith.

(3) Where an employer refuses to deal with a registered organisation in accordance with subsection (1)(d), then the registered organisation shall complain to the Registrar, who shall immediately call upon the employer to show cause in writing within twenty-one days, why the employer is not complying with this Act.

(4) Where a registered organisation refuses to deal with an employer in accordance with subsection (1)(d) the employer may petition the Registrar, who shall immediately call upon the registered organisation to show cause in writing, why the registered organisation is not complying with this Act.

(5) Where the Registrar is not satisfied with the cause shown by the employer or registered organisation in subsections (3) and (4), he or she shall, within twenty one days, if he or she considers that the public interest so requires, make an order requiring an employer or a registered organisation to recognise any registered organisation or employer.

(6) Where the employer or registered organisation fails to comply with an order made under subsection (5), or where the Registrar declines to make the order the aggrieved party may refer the matter to the Industrial Court.

(7) The Industrial Court, after hearing both parties in respect of subsection (6), may—

(a) order that the registered organisation and the employer shall deal in good faith, in respect of all matters concerning the relations of the employer and his or her employees who fall within the scope of the membership rule of the registered union; and

(b) determine, for such period as may be appropriate, the terms and conditions of the employees of the employer who fall within the scope of the membership rule of that registered organisation.

(8) An employer who fails to show cause as required under subsection (3) or who does not recognise the registered organisation or comply with the order made by the Industrial Court under subsection (7), commits an offence and is liable, on conviction, to a fine not exceeding forty eight currency points or to imprisonment for a term not exceeding two years, and in the case of a continuing offence, to a fine of two and a half currency points for every day or part of a day on which the offence continues.

(9) Where an offence under subsection (7) is committed by a body corporate, every director or other officer of the body corporate is liable, on conviction, to a fine not exceeding forty eight currency points or to imprisonment for a term not exceeding two years or both.

**26. Liability in contract**

(1) A registered organisation is liable on any valid and enforceable contract made by the registered organisation or by an agent acting on its behalf.

(2) Notwithstanding subsection (1), the following agreements are not enforceable in a court of law and no proceedings shall be entertained to enforce or recover damages for their breach—

- (a) any agreement between members of a registered organisation, stipulating that any member of the registered organisation shall or shall not sell goods or engage in employment;
- (b) any agreement for the payment of a penalty by any member of a registered organisation to that registered organisation;
- (c) any agreement for the application of the funds of a registered organisation to provide benefits to members, other than a benefit under a contributory provident or benevolent fund or pension scheme.

(3) A bond to secure the performance of any of the agreements listed in subsection (2) shall be void and unenforceable in any court of law.

**27. Proceedings by and against a registered organisation**

(1) A registered organisation or an organisation seeking registration under this Act may sue or be sued under the name by which it has been operating or is generally known.

(2) Notwithstanding subsection (1) a registered organisation whose registration has been cancelled may sue under the name by which it was registered.

(3) An execution order for any money recoverable from any registered organisation in civil proceedings may issue against any property belonging to or held in trust for a registered organisation other than its provident or benevolent fund or other fund providing for benefits to its members.

(4) A fine ordered to be paid by a registered organisation may be recovered by distress and sale of any property belonging to or held in trust for it in accordance with the Magistrates' Courts Act or the Civil Procedure Act.

**28. Trustees of a registered organisation**

(1) The constitution or rules of every registered organisation shall provide for—

- (a) the appointment or election of three or more trustees; and
- (b) the filling of vacancies in the office of trustees so that there shall always be at least three trustees of a registered organisation.

(2) An officer of a registered organisation shall not be a trustee of the registered organisation.

(3) A person shall not be appointed or elected trustee of a registered organisation unless he or she is a member either of that organisation, or a bank approved by the Registrar.

**29. Property vests in trustees**

(1) Any property belonging to a registered organisation shall vest in the trustees of the registered organisation for the use and benefit of the registered organisation and its members, and shall be under the control of the trustees.

(2) Upon the death or removal of any trustee, the property of that trustee shall automatically vest in the succeeding trustee.

(3) In all actions or suits before any court concerning the property of any registered organisation, that property shall be stated to be the property of the persons for the time being holding the office of trustees as trustees of the registered organisation, without any further description.

(4) Subject to this Act, the executive committee of any registered organisation may direct the trustees to acquire, dispose of, or otherwise deal in any property held by those trustees on behalf of the registered organisation.

(5) The property of the registered organisation held by the trustees shall not be disposed of, acquired, or otherwise dealt with unless the trustees are satisfied that the executive committee has acted lawfully and in accordance with its constitution or rules.

### **30. Power of a registered organisation to hold land**

Notwithstanding the Trustees Incorporation Act, the trustees of a registered organisation may purchase or lease any land or real property and may sell, exchange, mortgage or lease any land or real property.

### **31. Membership of minors**

(1) Subject to the rules of a labour union, a minor—

(a) may be a member of a labour union; and

(b) shall enjoy all the rights of a member, except as otherwise provide in this Act.

(2) A minor shall have capacity to execute all instruments and do any other act or thing necessary under the constitution and rules of a labour union of which he or she is a member.

(3) A minor shall not be a member of the executive committee of a labour union or a trustee of a registered organisation.

### **32. Officers of a registered organisation**

(1) Subject to this section, all officers of a registered organisation other than the Secretary General and treasurer, shall be persons who have been and still are engaged or employed in an industry or occupation with which the registered organisation is directly concerned.

(2) An officer of a registered organisation shall not be required to relinquish his or her office only on account of his or her ceasing to be employed in the industry or occupation with which his or her labour union is directly concerned.

(3) A person shall not hold office in a registered organisation on a full-time basis if he or she is employed in another institution where he or she is paid a salary.

(4) A person shall not hold office in a registered organisation if she or he has been convicted of an offence involving fraud or dishonesty.

### **33. Voting of members of a registered organisation**

(1) A person shall not be a voting member of a registered organisation unless—

- (a) he or she is a member of the registered organisation; and
- (b) he or she is employed or resident in Uganda.

(2) Subject to the constitution or rules of a registered organisation, no person shall be a voting member of a registered organisation where his or her monthly subscription is more than four months in arrears.

### **34. Annual general meetings**

(1) A registered organisation shall—

- (a) in addition to any other meeting, hold a general meeting which shall be its annual general meeting in each calendar year; and
- (b) specify the type of meeting in the notice calling the meeting.

(2) A registered organisation shall hold its annual general meeting within eighteen months after the date of the previous annual general meeting.

(3) Where a registered organisation was not in existence at the commencement of this Act, the period of eighteen months specified in subsection (2) shall be calculated from the date on which the registered organisation was registered.

(4) Where a registered organisation fails to hold an annual general meeting, the Registrar may call or direct the calling of an annual general meeting of the registered organisation and give such ancillary or consequential directions modifying or supplementing the calling, holding and conducting of the meeting, subject to the operation of the constitution or rules of the registered organisation.

(5) The directions given by the Registrar under subsection (4) shall include a direction that a simple majority of voting members of the registered organisation present, shall be deemed to constitute the annual general meeting for the year, notwithstanding the terms of the constitution or rules of the registered organisation.

(6) A registered organisation may provide for the nomination and appointment of delegates to represent members at the annual general meeting or any other meeting of the registered organisation.

(7) Subsection (5) shall not apply where the meeting is not held in the year in which the default in holding the registered organisation's annual general meeting occurred.

(8) An annual general meeting held in accordance with subsections (4) and (5) shall not be adjourned for any reason without the permission of the Registrar or a designated officer of the registered organisation.

(9) Where default is made in holding an annual general meeting in accordance with subsection (1) or in complying with any directions of the Registrar under subsections (4) and (5), the Registrar shall proceed under section 24(1).

### **35. Extraordinary general meetings**

(1) The executive committee of a registered organisation, notwithstanding anything in its constitution or rules shall, on the request of not less than one-tenth of its voting members, convene an extraordinary general meeting of the registered organisation.

(2) The request under subsection (1) shall—

- (a) state the objects of the meeting; and
- (b) be signed by the members making it.

(3) A copy of the request shall be deposited at the Registrar's office.

(4) Where the executive committee does not, within twenty-one days after the date of the receipt of the request referred to in subsection (1), convene a meeting to be held not later than forty days after the date of the deposit of the request, the members making the request shall report the matter to the Registrar who may direct the holding of the meeting or refer the matter to the Industrial Court.

(5) Where the matter has been referred to the Industrial Court, any officer of the registered organisation concerned may be dealt with in accordance with section 24(1).

### **36. Records of meetings**

(1) Every registered organisation shall keep minutes of all proceedings of general meetings and all proceedings of meetings of its executive committee shall be entered in the books kept for this purpose.

(2) The book containing the minutes referred to in subsection (1) shall be kept at the registered office of the registered organisation and shall, without charge, be open to the inspection of any member.

(3) A member of a registered organisation shall be entitled to be furnished with a copy of the minutes within seven days after he or she makes a request to the registered organisation, on the payment of a prescribed fee.

### **37. Amalgamation of registered labour unions**

Any two or more registered labour unions may amalgamate where the majority of the members of each of the labour unions or of the delegates representing a majority of each of the members of the labour unions considering amalgamation, have cast a vote in favour of the amalgamation.

**38. Registration of amalgamated labour unions**

(1) The Registrar shall be given a notice of the amalgamation of registered labour unions by the Secretary General of the amalgamated registered labour unions.

(2) The notice shall be in writing and shall contain the particulars of the amalgamated registered labour unions.

(3) The notice referred to in subsection (1) shall be signed jointly by the Secretary General of the unions concerned and by at least five members of each respective amalgamated labour union.

(4) Where the Registrar is satisfied that the provisions of this Act have been complied with, and that the labour union to be formed by amalgamation is entitled to be registered under this Act, he or she shall register the labour union.

(5) The amalgamation shall have effect from the date of registration.

(6) A registered labour union aggrieved by the decision of the Registrar under this section may appeal to the Industrial Court.

**39. Effect of change of the name of a registered organisation**

(1) The name of a registered organisation shall not be altered or added to unless—

(a) notice in writing has first been given to the Registrar; and

(b) the Registrar has signified in writing, his or her approval of the proposed change.

(2) A change in the name of a registered organisation shall not affect any of the registered organisation's rights or obligations or render defective any legal proceedings by or against it and any legal proceedings which might have been continued or commenced by or against the registered organisation under its former name may be continued or commenced by or against it under its new name.

**40. Registered office and postal address**

(1) Every registered organisation shall have a registered office and a registered postal address within Uganda to which all communications and notices may be addressed.

(2) Notice of the situation of the registered office, registered postal address and of any relevant changes shall be given to the Registrar, who shall enter the particulars in the register.

(3) Where a registered organisation—

(a) operates without having a registered office and a registered postal address or without giving notice of the situation of its registered office as required by this section; or

(b) operates in an office other than the registered office without having given notice of the change of office to the Registrar,

the Registrar may, after giving notice of his or her intention to the registered organisation, by order, cancel the registration of the organisation.

(4) Any registered organisation aggrieved by an order of the Registrar under this section may, within one month after receiving the order of cancellation, appeal to the Industrial Court.

**41. Constitution and rules of a registered organisation**

(1) The constitution or rules of a registered organisation shall provide for the matters specified in Schedule 2.

(2) An amendment to the constitution or rules of a registered organisation that is inconsistent with the matters specified in Schedule 2 shall be null and void.

(3) Subject to this Act and to the conditions provided for in the constitution or rules of a registered organisation, a registered organisation may amend its constitution or rules.

(4) A copy of every amendment made to the constitution or rules of the registered organisation shall—

- (a) be signed by the executive committee of the organisation;
- (b) be sent to the Registrar within fourteen days after the making of the amendment; and
- (c) be registered by the Registrar if he or she is satisfied that the requirements of this Act concerning the amendment of the constitution or rules have been complied with.

(5) Every amendment of the constitution or rules of a registered organisation shall take effect from the date of registration under subsection (4), unless a later date is specified in the amendment.

(6) Where a registered organisation fails to comply with the provisions of this section, the Registrar may deal with the registered organisation in accordance with section 24(1).

#### **42. Copies of the constitution or rules**

(1) A copy of the constitution or rules of a registered organisation shall be made available, on demand and on payment of a reasonable fee to any person who has become a member of the registered organisation and to any person entitled to apply for membership.

(2) A copy of the constitution and rules of a registered organisation shall be kept at every registered office and shall be open to any member or prospective member of a registered organisation for inspection without fee, during normal office hours.

(3) A copy of the constitution and rules of a registered organisation shall be sent to any branch office of the registered organisation.

#### **43. Notification of officers, etc**

(1) A notice of any changes of officers or trustees and their titles shall be prominently displayed in the registered office of every registered organisation.

(2) A notice of any changes of officers or trustees shall, within fourteen days after the change, be sent to the Registrar by the Secretary General of the registered organisation, together with the prescribed fee.

(3) Where notice of change under subsection (2) has been given to the Registrar, he or she shall, subject to subsection (4) and (5), register the changes.

(4) Before registering any change of officers or trustees or correcting the register, the Registrar may require the production of such evidence in relation to the change of officers or trustees or the correction asked for as he or she deems necessary to be satisfied as to the validity or propriety of the change.

(5) Where the Registrar is not satisfied as to the validity of any appointment or the appropriateness of the proposed correction to the register, he or she may refer the matter to the Industrial Court.

(6) The Registrar may—

- (a) require the registered organisation to show cause within fourteen days where there is a contravention of subsection (1) and (2), why the matter should not be referred to the Industrial Court; and
- (b) refer the matter to the Industrial Court, where the registered organisation fails to show cause under paragraph (a) and any officer of the registered organisation who is in default shall be dealt with in accordance with section 24(1).

#### **44. Notification of dissolution**

(1) Where a registered organisation is dissolved under the terms of its constitution or rules, notice containing such particulars as may be prescribed, of the dissolution, signed by the Secretary General and seven members of the registered organisation shall, within fourteen days of the dissolution—

- (a) be sent to the Registrar who shall register the dissolution if he or she is satisfied that it has been effected in accordance with the constitution or rules of the registered organisation; and
- (b) be published in a newspaper of national circulation.

(2) The dissolution of the registered organisation shall have effect from the date of its de-registration.

**45. Effect of dissolution**

(1) Subject to subsection (2), upon dissolution, a registered organisation shall cease to exist and shall lose all its rights, immunities and privileges set out in section 25.

(2) Notwithstanding subsection (1) all proceedings against or by a registered organisation shall not be affected by the dissolution, and shall continue in the names of the registered organisation.

(3) Upon notice being published in a newspaper of national circulation, of the intended dissolution of a registered organisation, claims may be lodged against the registered organisation and the claims shall be dealt with by the registered organisation in priority.

**46. Funds of a registered organisation**

(1) The funds of a registered federation of labour unions shall consist of—

(a) subscriptions from affiliate member labour unions or organisations; and

(b) investments.

(2) The funds under subsection (1) shall be kept by the treasurer of the registered federation of labour unions.

(3) The funds of a registered labour union shall consist of—

(a) subscriptions from its members;

(b) investments;

(c) donations; and

(d) contributions made by an employee from his or her wages.

(3) The funds referred to under subsection (3) shall be kept by the treasurer of that labour union.

(4) The treasurer of every registered organisation shall cause estimates of income and expenditure of both revenue and capital for the coming period of twelve months to be submitted to the members of the registered organisation's for approval, at least once every year.

#### **47. Application of funds**

The funds of a registered organisation may, subject to its constitution or rules and this Act, be expended for the following objects—

- (a) the payment of salaries, allowances and expenses to officers of the registered organisation; .
- (b) the payment of expenses for the administration of the registered organisation, including an audit of the accounts of the funds;
- (c) the prosecution or defence of any legal proceedings to which the registered organisation's member or officer is a party, where such prosecution or defence is undertaken for the purpose of securing or protecting any rights of the registered organisation or any rights arising out of the relations of any member with his or her employer;
- (d) the conduct of any labour dispute on behalf of the registered organisation or any of its members;
- (e) the compensation of members of the registered organisation for loss arising out of a labour dispute;
- (f) allowances to members or their dependants on account of death, old age, sickness, accident or unemployment of the members;
- (g) the payment of subscriptions and fees to any federation or congress of labour unions to which the registered organisation may be affiliated;

(h) the payment of expenses for the education of the members;  
and

(i) any other lawful object of the registered organisation.

(2) The funds of a registered organisation shall not be used to pay any fine or penalty imposed by a court of law on any individual or officer, except where the fine or penalty has been imposed on the registered organisation itself.

#### **48. Books of accounts, etc**

(1) Every registered organisation shall keep proper books of accounts as are necessary to give a true and fair view of the financial position and transactions of the registered organisation, with respect to—

(a) all sums of money received and expended by the registered organisation and the matters in respect of which the receipt and expenditure takes place; and

(b) the assets and liabilities of the registered organisation.

(2) The books of account shall be kept at the registered office of the respective registered organisation or at such other place in Uganda as the executive committee may think fit, and shall, at all reasonable times be open to inspection by the members of the executive committee.

#### **49. Circulation of accounts**

(1) The treasurer of a registered organisation shall, at least once in every calendar year, at intervals of not more than fifteen months, cause to be prepared and sent to the annual general meeting of the registered organisation, a balance sheet which shall give a true and fair view of the state of the financial affairs of the organisation at the end of the financial year.

(2) The balance sheet prepared under subsection (1) shall be audited by an auditor appointed by the registered organisation from a list of auditors approved by the Registrar for the purpose, and the auditor shall have access to the books and documents relating to the accounts of the registered organisation.

(3) A person who obstructs or in any way hinders an auditor in the discharge of his or her functions under subsection (2) commits an offence.

#### **50. Resigning or vacation of office by treasurer**

(1) Notwithstanding section 49, a treasurer of a registered organisation and every officer who is responsible for the accounts of a registered organisation or for the collection, disbursement, custody or control of the funds or moneys of a registered organisation shall, upon resigning or vacating his or her office, or at any other time when required so to do by a resolution of the members of the registered organisation, or the Registrar, as the case may be, furnish a statement of a just and true account of all moneys received and paid by him or her from the date of his or her assuming office to the date of his or her vacating the office.

(2) The statement of accounts referred to in subsection (1) shall include the balance of any moneys remaining with the treasurer and of all bonds, securities or other property of the registered organisation entrusted to his or her custody or are under his or her control.

(3) Any account prepared by the treasurer of the registered organisation or any other officer who is responsible for the accounts of the registered organisation, on vacation of office, shall be audited by the auditor appointed under section 49.

(4) Where the accounts have been audited as provided for under subsection (3), the treasurer or the officer concerned, shall immediately hand over to the trustees of the registered organisation the balance if any, due from him or her and all bonds, securities, effects, books, papers and property in his or her custody or otherwise under his or her control.

#### **51. Annual returns**

(1) A registered organisation shall submit to the Registrar on or before the prescribed date, in each year, a copy of the balance sheet prepared and audited in accordance with section 49, together with a copy of the auditor's report.

(2) Where a registered organisation fails to comply with subsection (1), the Registrar shall—

- (a) require the registered organisation to show cause why the Registrar should not refer the matter to the Industrial Court; and
- (b) where the registered organisation does not show cause referred to in paragraph (a) within fourteen days, refer the matter to the Industrial Court and any officer of a registered organisation shall be dealt with in accordance with section 24(1).

(3) A person who willfully makes or orders or causes or procures to be made a false entry in or omission from any document delivered to the Registrar under this section, commits an offence.

## **52. Inspection of accounts and documents**

The books of accounts of a registered organisation and a list of the members in the registered organisation shall be open to inspection by any officer or trustee or member of the registered organisation at such times as may be provided for in the rules of the registered organisation, or by the Registrar or any person authorised in that behalf in writing by the Registrar, at any reasonable time.

## **53. Obstructing inspection of the Registrar**

A person who opposes, obstructs or in any other manner hinders the Registrar or any person authorised by him or her in the carrying out of an inspection under section 52 commits an offence under this Act and the Registrar may refer the matter to the Industrial Court.

## **54. Power to call for detailed accounts**

(1) Where, in the tendering of accounts, the Registrar has reasonable cause to suspect an irregularity, he or she may at any time direct the treasurer, the executive committee or any other officer of a registered organisation to render details of accounts supported by such evidence as the Registrar may require, of the funds of the registered organisation in respect of any particular period.

(2) Where an officer of a registered organisation fails to comply with a direction made by the Registrar under subsection (1), the Registrar may refer the matter to the Industrial Court and the officer shall be dealt with in accordance with section 24(1).

(3) For the purposes of this section, the officer referred to in subsection (2) shall include any person who has held any such office, whether or not that person is at the relevant time a member of the registered organisation.

(4) Where the Registrar is satisfied, either as a result of his or her own investigations or, as a result of representations received, that any officer or member of a registered organisation is intending to make use of the funds of the registered organisation in a way which contravenes this Act, he or she may, by order, prohibit the person concerned from holding or controlling the funds of the registered organisation for a period of time not exceeding four weeks and thereafter, shall refer the matter to the Industrial Court where the matter is not resolved.

(5) A person aggrieved by an order of the Registrar under subsection (4) may, within a period of seven days after the making of the order, appeal to the Industrial Court.

#### **PART V—MISCELLANEOUS**

##### **55. Offences and penalties**

A person who commits an offence under this Act, or contravenes any provision of this Act for which no special penalty is provided, is liable, on conviction, to a fine not exceeding ninety six currency points or imprisonment for a term not exceeding four years, or both.

##### **56. Nomination by minors**

(1) A minor who is a member of a registered organisation may, in writing, delivered at or sent to the registered office of the registered organisation nominate a relative to whom any moneys payable on the death of the minor shall be paid to.

(2) A nomination made under subsection (1) may, from time to time, be revoked or varied in writing by the minor and similarly be delivered or sent.

(3) On receiving satisfactory proof of the death of a minor, a registered organisation shall pay to the nominee, any benefits under its constitution or rules due to the deceased member.

### **57. Service of legal process**

Subject to any other law, a document required to be served on a registered organisation in any civil or criminal proceedings shall be deemed to be duly served and delivered at the registered office of the registered organisation where it is posted to its registered postal address, or if it is served personally on any member of the executive committee of the registered organisation.

### **58. Facts to be notified in the *Gazette***

The Registrar shall notify in the *Gazette* where—

- (a) a labour union or a federation of labour unions has been registered or that registration has been refused;
- (b) the registration of any registered organisation has been cancelled;
- (c) a change of name or amalgamation affecting any registered organisation has been registered;
- (d) a registered organisation has been dissolved.

### **59. Regulations**

(1) The Minister may, by statutory instrument make regulations for the purposes of carrying out or giving effect to this Act.

(2) Without prejudice to the general effect of subsection (1), regulations may be made under that subsection for all or any of the following matters—

- (a) the particulars of a notice of dissolution of a registered organisation;
- (b) the fees for a revenue stamp; and
- (c) generally for better carrying out the purposes of this Act.

**60. Minister's power to amend Schedules**

(1) The Minister may, by statutory instrument, with the approval of Cabinet, amend Schedule 1.

(2) The Minister may, by statutory instrument, amend Schedule 2.

**61. Repeal of Cap. 223**

The Trade Unions Act is repealed.

**62. Savings**

(1) Any statutory instrument made under the Trade Unions Act repealed by section 61, and which is in force at the commencement of this Act, shall continue in force so far as it is not inconsistent with this Act, until revoked or replaced by a statutory instrument made under this Act.

(2) Any proceedings pending under the repealed Trade Unions Act before the commencement of this Act may be continued and completed under this Act.

**63. Transitional**

(1) Notwithstanding the repeal of the Trade Unions Act, the National Organisation of Trade Unions shall continue to be in existence and shall be deemed to be a registered federation of labour unions.

(2) An affiliate member of the National Organisation of Trade Unions shall have the option to remain or cease to be a member of the National Organisation of Trade Unions at any time after the commencement of this Act.

(3) A labour union registered under the Trade Unions Act in existence at the commencement of this Act shall be deemed to have been duly registered under this Act.

Sections 2, 60(1)

**CURRENCY POINT**

A currency point is equivalent to 20,000 shillings.

**SCHEDULE 2**

SECTIONS 41, 60(2)

**MATTERS TO BE PROVIDED FOR IN THE CONSTITUTION  
OR RULES OF A LABOUR UNION.**

1. The name of the labour union and the place of meeting for the business of a labour union.

2. The whole of the objects for which the labour unions are to be established, the purposes for which the funds of the union shall be applied, the conditions under which any member of the union may become entitled to any benefits issued, and the fines and forfeitures to be imposed on any member of a union.

3. The manner of making, altering, amending and rescinding a constitution or rules.

4. The appointment or election and removal of an executive and of trustees, secretaries, treasurers and other officers of a labour union.

5. The custody and investment of the funds of a labour union, the designation of the officer or officers responsible for the union, and the annual or periodical audit of its accounts.

6. The inspection of the books and names of members of the labour union by any person having been interested in the funds of the labour union.

7. The manner of the dissolution of a labour union and the disposal of the funds of the union available at the time of dissolution.

8. The taking of all decisions in respect of the election of officers, the amendment of rules, the constitution, lockouts, dissolution and any other matter affecting members of a labour union generally, by secret ballot if required by the members.

9. The right of any member to a reasonable opportunity to vote.

10. The amount of subscription and fees payable by a member and the disqualifications of a member from voting on any matter concerning a labour union and from receiving benefits if his or her subscription is in arrears.

11. If honorary members are to be permitted, the conditions under which a person may become an honorary member.

12. Provision for keeping in a separate fund, all monies received or paid by a labour union in respect of any contributory provident fund or pensions fund scheme.

**Cross references.**

1. Civil Procedure Act, Cap 71
2. Employment Act, 2005
3. Labour Disputes (Arbitration and Settlement) Act, 2005
4. Magistrates' Courts Act, Cap.16
5. Public Trustee Act, Cap161
6. Trade Unions Act, Cap 223
7. Trustees Incorporation Act, Cap 165