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PARLIAMENTARY DEBATES

(HANSARD)

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FIFTH SESSION - THIRD MEETING

THURSDAY, 23APRIL 2026

IN THE PARLIAMENT OF UGANDA

Official Report of the Proceedings of Parliament

FIFTH SESSION - 9TH SITTING - THIRD MEETING

Thursday, 23 April 2026

Parliament met at 10.00 a.m. in Parliament House, Kampala.

PRAYERS

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

The House was called to order.

COMMUNICATION FROM THE CHAIR

THE SPEAKER: Honourable members, I welcome you to this morning's sitting. You recall that on Tuesday, 21 April 2026, the House considered six tax Bills out of the eight. We have two Bills outstanding. They are the Income Tax (Amendment) Bill, 2026, and the Lotteries and Gaming (Amendment) Bill, 2026.

I am also aware that the Budget Committee is currently harmonising, reconciling and consolidating the proposals from the Ministerial Policy Statements. We shall be ready to do the appropriation tomorrow.

I previously guided that all pending businesses should be completed before the end of this term. So, Government Chief Whip, we want all the work to be completed. Leader of the Opposition, we have pending reports in the committees on public accounts.

Honorable members, again, on a rather sad note, we lost our former Minister of Works and Transport, Dr Monica Azuba Ntege, on 21 April 2026. The deceased served as a minister between 2016 and 2019. She leaves behind a remarkable legacy in engineering and public service.

On behalf of the Parliament of Uganda and my own behalf, I convey heartfelt condolences to His Excellency, the President of the Republic of Uganda, the bereaved family, the engineering fraternity, the people of Busoga and all Ugandans. May we rise and observe a moment of silence.

(Members rose and observed a moment of silence.)

THE SPEAKER: Thank you, Members. I wish you good deliberations. I know most of the Members are coming – there are heavy rains out there. However, I am happy to see Hon. Jona in the House. Thank you. Yes, Hon. Jona.

10.04

MR JONATHAN ODUR (UPC, Erute County South, Lira): Madam Speaker, I rise to react to your communication on the guidance you have given to our side, on the need to bring to this House all the reports of the committees on public accounts. I will relay that information to the respective committee chairpersons and ensure that those reports are laid in time.

Secondly, from your left hand side, I also join you and Ugandans in mourning the late honourable minister, Eng. Ntege, whom we had the opportunity to work with in this House. When she was the Minister of Works and

Transport, I was a member of the Committee on Physical Infrastructure. We enjoyed working closely with her.

One of the memorable contributions, if I recall, was the revival of the Ugandan national airline. She was the minister that led the Government side in making those proposals to this House. We had very interesting debates then. So, I convey my heartfelt condolence to the family and pray that her soul rests in eternal peace.

THE SPEAKER: Thank you, the Leader of the Opposition (LoP).

10.05

MS BETTY NAMBOOZE (NUP, Mukono Municipality, Mukono): Thank you, Madam Speaker. I also join Parliament in mourning the late former minister.

As an observation, Madam Speaker, we need a clear policy on how this House mourns the people who pass on. If one of us is no longer in active service, but that person has ever been, say, a minister or Member of this Parliament, how does this House handle such a matter? In future, we may need a clear policy on it.

We are very grateful, for example, for the way you handled the matter concerning our late sister. I am going to join colleagues, who are now at church, later. We are so grateful for the assistance that you gave, and the session that sat here to mourn her. I would wish to see a similar thing extended to other people.

Madam Speaker, there is a matter of national importance that I want the Minister of Education and Sports to handle, concerning the issuance of certificates to our learners, who have completed different levels of education, say, O' Level, A' Level and other levels of education. In Uganda, they normally allow a person to join the next level using the pass slips, which are provisional results.

However, when a learner is supposed to join an institution outside Uganda, they are not allowed to use pass slips. Instead, they demand for certificates. However, Uganda National Examinations Board (UNEB) takes between six months and a year before they issue the real certificates, yet when parents are paying for the examination fees, money for the certificates is included.

What happens is that if a learner is to join an institution outside the country, he or she must lose a year as they wait for the certificate. I have been approached by some parents who want to take their children outside the country for studies, but the other countries, including countries in East Africa here, such as Kenya, insist that one must take the real certificate before one is allowed to join their institutions.

My appeal, Madam Speaker, is that the Ministry of Education and Sports informs this House on how they are handling this matter and what they think about such a scenario, where somebody wants to join an institution outside the country, but UNEB takes time to issue the certificates.

Madam Speaker, that is the concern for which I am seeking guidance and assistance for the parents and learners. When you go to UNEB right now, you find many people lined up, waiting for their documents. It seems there is no clear policy on the issuance of academic documents to those who need them, in time. It takes a lot of time and people keep moving up and down, which is very tedious and inconvenient.

Thank you, Madam Speaker.

THE SPEAKER: Thank you, Hon. Betty Nambooze. For the sitting Members of Parliament, there is no doubt that we will always honour them in the House because it is provided for under the Administration of Parliament Act. That is within our preserve. Maybe let me find out the other, from the Government.

10.10

THE GOVERNMENT CHIEF WHIP (Mr Hamson Obua): Madam Speaker, I wish on behalf of the Government, to equally join Parliament in paying our last respect, in terms of condolences, to the family of the late minister of works emeritus, Hon. Engineer Azuba. I did indicate earlier on, that the Government through the Cabinet, is already handling the issue of the proposed law on granting official and state burials to the Very Important Persons(VIPs) in different categories.

I equally informed the House that in the absence of that proposed law, which is still before Cabinet, we are using the precedent and practice we have set on the specific case of the honourable former Minister of Works and Transport. His Excellency, the President, has invoked his powers under the Constitution where the Executive authority is invested in him or her, and directed that the minister of works emeritus be granted an official burial. This morning, the Minister for the Presidency, with the National Organising Committee, will be meeting the family of the fallen minister emeritus.

On the question raised to the Ministry of Education and Sports, I beg to request that we wait because the ministry equally has a subject matter on the Order Paper, such that a minister from that ministry can respond to that highly technical question. Thank you.

10.12

MR NATHAN NANDALA-MAFABI (FDC, Sironko, Budadiri County West): Thank you very much, Madam Speaker. I think we do not want to burden the President every now and then to be issuing selective official burials orders or providing some specific benefits to other people. What Hon. Betty has raised is very important.

How do you manage people who have ever been in Parliament or some offices when they pass on? Let me give an example of Bank of Uganda. When you are an employee of Bank of Uganda and you retire, they will treat you until you die. And when you die, they will bury you.

So, why don't you also come up with a mechanism, how Members of Parliament; government officials, when they pass on, how they are treated? Even in treatment because it is also selective. It is very unfair for a Member of Parliament who was here, when he falls sick - they selectively say that one will not be treated. Others are what? Treated? Of course for me I am not among those who will fall sick. But I am just – *(Interjections)* - I will not - there are very many colleagues who are suffering out there. If you get them, you only sympathise. If you gave him Shs 20,000, he might think you have given him Shs 20 million. So, I want Parliament to come up with a better mechanism on how to deal with colleagues of that nature. Thank you.

THE SPEAKER: Hon. Kates, let us first finalise on that before you come in. Is it on the same?

10.14

MR DICKSONS KATESHUMBWA (NRM, Sheema Municipality, Sheema): Yes, Madam Speaker. I just want to extend my condolences. The late Monica ironically was a very ardent golfer. So, this House has lost two sportswomen. She was the President of the Uganda Ladies Golf Union. Until a few weeks ago, we have been having golf games with her. So, I want to join the House and the country in passing condolences to the family but also to the entire Golf Union and pray that her soul rests in peace.

THE SPEAKER: Thank you. On the issue being raised by Hon. Nandala?

MR ODUR: Thank you, Madam Speaker. I want to add my voice to what has been said about this. What I would describe as the mercy of the President, the prerogative of the President to grant the official burial. Why I also insist that there must be a clear guideline - we were caught up in a very difficult situation in Lango when we lost His Highness Yosam Odur Ebii.

The communication from the Government had told us that the President had granted him an official burial. However, when we went on the ground, you hardly saw anything official there, and it put a lot of pressure on the local organising committee who were managing the burial.

If there is category A, B, C, D to be granted that official burial - it should be laid here so that we know in this case, it is category C, the Government only contributes maybe half or a quarter of the budget, because it is bringing a lot of problems to the people on the ground. I would like to ask that the Government could clarify particularly on this so that the pressures on the families, the local organising committees and the conflicts that usually arise out of such burials could hardly be managed. Thank you.

THE SPEAKER: Thank you. You have something to say? Maybe you could first respond to the medical issue that Hon. Nandala was talking about. We are talking about death; we do not want anybody to die. Let us look at issues of medical first. What happened to that law?

10.16

THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (INDUSTRY) (Mr David Bahati): I am sure the Chief Whip will conclude on this, but first, I want to send my condolences to the family of the minister who passed on. She was an inspiration to many girls, especially those who are taking sciences, and we want to honour and recognise her contribution, especially as the Minister of Works and Transport, and she worked so hard.

I worked with her so hard when I was the Minister of State for Planning in ensuring that we provide resources to revive the Uganda Airlines. As a country, we shall miss her and we honour her contribution to that.

Regarding the issues of state or official burials and the treatment of government officials, I think what remains is for you, Madam Speaker, to give the Government a deadline to bring this Bill because the Bill is already in Cabinet. I think it's within your powers to guide Government to table this Bill within a certain time so that we close it.

Otherwise, at the moment, as the Chief Whip said, it remains a good practice by His Excellency, the President to decide, in the absence of the law. So, we should be able to appreciate His Excellency, the President, for what he is doing, especially for the families**.** Thank you so much.

THE SPEAKER: Honourable members, I will not direct the Government because it has a legislative agenda. You are the Executive and Business comes from the Executive. You have a legislative agenda; please bring the Bill if you deem it fit. What Hon. Nathan is saying is: let us not bother the President all the time. There should be some things that we should be able to do without looking for the President.

Like what Hon. Odur said, if it is category A, this kind of person was a former minister, belongs under category B. Like we have agreed as Parliament under the Parliamentary Commission, that we support all those families with just a mere token of Shs 10 million. That is what we have agreed. All the families of former Members of Parliament, if one passes on or he needs that Shs 10 million for treatment, that is what we can afford. Yes -

MR NANDALA-MAFABI: I think what you are raising is good. Parliament is doing something. You see, the issue we are raising has an implication on the budget. So, the person who can bring that is you, the Government. Also, what we are trying to put up, Hon. David Bahati, you must know that tomorrow could be you.

The earlier you sort it out - because you do not need to look - right now you may be accessing the President. However, tomorrow when you leave that office, you will not be able to access the President. You will be one of those who walk until you become more sick. Therefore, we want you to work on this as quickly as possible.

Madam Speaker, I am sure you are getting letters in your office from one of the former leaders of the Opposition about emoluments. I do not know if you have got them. I do not want to mention names.

THE SPEAKER: Yes, I have got them.

MR NANDALA-MAFABI: I do not want to say because I was one of them that I am interested in that. I am not, but it is very important that once people – *(Interjections)* - yes, I am entitled, but I am not the one chasing after it now. The ones who want it more are those who have left or maybe those families whose members have died.

When we were passing that law, I think we were a bit selfish. I was here. We considered only the Speaker -

THE SPEAKER: Just a minute. When we passed the law, we considered all the former Speakers. I agree with you that we should have included maybe another category of leaders of the Opposition or whichever, but that is food for thought. We can make an amendment to that.

MR OBUA: Madam Speaker, we would love that law to equally include former Commissioners of Parliament – *(Interjections)* - yes, you are part of the administration of Parliament.

THE SPEAKER: And former Government Chief Whips.

MR OBUA: Absolutely – *(Laughter)* - I agree with you, Madam Speaker. The funeral Bill being sponsored by the Ministry of Public Service was brought to Cabinet. Cabinet reviewed and sent it back to the First Parliamentary Council to do some bit of surgery.

We have a standing rule in Cabinet that it is only Bills whose principles are approved by Cabinet that should form part of the legislative agenda of Government. In the past, most ministries would send, on their list, Bills that were yet to be conceived to be part of the legislative agenda.

Therefore, once the principles of the proposed law that will highlight the different categories of leaders and what they are entitled to in terms of burials are handled in Cabinet, definitely the Bill will come on the Floor. Then the Members of Parliament will be at liberty to look at the different categories proposed by Government. If there are categories that we feel we should include, then it can be.

However, before the law is in place, I beg that we allow the President to continue exercising the Executive Authority. It is work in progress. The Bill is already before Cabinet. Once the principles are done, it will come to Parliament through the Ministry of Public Service.

THE SPEAKER: Thank you. That is why I have told our Members that let us protect our pension. I have seen former Members of Parliament who are suffering. However, when you meet somebody who earns a mere two million shillings out of the pension, they are very happy.

When somebody brought in a Bill, they were making a proposal that people should be allowed to get 50 per cent of their pension. I am sorry, Members, we will not allow that. We should be able to differentiate between a pension scheme and a Savings and Credit Cooperative Organisation (SACCO). We should not do that.

Then there is something that I want you, honourable minister, to make a follow-up. Hon. Nathan, I want you to listen to this because you have a lot of money in the Parliamentary Pension Scheme. How can you people agree in a board meeting that you are going to make an investment by buying a building in town without involving other stakeholders? I am the biggest stakeholder. I give you 30 per cent, as Parliament.

We only hear it from the news that you are buying a building. This is not your money but for the pensioners. Honourable minister, no purchase will take place until all the stakeholders are involved.

10.25

MS BETTY NAMBOOZE (NUP, Mukono Municipality, Mukono): Madam Speaker, I strongly support your position that our pension should be ring-fenced from us and for us. We should also be assisted. When we are still here, we tend to go a bit insane in facilitating our voters that we forget ourselves. It took a strong stand to have our salaries as a no-go area for loans. Otherwise, people had started mortgaging everything theirs and remaining with nothing on their pay slips.

Therefore, Madam Speaker, I strongly support that you move to protect us from us in that direction. I also feel that it is quite unfair for the Board to continue doing things on our behalf without your knowledge.

However, the issue for which I was seeking information from the minister was about the former Very Important Persons (VIPs) who are still in service. I have seen the Ministry for Presidency's Ministerial Policy Statement, with many former prime ministers as presidential advisors and earning a salary of up to Shs 20 million. Are we going to give them benefits as former VIPs when they are still serving us and drawing a salary from the Consolidated Fund?

If I am a former Speaker and now a Prime Minister and a minister somewhere else, will I be picking money when I am still also serving as an advisor at the President, also fetching a monthly salary? I see the former Vice-President and the former Prime Minister, Hon. Amama Mbabazi; all have turned as presidential advisors. I need clarification on that.

MR KATESHUMBWA: Before the minister comes in, Madam Speaker, you have raised a very important point. I thought that as a student of finance, I should amplify your point. When you are looking at investments, especially investing money for the pensioners, you have to look at what we call the age liability profile. If you are going to invest into an asset whose rate of return or payback period -

THE SPEAKER: The return on investment.

MR KATESHUMBWA: Yes, is likely to go beyond the lifetime of the pensioner whom you are investing for, then it is unlikely that that person will benefit from that rate of return. Therefore, I would like to agree with you that when the boards are making decisions, they must be mindful that someone must enjoy his return in his lifetime. If I am 70 years old and you are to invest into a building that will bring returns after 40 years, then it is not in my interest.

THE SPEAKER: But also, Hon. Kateshumbwa, you first need to look at how many Members have left Parliament and will withdraw all their savings. When you are a first timer, you are allowed to take all your savings.

MR KATESHUMBWA: Madam Speaker, that is why there has to be a careful analysis of the age liability profile. At the same time, look at the lifetime of the Members of Parliament, especially in their positions. You cannot invest as if you are investing for a 18-year old, who perhaps has more years to live and enjoy his benefits.

THE SPEAKER: True.

MR NANDALA-MAFABI: On those things of annuity and what you are saying about investment, withdrawing pension is at a certain age. That is why the Public Service says that the moment you make 60 years, you retire. They pay you your gratuity and pension because they know you are remaining with very few years.

Madam Speaker, I think also, as you raise the issue of investment, who are you investing for in the building? Is it for the new Members of Parliament, or you are investing for the old ones, and at what age?

THE SPEAKER: Exactly!

MR NANDALA-MAFABI: If you are investing for the old ones who are remaining with a very few years on earth, that building is not worth it for them. In fact, to them, what is worth is a quick liquidity process like treasury bills, which are for 90 days, because anytime somebody can go, you need to pay his money.

Also, when you raised that those who are going to get 50 or less, it depends - if I have invested my money and I see the returns stated in that law that you are not giving me a nice return, I can say, "Please, I would like to direct you to take my money to this x place where I will get a better return."

From what I am seeing from the pension, the returns we are getting, Madam Speaker, this is not worth it, and the reason is that they are investing in treasury -

THE SPEAKER: Yes, point of procedure. I thought you were the ones who started that pension scheme.

MR BAHATI: Madam Speaker, we debated here and passed the Pension Act. We also have the authority to amend it if we so wish. Pension is a very serious issue. Therefore, are we really procedurally right, especially my brother, to want us to debate this important matter of pension in a very casual manner like this when we have the opportunity to bring amendments? Are we proceeding well, given that we have the Income Tax Amendment Bill on the Order Paper?

THE SPEAKER: Hon. Nathan, if you think it is not doing well, we will get time and do that amendment but for now, let us go to the next item.

MR MUSASIZI: Madam Speaker, it is fair that I also say something on this matter. Now, three points: my first point, I can start with the building. I am a trustee in the Parliamentary Pension Scheme, representing the finance ministry. We have been discussing this investment.

Apparently, the law allows us to determine asset classes. The asset classes are fixed income. We also invest in equities, and real estate is also one of the allowable asset classes. However, on real estate, we have been going slow. We have not - I think this is the first time we are considering making a decision to invest in real estate.

I must admit however, that I was attending meetings until I became busy with elections, and after elections the budget. So, I have not attended the latest meetings. What I can commit is that since we do this on your behalf, if you feel we should involve you more or go slow in paying or investing in real estate, we can come back to this decision; it is not late.

My second point is on drawing a pension up to 50 per cent. The principle of a pension is that you save money to help you in old age when you are no longer working. The midterm access too, was not correct.

Then we go further and now seek to draw up to 50 per cent, we will have defeated the objective of saving for old age.

Finally, the pension scheme has its governing law, separate from public service pension, NSSF and others. This one is governed by the Pension Act of Parliament. Whatever we do in the scheme is in accordance with the law of Parliamentary Pensions Act.

My last point is that what Hon. Kateshumbwa is talking about is that laws define how to access pension differently. So, like this one says that if you are a pensioner, we will pay you - if you are 45 and above, we pay you for 15 years. Whether you are 45, or 60 or otherwise, we will pay you pension for 15 years.

Why do we assume like that? We assume that 15 years after getting out of Parliament, within 15 years you die. Your life comes to an end. However, if you do not die, we will pay you until death happens. The risk there is small, those who will remain after 15 years will not be many and can be accommodated.

Allow me undertake that I am going to immediately call my Chairman, Hon. Arinaitwe Rwakajara and also the CEO of the pension scheme to inform them that it is the considered opinion of Parliament that we should study further this decision of investing in real estate. Thank you, Madam Speaker.

THE SPEAKER: Thank you. Thank you so much. Yes, Hon. Obua.

10.37

THE GOVERNMENT CHIEF-WHIP (MR Hamson Obua): Madam Speaker, I am happy that the principal legal advisor of the Government is now here; the Attorney-General. In response to the matter raised by the Hon. Nambooze, our learned friends keep telling us two things in law. One is whatever something is not prohibited by the law; it is allowed, and two, that the law is interpreted as it is, not as it ought to be, or as you wish it to be.

Now, on the subject matter raised by the Hon. Nambooze, the law, as it is, allows the former holder of the office of Prime Minister, Deputy Speaker of Parliament, Speaker of Parliament, Vice President of Uganda, and the President of Uganda, to enjoy the benefits and privileges that are under the law for the former holder of that office.

That is the reason we have a Vice President emeritus who is enjoying the privileges of the office of a Vice President. He served as Speaker and is equally enjoying the privileges of the office of a former Speaker. He served as Deputy Speaker and is equally enjoying the privileges of the office of a former Deputy Speaker of Parliament. That is the law as it is now – (Interjections) - yes, he is being paid for holding that office. He is a former holder of that office. So, the law did not envisage the fact that if this person is appointed into another office where he or she draws his or her salary from the Consolidated Fund, what must be done. But well, that is the position of the law. Until it is amended, they will continue to enjoy those privileges and benefits attached to the holder of those offices in their former capacities. Thank you.

THE SPEAKER: Is that cleared? Former -

MR MUSASIZI: Madam, with your indulgence -

THE SPEAKER: We are not amending that law. Let us leave it as it is. Next item.

BILLS
SECOND READING

THE INCOME TAX (AMENDMENT) BILL, 2026

THE SPEAKER: Honourable members, Pursuant to Rule 136(1) of the Rules of Procedure of Parliament, I want to invite the Minister of Finance, Planning and Economic Development to move a motion for the second reading of the Bill.

10.40

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker and colleagues, I beg to move a motion that the Income Tax (Amendment) Bill, 2026, be read for the second time. I beg to move.

THE SPEAKER: Seconded? Okay, seconded by Hon. Obua, Hon. Bahati, Hon. Amos, Hon. Katesh, Hon. Okasaai, Hon. Betty, Hon. Zijjan, Hon. Mpindi, Hon. Mukono, Alhaji, Hon. Lucy, Hon. Faith, Hon. Mudimi, Hon. Baka, Hon. Noeline, Hon. John and Hon. Kubeketerya.

MR MUSASIZI: Thank you, Madam Speaker. The Income Tax (Amendment) Bill, 2026, is seeking to amend the Income Tax Act, Cap 338 to provide for Withholding Tax on the interest paid by a resident company to a foreign financial institution, on commissions paid to telecommunication retail services, mobile network services, or provision of mobile money services, on winnings under gaming or betting, on payment for the purchase of non-business assets, and on payment to public entertainers, to exempt the income of the Bujagali Hydro-power Project and the income of a developer of a hotel or tourism facility from tax, to amend Schedule Two to provide for the Arab Bank for Economic Development in Africa (BADEA), and the Uganda Red Cross Society, as listed institutions, and to amend Schedule Four of the Act to revise certain tax rates and for other related matters. I submit for the consideration of the House, Madam Speaker.

THE SPEAKER: Thank you. I am also aware that the report from the committee is ready though it is accompanied with a minority report. Can we have the report from the chairperson before hearing from the minority member? Attorney-General, welcome back. We missed you.

10.43

THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda): Madam Speaker and honourable colleagues, as you have put it and rightly so, the committee is ready to report. It was actually ready even on Tuesday, but because of the schedule - I would like to beg that I lay on the Table the copies, the minutes, and documents that were reviewed during our meetings when handling these last two Tax Bills - the Income Tax (Amendment) Bill and the Lotteries and Gaming (Amendment) Bill, 2026. However, for now, let me go straight to the Income Tax (Amendment) Bill.

Madam Speaker and colleagues, the committee was consistent in terms of reporting. The introduction is very clear, the object of the Bill is clear - the methodology - the meetings that were carried out - the document review, and all those were consistent, like they were in the previous Bills that were tabled.

Madam Speaker, allow me to go specifically to areas of observation and recommendations; I will start with clause 2 of the Bill, which seeks to amend Section 2 of the Income Tax Act, Cap 338 to provide for software in the definition of the word “royalty”. The proposed amendment thus indicates that the software is now explicitly royalties attracting Withholding Tax.

The ministry informed the committee that the amendment aligns Uganda’s tax treatment with international standards, including the EAC Treaty and the UN Model Tax Convention, which treats software payments as royalties in order to allow countries that import software to tax the payment on a gross basis.

The committee observed that the software is a key service paid for under cross-border services in a globalised economy. Software can be imported either embedded in a physical device or accessed digitally. The proposed amendment seeks to expand the tax base to include both categories. The committee recommends that clause 2 be adopted.

4.2 Disposal of non-business assets

Clause 3 of the Bill seeks to include income derived from the disposal of non-business assets as property income. Section 20 of the Income Tax Act provides for different types of property income. This means that when one disposes of a non-business asset, the person purchasing the non-business asset will be required to withhold 6 per cent of the gross payment as proposed under Clause 13 of the Bill.

The committee learnt that the amendment ensures that the income from the sale of non-business assets such as land, jewelry, shares and precious metals is recognised as a taxable income under the Act. It is necessary to support the proposed Withholding Tax in clause 13 of the Bill on such transactions, since the income must first form part of the gross income to be chargeable for tax.

Currently, capital gains tax mainly applies to business assets, with gains taxed as part of the business income. Non-business assets are largely outside this framework and creates a gap in the tax system. The proposal addresses this gap by bringing non-business assets disposal into the tax base.

The committee observed as follows:

i) That the term “non-business asset” is not defined in the Bill, leaving it to a wide interpretation. There is a need to specify what a non-business asset is, other than defining it by way of exclusion from the business asset. A business asset is defined under section 2 of the Act to mean an asset which is used or held ready for use in a business and includes any asset held for sale in a business and any asset of a partnership or company;

ii) That implementation of this tax may face considerable challenges as it is difficult to determine when one sells a non-business asset;
iii) The committee continues to observe that the traceability of the transactions involving non-business assets such as unregistered land, jewelry, among others, will be difficult, thereby complicating the administration of such a tax;
iv) That there is a need to consider the purpose of sale of a non-business asset, as the imposition of the withholding tax may not enable citizens to achieve the intended purpose of sale; and
v) The committee observed that a taxpayer who, for different reasons, sells land below the market value will incur a tax obligation, which ordinarily should not exist.

The committee recommends that Clause 3 of the Bill be deleted.

4.3 Exemption of Bujagali Hydro Project

Clause 4(a)(i) of the Bill seeks to amend 21(1)(A) (b) to extend the exemption of the income of the Bujagali Hydro Power Project by six years from 30th June 2026 to 30th June 2032.

The ministry indicated that the exemption in the current law is set to expire on the 30th of June 2026. The proposed extension is based on the structure of the Bujagali Agreement, where corporate income tax is built into the electricity tariff. If the tax is imposed, the tariff will automatically increase to cover the tax cost. This means that taxing the project would lead to higher electricity prices for consumers rather than generating real net revenue for the Government.

In 2025, the Committee on Finance, Planning and Economic Development recommended in its report that the Bujagali Hydropower Project be exempted from income tax for the seven years' period, as proposed in the Bill, to be consistent with the power purchase agreement, which runs up to 2032. On 14 May 2025, Parliament debated the Income Tax (Amendment) Bill, 2025, and rejected the Committee's seven-year recommendation, recommending that it instead gives a one-year exemption.

I hereby report the observations of the Committee as follows:

i) In 2017, the Bujagali generation tariff was at 13 cents USD dollars, which was very high. The Government, in a renegotiation, offered to waive Corporate Income Tax for five years in exchange for a reduction of the generation tariff to 8.3 cents. The Bujagali generation tariff, as of 30 March 2026, was at 6.34, with a dispatch of 84.1 per cent. Colleagues, you can see the reduction because of the exemptions we have been giving;
ii) If the amendment is rejected, the income tax, according to the renegotiation power purchase agreement, shall automatically pass through into a tariff as a cost ranging between 1.8 and 2, and will therefore, increase the cost of power; and
iii) The proposed amendment seeks to give a waiver to Bujagali up to 2032. This implies that after 2031, the tariff application should be between 4.5 and 4.7 cents per kWh USD, lower than the current tariffs of Isimba and Karuma.

The committee therefore recommends that Clause 4(a)(1) of the Bill be adopted.

2. Correction of the Typographical Error

Clause 4(a) (11) seeks to correct a typographic error under 2l(L)(ae)(vii) of Cap. The section provides a tax exemption for income derived from specific activities, specifically manufacturers of chemicals for agricultural use, industrial use, textile, glassware, leather products, industrial machinery, electronic equipment, sanitary pads, and diapers. The proposed amendment is to delete the word 'for'.

The committee observes that the proposed amendment is correct and is a clarification intended to correct technical or clerical errors in this section. The committee recommends that this clause be adopted.

3. Exemption of the Income of a Developer of a Hotel or Tourism Facility

Colleagues, you remember in the previous Bills, this was talked about, so they are cross-cutting. Clause 4(a) (iii) of the Bill seeks to amend Section 21 of the Income Tax Act by inserting, in subsection (i), a new paragraph (a) (h). The proposal intends to exempt a hotel or tourism facility developer from tax, subject to the conditions specified in the provision.

In order for a hotel or tourism facility developer to benefit from the exemptions, the following must be in place:

i) The investment capital should be at least USD 10 million in the case of a foreigner or USD 5 million US dollars in the case of a citizen;
ii) Subject to availability, the developer should use at least 7 per cent of the locally sourced raw materials; and
iii) The developer should employ at least 20 per cent of its employees who are citizens, earning an aggregated wage of at least 70 per cent of the total wage Bill.

According to the ministry, this measure is designed to attract investments in high-quality hotels, create jobs, and support Uganda's tourism sector. It also aligns with the Government's 10-fold growth strategy, especially in promoting the ATMs.

The Committee notes as follows:

i) The (amendment) will encourage investment in Uganda's tourism industry;
ii) The minimum threshold for investment by citizens set at USD 5 million is so high for a typical Ugandan developer to mobilise financing and deliver the project on time, as prescribed in the Bill;
iii) Whereas the minister did not propose a timeline for implementation of the project under the Income Tax (Amendment) Bill, 2026, the committee found that most hotel constructions take an average of five years to be completed, and as such, there is a need to prescribe a timeline for the proposed exemption;
iv) To ensure that Ugandan development developers benefit from this amendment, the investment capital should be reduced to USD 1.5 million for the citizens; and
v) The requirement under the proposal for the developer to use locally sourced raw materials and employment of citizens promotes local content and assures citizens of employment opportunities.

The committee recommends that clause 4(a) (iii) of the Bill be passed with amendments to reduce the threshold to USD 1.5 million for locals, citizens, and include a period of five years within which the beneficiary must have completed setting up the facility.

4.6 Infrastructure Bond

Clause 4(b) of the Bill intends to amend Section 21(7) to change the definition of the infrastructure bond to include all bonds as proposed, to only listed bonds. The finance ministry stated that the key change is that the bond will no longer need to be listed on the stock exchange to qualify.

Currently, this requirement limits how the Government can raise funds and creates uncertainty. By removing the listing requirement, the proposal makes it easier for the Government to mobilise financing and allows these bonds to be traded more freely even outside the stock exchange.

The committee observed that the inclusion of all bonds will make it easier for the Government mobilise financing.
The Committee, therefore, recommends that clause 4(b) be adopted.

4.7 Allowable Deductions for Bad Debts

Clause 5 seeks to amend Section 2(4) to allow microfinance deposit-taking institutions or tier-four microfinance institutions to claim deductions for bad debts just like other financial institutions. According to the Ministry, this amendment allows microfinance tier-four institutions to claim deductions for bad debts and provides for bad debts made in accordance with the financial regulatory requirements.

Currently, the law permits such deductions for supervised financial institutions but does not extend the same treatment to microfinance and tier four institutions. This proposed change aligns the tax treatment of microfinance institutions with that of other regulated financial institutions. It means and ensures fairness is recognised in the similar regulatory obligations they face.

Microfinance deposit-taking institutions and tier-four microfinance institutions are relevant in Uganda and serve as primary access points for underserved rural and informal sector, and as such, they should be allowed to claim under this section.

The committee recommends that the clause be adopted.

4.8 Deductions of Interest Incurred on Debt Obligations

Clause 6 of the Bill seeks to amend Section 25 of the Act to include the definition of dormant and to amend the definition of group and tax earnings before interest, tax, depreciation, and amortisation.

The definition of group is proposed to include a person other than an individual with at least 51 per cent of the common underlying ownership and excludes a member of the dormant group. The definition of tax earnings before interest, tax, depreciation, and amortisation is proposed as the sum of the gross income less allowable deductions other than brought forward losses. The Ministry stated that this proposal intends to simplify and clarify how interest expenses are treated for tax purposes.

First, the proposed definition of a dormant company as one that is not doing business and has no financial activity in a year - such companies should be ignored when applying the rule.

Second, it defines a group as "Companies that are at least 51 per cent interest of the common underlying ownership." Only active companies are included. This makes it clearer which businesses are treated as related.

Third, it explains how to calculate EBITDA earnings before interest, tax, depreciation and amortization, which is a measure of business performance. It focuses only on the current year, including expenses and excludes old losses brought forward from previous years.

The committee was further informed that under the current law, companies that are members of a group can deduct interest on loans, but this is limited to 30 per cent of the EBITDA, if the company is part of a group.

This rule prevents group companies from using too much borrowing to reduce their tax. This is something they are able to do by virtue of being in a group.

The committee observed as follows:

1) Amending the definition simplifies the application of the 30 per cent interest limitation rule by excluding dormant companies that have no real economic activity from the group calculations, making the rule easier to apply; and
2) It reduces unnecessary compliance burden on genuine companies that have not had no real economic activity in a year.

The committee recommends that Clause 6 of the Bill be adopted.

Expenditure incurred by a person in acquiring farm works

Clause seven of the Bill seeks to amend Section 34 of the Act. It is to the effect that expenditure incurred by a person in acquiring farm works is included in the personal pool for class three assets in a year of income, in which the expenditure is incurred and depreciated accordingly under Section 27.

Under the Income Tax (Amendment) Act, 2021, the class of assets under the principal Act was amended from class four to class three. Section 27(2) provides that depreciable assets are classified into three classes as set out in Part One of Schedule Seven, to the principal Act, with depreciation rates applicable for each class as specified in that part.

The ministry indicated that this change is needed because the law was amended in July 2021 to reduce asset categories from four classes to three. As a result, class four no longer exists.

This amendment simply updates the law to reflect the current classification system and avoid confusion when applying the rules.

The committee observed that the continued reflection of class four assets in the principal Act, which no longer exists, poses challenges during tax administration. Therefore, the committee recommends that Clause 7 be adopted.

Carry-forward losses

Clause 8 of the Bill seeks to amend Section 36 of the Act to introduce a minimum tax on carry-forward losses. Currently, a taxpayer who, after a period of seven years of income, carries forward assessed losses is only allowed to deduct 50 per cent of the losses carried forward in the following income year, and subsequent years of income in determining the taxpayer’s chargeable income.

The proposed amendment is to the effect that a taxpayer who after a period of seven years of income, carries forward assessed losses shall pay a tax at a rate of 0.5 per cent on the gross income of the taxpayer or the tax charged under Section 4 (1), whichever is higher.

The ministry informed the committee that currently the law limits the use of carried-forward losses after seven years to 50 per cent. However, it does not impose any further consequence. As a result, some companies may continue reporting low or no taxable income for many years.

The proposed amendment ensures that such businesses still make a minimum contribution to Government revenue. Instead of paying no tax, they will pay at least 0.5 per cent of their gross income. The proposed amendment ensures that such businesses still make a minimum contribution to Government revenue. In simple terms, a company will either pay the normal tax of 30 per cent on its profits, or if it continues to report losses, a small tax based on its turnover.

The committee observed follows:

i) If this amendment is applied across board, it may result into closure of several businesses which it is targeting to tax gross income as opposed to profit;
ii) Where a company is genuinely incurring losses, it will be required to pay tax. Whereas the proposal is seeking to capture companies, which are practicing tax planning through practices such as declaration of losses, some companies that are genuinely incurring losses will be disadvantaged.; and
iii) The amendment amounts to taxation of gross income as opposed to profits and therefore defeats the principle of income tax.

The committee recommends that Clause 8 of the Bill be deleted.

Tax on international payments

Clause 9 of the Bill seeks to amend Section 82 of the Act, which exempts interest paid by a resident company in respect of a debenture upon fulfilling the stated condition. The amendment seeks to impose a withholding tax on the gross amount of the interest paid in respect of debentures by a resident company. The interest is at a rate of 5 per cent as proposed under part five of Schedule four of this Act.

The ministry stated that currently, when a Ugandan company borrows from a foreign bank or financial institution, it does not withhold tax on the interest it pays. This means that income earned from Uganda may go untaxed in Uganda.

The amendment introduces a 5 per cent withholding tax to ensure that this income contributes to Uganda's tax revenue, just like interest earned by financial institutions within the country.

The committee observed that the interest to be withheld is derived from income generated in Uganda, and, as such, should be taxed within the Uganda jurisdiction. The committee recommends that Clause 9 of the Bill be adopted.

Taxation of non-resident providing digital services

Clause 10 of the Bill proposes an amendment of Section 86 of the Act by exempting the income attributable to royalties from taxation under the taxation of non-residents providing digital services. This means that the person who derives income from providing digital services in Uganda, whose services are attributable to royalties, will not pay tax under Section 86. This is because the person will be required to pay tax under Section 82, which provides for payment of tax on royalties.

The definition of royalties is provided for under Section 2 of the principal Act and the Bill proposes an amendment to that section to provide for software under royalties. The ministry stated that this amendment aligns Clause 2 of the Bill, which includes software in the definition of royalties and so that software can be categorized as a digital service, thus avoiding double taxation.

The committee observed that the amendment intends to avoid double taxation of the by dis-supplying Section 86 from income attributable to royalties. The committee recommends that Clause 10 be adopted.

Arm's length principle

Clause 11 of the Bill seeks to insert a new Section 115A in the principal Act to provide for the Arm's length principle in control transactions or a series of control transactions. Control transactions is defined in the Bill to mean transactions between associates. According to the ministry, the Arm's length principle means that related parties must deal with each other as if they were independent, using market prices and terms.

The amendment places a clear obligation on the taxpayer to demonstrate that their related party transactions meet this standard. Previously, some taxpayers relied on gaps in the law to avoid providing sufficient evidence, making it difficult for URA to assess whether transactions were fairly priced.

The committee observed that the provision intends to require persons to account for controlled transactions. Section 116 only requires the Commissioner-General to distribute a portion or allocate income as well as deductions or credit between associates to reflect the chargeable income realised by a taxpayer in an arm's length transaction. The committee recommends that clause 11 be adopted.

Rental tax

Clause 12 of the Bill seeks to amend Section 124 of the Act to enable individual taxpayers to furnish optional provisional returns of the rental income tax on a monthly basis. According to the ministry, this allows an individual rental taxpayer to file and pay rental tax on a monthly basis if they choose to do so.

Currently, individuals are required to declare and pay their rental tax quarterly. The proposed amendment does not replace this system, but introduces an optional alternative. Taxpayers may continue with quarterly filings, where it is more convenient, or opt for monthly filing, depending on the circumstances.

The committee observed that since the proposed amendment is optional, it gives taxpayers an alternative to paying their tax and still ensures compliance. The committee recommends that this clause be adopted.

Withholding tax by the purchaser of assets

Clause 13 of the Bill seeks to amend Section 130 of the Act, which provides for withholding tax by the purchaser of a non-business asset. The proposal provides for the rate of a non-business asset, which has been provided for under Clause 3 of the Bill. The proposed amendment seeks to provide for the withholding tax rate for the purchase of non-business assets as six per cent of the gross payment, as specified in Part X of Schedule 4.

The committee observed that Part X of Schedule 4 of the Act provides a rate of 10 per cent for purposes of section 130 (withholding tax for purchase of an asset). The committee recommends the deletion of Clause 3 of the Bill and, as such, this is a consequential amendment.

The committee recommends that Clause 13 of the Bill be deleted, following the deletion of Clause 3 of the Bill.

Withholding tax on the payment of winnings from betting or gaming

Clause 14 of the Bill seeks to substitute section 131 to expound the provisions for withholding tax on payment of winnings, betting, or gaming. The proposed amendment prescribes withholding tax on winnings at 15 per cent, under Part XI of Schedule 4, and defines "winnings" as the difference between pay-outs and the staked amounts on the game or bet, and further exempts winnings paid by a person licensed to conduct a national lottery.

The ministry stated that this amendment requires a betting or gaming company, which pays out winnings from betting or gaming, to withhold at a rate of 15 per cent. "Winnings" are defined as the amount paid out to the player, minus the amount they staked. This ensures that tax is applied only to the actual gain, not the total payout. Currently, withholding only applies to winnings from betting. The proposal extends withholding tax to gaming and defines what "winnings" are.

The committee observed as follows:

i) The tax intends to include gaming, which was not previously provided for;

ii) The definition of "winnings" provides clarity, which will ease tax administration; and

iii) There is a need to disapply withholding tax from winnings arising from playing card games or roulette. Card games and roulette are termed as land-based games.

The committee recommends that clause 14 be adopted, with the proposed amendments.

Withholding tax on commission paid by telecommunications service providers

Clause 15 of the Bill intends to substitute Section 133 for withholding tax to apply to the commission of telecommunication retail services and mobile network services, and omits airtime distribution from the provision.

The ministry informed the committee that the proposed amendment expands this source to include commissions earned by agents distributing other telecom products, such as voice and data bundles. The tax is charged on gross amounts of the commissions paid, making it easier to administer and enforce.

The object of this amendment is to widen the tax base and reduce tax avoidance within the telecommunications sector, where some commission income may not be fully declared. By extending withholding tax to a broader range of telecom services, the proposal aims to improve compliance and increase revenue collection.

The committee observed that the amendment intends to incorporate changes in the telecommunications sector in order to widen the tax base. The committee recommends that Clause 15 be adopted.

Withholding tax on a public entertainer

Clause 16 of the Bill proposes to insert clause 135B to withhold tax on the gross payment of a public entertainer.

The finance ministry explained that the amendment requires any person who pays a public entertainer to withhold a tax at a rate of six per cent on the gross payment as proposed under Part XVI of Schedule Four. Currently, withholding tax mainly applies to payments made by designated agents and on commissions in sectors such as insurance, advertising, and mobile money. This leaves a gap where payments for entertainers are not consistently taxed, especially when made to promoters or other players who are not designated agents.

The proposed amendment closes this gap by placing the obligation to withhold on anyone making payment to the entertainer. This ensures that income earned by entertainers is captured at source, improving compliance and reducing the risk of under-reporting.

The committee observed as follows:

i) There is a need to define "public entertainer"; and
ii) There may be implementation challenges in traceability in the transactions and payments.

The committee recommends that clause 16 of the Bill be adopted, with the proposed amendments.

Withholding tax as final tax

Clause 17 of the Bill seeks to amend Section 139 to provide that tax, which has been withheld on payment for purchase of non-business assets (Section 130(3)), on payment of commission paid to an insurance agent (Section 134) and on payment of a commission for telecom retail services (Section 133) shall be treated as a final tax and no further tax liability is imposed upon the taxpayer in respect of the income to which the tax relates.

The ministry informed the committee that under the current law, withholding tax on insurance agents' commissions is creditable rather than final. This means that the agents must still file tax returns and account for their income after the tax has been deducted. In practice, many insurance agents incur daily expenses that are informal and difficult to document, making accurate reporting challenging.

The proposed amendment simplifies this process by treating the 10 per cent withholding tax as a final tax liability. This removes the need for further filing and reduces the administrative burden on agents.

The committee observed as follows:

i) This is a consequential amendment arising from the amendment of sections 130(3) and 133, which have been proposed for amendment in this Bill. Clause 17(a) and (aa) in regard to section 130(3) were deleted as a consequential amendment from the deletion of Clause 3 of the Bill; and
ii) The amendment also seeks to include the payment of
commission paid to an insurance agent as a final tax. The amendment also seeks to include payment of commission to an insurance agent as a final tax.

The Committee recommends that Clause 77 of the Bill be adopted with the proposed amendments.

Tax rate on income derived by a resident individual from foreign source

Clause 18 of the Bill seeks to provide for a new insertion of Section 150A to provide that income derived by a resident individual from a foreign source shall be taxed at the same rate as that applies to the same type of income sourced in Uganda.

The Minister informed the committee that this reform aligns the treatment of foreign income with domestic income by taxing it according to its nature. Although the Ugandan law already allows taxation of worldwide income for residents, enforcement has been limited due to difficulties in identifying such income. The adoption of automatic exchange of information now enables Uganda to receive financial information from other countries, making it easier to detect income earned abroad.

The committee observed that the provision does not take into account cases where income was earned abroad based on tax exemption and bilateral international trade agreements. The committee recommends that this clause be deleted.

Clause 19

The Bill seeks to amend Schedule Two of the Act, to provide for an income tax exemption from the Arab Bank for Economic Development in Africa(BADEA), the Red Cross Uganda Red Cross Society. Schedule 2 provides for the listed institutions that are exempted from - honourable colleagues, you can read that.

The committee recommends that these two entities be known for the purposes mentioned by the Ministry of Finance, Planning and Economic Development(MoFPED) and, as such, should qualify for exemption. The committee therefore recommends that clause 19 of the Bill be adopted.

Amendment of Schedule Four (Pay as You Earn)

Clause 20 proposes to amend Schedule Four by substituting Part 1 of Schedule Four, which provides for rates of tax. Part 1 of Schedule Four provides for rates of income tax for individuals.

The finance ministry informed the committee that a key reform is the increase in the tax-free threshold from Shs 2,820,000 per year to Shs 4,20,000 per year. If you divide Shs 2,820,000, which is equivalent to Shs 235,000 per month, and Shs 4.02 million per year means a threshold of Shs 335,000 per month.

The previous threshold set in 2012 had not been adjusted for inflation despite rising living costs. The purpose of this change is to reduce the tax burden on low-income earners and improve fairness in the tax system. By raising the threshold, more individuals will either pay less tax or be removed from the tax net entirely. At the same rate, the progressive structure ensures that high-income earners continue to contribute a larger share of tax revenue.

The committee observed as follows:

i) all salaries in all salary bands stand to benefit from the proposed amendment;
ii) The tax-free threshold has been increased from Shs 235,000 per month to Shs 335,000 per month. Moving lower-paid workers from the tax net entirely and providing meaningful disposable income, disposable income; and
iii) It corrects the long-standing erosion of the tax-free threshold caused by inflation since 2012, restoring fairness for the low segment of the formal sector workers in line with the Government's objective of protecting low-income earners.

The committee recommends that clause 20(a) stands part of the Bill.

Withholding tax rates

Clause 20(b), the Bill proposes to amend Income Tax in Schedule Four by inserting Section 2A in Part V to provide that the withholding tax rate on the interest paid by a resident company in respect of the debentures to a non-resident person under Section 82(5) is 5 per cent.

Clause 20(c) of the Bill proposes an amendment of income tax in Schedule Four by inserting item 4 in Part X to provide withholding tax for Section 130(3) at 6 per cent of the gross payment.

Clause 20(d) of the Bill proposes to amend the Income Tax Act in Schedule Four by substituting part 11 to provide a withholding tax rate for winnings from betting and gaming of 15 per cent.

Clause 20(e) proposes to amend the Income Tax Act in Schedule Four by substituting part XIII, to provide for the rate of withholding tax on payments of commission paid by telecommunication service providers for telecom retail services, mobile network services, or provision of mobile money services at a rate of 10 per cent of the gross amount of payment.

Clause 20(f) provides for part XVI, which provides for withholding tax on payments made to a public entertainer of 6 per cent of the gross payment.

The committee observed as follows:

i) the clause provides for withholding tax rates, which have been provided for under the Bill; and
ii) Clause 20(c) should be deleted because it is a consequential amendment following the deletion of Clause 3.

The committee recommends that Clause 20 of the Bill be adopted with the proposed amendments.

In conclusion, the committee recommends that the Bill be passed subject to the proposed amendments. I beg to submit.

THE SPEAKER: Thank you, Chairman. Yes, Hon. Masaba - can I have a copy?

12.16

MR KARIM MASABA (Independent, Industrial Division Mbale, City): Thank you, Madam Speaker. We submitted a copy to the Office of the Clerk, and I think it has even been uploaded.

I am presenting the minority report on the Income Tax (Amendment) Bill, signed by me, Hon. Hanifa Nabukeera, Hon. Ibrahim Ssemujju Nganda, Hon. Anna Adeke Ebaju, Hon. Brenda Nabukenya, and Hon. Geoffrey Ekanya.

At the time of making this minority report, we had not agreed on certain clauses with the committee, but I am happy that the chairperson came to our conclusion on some of the clauses, which are included in our minority report, so I will try to be brief and skip some of those items.

When you look at page 1, the issue of non-compliance that was mentioned earlier on Tuesday - the issue of no comprehensive taxation policy was also discussed. I will go to the next page on the issue of the disposal of non-business assets.

The law wants to make gains from the disposal of non-business assets officially recognised as derived income, and a person purchasing such an asset be compelled to withhold tax. We object to the government's introduction of Capital Gains Tax of 6 per cent withholding tax on private assets like private land, real estate, or shares not listed as an active business, to personal home items like necklaces, television sets, beds, or furniture in homes.

This bill, once passed as is, will require that the buyer acts as a tax agent and withholds 6 per cent of the payment and remit it to Uganda Revenue Authority(URA).

Non-business assets are not used to generate income and are normally disposed of for purely personal reasons, like settling medical bills, fees, and should not be considered as items to be put under the tax base.

The next is charging mobile money and telecom commissions. We object to the withholding tax that they propose on the commission paid to telecommunication retailers, mobile money networks, and mobile money services. Doing so will directly hit the mobile money agents and airtime vendors. The net take-home profit for small-scale mobile money agents will be affected. Consequently, the mobile money agents will push the costs to the consumer or close operations of the mobile kiosks.

The other issue concerns Bujagali. We reject the proposal to extend the exemption of Bujagali. This matter has been coming up in each financial year. We reject the Bujagali Tax Exemption of six years to 30 June 2032. The Bujagali tax exemption is a matter that tests the integrity of this Parliament.

While painfully giving a one-year tax exemption this current financial year, Parliament unanimously resolved that the Government renegotiates the power purchase agreement with the Bujagali owners. Parliament also ordered the Auditor-General to audit Bujagali, especially in relation to the recommendation of the ad hoc committee report. The Auditor-General produced his report. My colleague, Hon. Kateshumbwa, chaired this committee, and I was part of it.

Parliament adopted the 2023 Auditor-General's report, and it mentions losses of Government revenue through exemptions like this one, amounting to approximately Shs 1.417 trillion in waivers.

The proposed extension of the Bujagali tax waiver is projected to result in additional revenue loss of Shs 690 billion in the next six financial years, considering that Bujagali will be forgiven about Shs 115 billion per year up to 2032.

We, therefore, reject the proposal because the project has benefited from repetitive extensions through the annual and short-term amendments.

We agree with the proposal to adopt a clear transition strategy to phase out the exemption, including renegotiating elements of the tariff structure, where necessary or replacing the tax holiday with targeted and transparent subsidies that support electricity affordability without undermining revenue mobilisation.

I am going to skip the issue of hotels because this is a consequential amendment to what we discussed the other day. We still propose $500,000 and 1.5 million for the urban settings.

The next issue is about opposing the imposition of a 0.5 tax on the gross income of companies carrying forward assessed losses after a period of seven consecutive years. Imposing a tax of 0.5 on the gross income implies that companies with nil chargeable income will be paying tax, which is against the known principle that Corporate Income Tax is charged on chargeable income.

Madam Speaker, it is very unrealistic to tax already struggling companies making losses. The Government must appreciate that, despite such companies making losses in the medium term, they provide jobs and contribute revenue to URA through Pay as You Earn (PAYE). Imposing this unpopular tax will definitely affect investment.

Section 8 of the Bill, trying to amend Section 34 of the principal Act should be deleted. That is our recommendation. We gave an example of Uganda Airlines. Uganda Airlines is a loss-making Government entity that has been making losses since its inception over seven years ago.

The Government is saying, for example, if Uganda Airlines has made these losses, then it is supposed to pay a tax on the gross sales, whatever it is making, which is against any known principle. We object to this because companies can make losses for up to 10 years, and URA has the capacity to determine this.

The seventh issue in our report that we are opposing is under PAYE on the income of workers earning more than Shs 10 million. In our recommendation, because we had a wider interaction, we have proposed a table, as you can see. The difference between our report and the committee recommendation is that for someone earning between Shs 335,000 and Shs 410,000, the tax rate should also be considered at a zero rate.

Then, for someone who is earning over Shs 10 million, the committee is recommending what the Government had proposed that the person is taxed at roughly about 40 per cent when you compute. We propose that instead of Shs 10 million, look at someone who is earning Shs 17.4 million. Those are the two differences between the committee recommendation and ours.

Madam Speaker, the growth in consumer price index between July 2012, we are looking at 2012 because this is when the last rates were set, and February 2026 is about 74 per cent. The equivalence of the tax-free threshold of Shs 235,000 adjusted for inflation would be about Shs 408,000.

Our view is that someone who was earning Shs 235,000 in 2012 is equivalent to someone earning Shs 408,000 today. Someone who was earning Shs 10 million in 2012 is the same as someone who is earning 17.4 million shillings as of today.

Madam Speaker, to arrive at a 74 per cent cumulative growth rate is by compounding the annual inflation rate over the specific period between 2012 and 2026. The average annual inflation between 2012 and 2028 is between 3 and 6 per cent, by compounding effect. If you assume the average annual inflation rate of approximately 4.1 per cent over the period of 13.6 years between July 2012 and February 2024, the cumulative increase in price level reaches approximately 74 per cent.

Madam Speaker, it is important to adjust the tax brackets for inflation on an annual basis based on the consumer price index published by the Uganda Bureau of Statistics at the end of each financial year.

We reject the 40 per cent on Shs 10 million and recommend the 40 per cent to begin from an income of Shs 17.4 million per month.

Our eighth proposal, or view as the minority, is the amendment of Section 82 of the Principal Act. Madam Speaker, the Income Tax (Amendment) Bill, 2026, proposes to amend section 82(5) of the Principal Act. It would require a resident company paying interest on debentures to withhold tax on the gross amount of interest at the rate specified in Part V of the Schedule. Only if the following three conditions are met. The conditions are there, as you can see.

In simple terms, the amendment seeks to impose Ugandan withholding tax on interest payments made by Ugandan resident companies on foreign-issued debentures or loans that are ultimately used for business activities in Uganda (or paid to banks and financial institutions), even when the funds are raised and interest is paid abroad.

We reject the proposal today due to its likely impact on borrowing in Uganda. This amendment should be rejected outright because it presents a harmful expansion of Uganda's tax jurisdiction over cross-border financial transactions and will have several negative consequences for the economy:

1) Increasing the cost of borrowing

By imposing withholding tax on gross interest without allowing deductions of expenses, the effective cost of foreign debt financing will rise significantly. Foreign lenders and investors will demand higher interest rates to compensate for the tax, and they will simply avoid Ugandan borrowers altogether. This directly raises the cost of capital in Uganda.

Our argument is that once you put this 6 per cent, and the foreign companies, for example, are lending you $100 million, and their 6 per cent is maybe $6 million. They will say, "We want our $6 million irrespective of the tax regime in your country." Therefore, this 6 per cent in the end is going to be put back onto the Ugandan borrowers in the economy, hence raising the cost of borrowing.

2) Deterrent of foreign capital inflows

Uganda already faces challenges in attracting sufficient long-term debt and equity capital. Extending withholding tax to debentures issued and paid outside Uganda sends a strong signal that Uganda is becoming more aggressive in taxing offshore arrangements.

This will discourage international bond issuances, syndicated loans and other foreign financing mechanisms that companies use to fund domestic projects, including infrastructure, manufacturing and agriculture;

3) Violation of international tax norms and double taxation risks

Many Double Tax Treaties (DTTs) and standard international practices limit source country taxation on interest to cases where the payer is resident and the debt is effectively connected to the source country in clearer ways.

The proposal risks creating overlapping tax claims - Uganda and the foreign jurisdictions - leading to double taxation, costly disputes and reducing attractiveness under existing treaties.

4) Damage to business competitiveness

Companies seeking to expand or modernise operations in Uganda will find it harder and more expensive to access global capital markets. Local banks alone cannot meet the scale of financing needs in a growing economy. This amendment would particularly hurt large-scale projects in energy, transportation, agro-processing, and other key sectors.

5) Broader economic impact - I did explain that this is going to make borrowing in the country very expensive.

Recommendation

The amendment should be deleted from the Bill. Uganda needs policies that facilitate rather than obstruct the inflow of foreign capital. Maintaining a competitive and predictable tax regime for cross-border debt is essential for sustaining economic development. Broadening the tax base in this manner at the expense of investment and growth is counterproductive.

Madam Speaker, if this provision is enacted, it risks doing more harm to Uganda's borrowing environment and overall investment climate than marginal revenue generation.

Madam Speaker, I skipped some amendments, and I would like to take you back to that because I did not explain it. It is clause 18 on inserting section 150(a). We are proposing that it should be deleted. It is right below Part 8. I thought I had explained it, but I noticed that I skipped it.

Madam Speaker, this clause talks about income derived by resident individuals from foreign sources. The explanation is not there. The income derived by resident individuals from foreign sources shall be taxed at the same rate that applies to the same type of income sourced in Uganda. Madam Speaker, when you look at section 9 of the principal Act, which defines a resident individual, there is the issue of the permanent home test, the physical presence test of 183 days, or the foreign employee - someone who is working maybe for the Government in another country.

What this amendment proposes is that any Ugandan who works outside Uganda, as long as he or she meets one of these three conditions under section 9, should be taxed. Madam Speaker, this is dangerous, in our view, to the economy. Why? We have many of our young Ugandan girls who go out there to do *kyeyo*. In reality, Uganda Revenue Authority (URA) is looking at the money these people are making.

In their justification, they looked at $500 million that is coming from the Middle East as something that the Government needs to get some income from. However, when you look at, for example, Saudi Arabia alone has 200,000 Ugandans. The United Arab Emirates(UAE) has over 160,000 Ugandans. Most of them are involved in casual jobs like cleaners, security guards, and factory workers, and many of them earn less than $260 per month. This is about Shs 1 million. Taxing such people is dangerous for us as a country. Otherwise, many of them go through a lot to save this little money.

Madam Speaker, my view is that URA targeting income is not right and so we completely reject this amendment. If it comes to the worst, at least let us have a threshold that needs to protect most of these local people since many of them earn below Shs 1 million.

If you compare them to someone who earns one million shillings - for one to save this amount, they forgo a lot. They work endless shifts, do not have proper meals and not sleep well. We have been to these countries and seen the conditions these people go through. Therefore, we need this clause to be deleted to protect our people.

Well, the argument by the Ministry of Finance, Planning and Economic Development is that there are people who have invested in Dubai and other countries in real estate and all these other productive sectors that need to be taxed. However, we should not tax them at the expense of our people. Otherwise, most of the money that comes from these countries is from our domestic workers.

Madam Speaker, thank you very much. That is our minority report.

THE SPEAKER: Thank you so much, Hon. Masaba Karim.

MR NANDALA-MAFABI: Madam Speaker, I would like to thank you so much for the opportunity. I would like to also thank the chairperson of the committee for agreeing on many issues in the minority report. I want to make just three comments on this.

First, Bujagali. We all agreed in this financial year that we give it one year so that the issues we talked about are resolved. I would like to state that the return on investment for those investors in Bujagali is already exempted; they do not pay, and that is allowed. What we are saying is that the excess money they make as far as - first of all, the Uganda Government does not get any dividends on their shares yet others get. I do not know who negotiated that for the Government.

Secondly, the money we pay – actually, there is a report which says they have never produced the 200 megawatts of power. They are always below. This is why we are saying that they should return 100 per cent the excess money we are paying them. However, we are saying, for purposes of moving forward, we take 30 per cent.

This is a collusion, Madam Speaker. I think the President needs to be further briefed to understand this. I do not know the chief beneficiary of this but we can explain it better. I can tell you that the cause of the excess profit is a result of overcharging us, not anything from the Consolidated Fund.

Additionally, Bujagali is truly a project to benefit all of us and it has been around for many years. However, if you look at the initial people who were there, the project keeps changing hands every year in and out. Why? It is one of the profit-making institutions. Everyone comes there after one year, picks their money, sells their share to the next person because they know this is where they milk from the Government of Uganda. Unless we Ugandans get up to deal with this monster now, we are going to continue to be in big trouble. In fact, this is why the cost of power is too high.

Madam Speaker, you cannot tax a private asset. A private asset is a private asset and that must be known. That is why it is called private, so it is not for business purposes. When I buy a car from Zaverio, I pay a transfer fee. If I buy land from Amos, I pay a transfer fee. How do you then say that from that same land, the money I have obtained, I should pay 6 per cent? This is criminality of the highest order.

THE SPEAKER: You should withhold the 6 per cent.

MR NANDALA-MAFABI: This is criminality of the highest order.

THE SPEAKER: Chairperson, Bugisu Cooperative Union(BCU), can we first understand from the sponsor of the Bill the assets he is looking at? Let me first hear from the sponsor.

MR NANDALA-MAFABI: Madam Speaker, I want to help you. If you read the Bill of 2024, the assets were mentioned. This time round, they hid the assets purposely. The 2024 Bill talked about land and it is there. I have it -

THE SPEAKER: Honourable minister, which assets do you want to tax?
What happens when I am selling my car?

MR MUSASIZI: Madam Speaker, our method of work is transparent. We do not hide anything, as Hon. Nandala-Mafabi is attempting to allege. Section 3 of the Bill proposes to amend Section 20 of the Income Tax Act in subsection

(1) by inserting paragraph (B)(a) to provide for taxing income derived from the disposal of a non-business asset as property income.

This income includes income derived from the disposal of a non-business asset as property income. This amendment ensures that income from the sale of non-business assets such as land, jewelry, shares, and precious metals is recognised as taxable income under this Act.

It is necessary to support the proposed withholding tax in clause 13 of the Bill on such transactions since the income must first form part of gross income to be chargeable income.

Madam Speaker, further to this, currently, the capital gains tax mainly applies to business assets, with gains taxed as part of business income. Non-business assets are largely outside this framework, creating a gap in the tax system. The proposal addresses this gap by bringing non-business assets disposals into the tax base.

The clause introduces withholding tax on the gross payment for such assets as a practical complement to the capital gains tax. In other words, the capital gains tax, for example, if you sell a business, you are a manufacturing company, your valuation of the business, let us say, is at Shs 10 billion, and you sold this business at Shs 20 billion. The difference between the value and the market price is the gain. There, we charge capital gains.

THE SPEAKER: But you are talking about non-business assets. Those are business assets.

MR MUSASIZI: Hon. Kyooma, if you want to speak in the House, it is through the Speaker. *(Laughter)*

THE SPEAKER: Honourable minister, just explain to Ugandans what non-business assets are so they can understand.

MR MUSASIZI: Madam Speaker, in respect of land, we have companies that are in the business of buying and selling land. You buy land today in Mpigi, for example, at Shs 100 million per acre. You subdivide it and start selling, and you realise Shs 200 million from this acre. So, the difference between the cost of the land and the profit made of Shs 100 million, we think, should be charged as capital gains.

THE SPEAKER: That is business.

MR MUSASIZI: No, I think what we need to define – *(Hon. Nandala-Mafabi rose_)*- as long as it is useful information. [Mr Nandala-Mafabi:" I always give useful information."] You are reading what I am reading.

MR NANDALA-MAFABI: Madam Speaker, I would like to give the minister information. The minister is labouring for nothing. Dividing land and selling it is a business. Why we are saying that you are hiding information is that it is coming as a secondary. We have here a 2004 Bill, which clearly even came up - in subclause (9), it states that for purposes of this section, a non-business asset means an asset specified in subsection (2) and does not include a business asset. What you did in business assets in clause 2, you said, a tax shall be charged on gain for disposal of non-business assets at a rate of 5 per cent on the gain computed under subsection (4). You listed them.

Now, what did you list? You listed shares of a private company, land in cities and municipalities, except the principal place of residence. Rental property that is subject to rental tax under subsection (5) of this Act. So, if you are in a place which is rural place and you are renting your land to somebody and you sell it, it will be brought here.

You also brought here the involuntary disposal of non-business assets through auction in court order, mortgage and divorce. Even a settlement and spouse separation agreement. If you are separated from your wife - No, listen! I am coming. What I am trying to say is that you are a very bright boy. You are denying that you never hid information. I am giving information that my brother, Hon. Musasizi, hid it. Please read pages 4 to 5 of the Income Tax (Amendment) Bill that you brought.

MR MUSASIZI: Can we first dispose of my argument?

MR NANDALA-MAFABI: The argument you are bringing to my brother is for a business asset. If my motive, for example, is that today, I buy land today and then tomorrow I divide and sell it, then after selling again, I buy another one and divide, it means I trade in land. If I buy second-hand cars, listen –

MR MUSASIZI: The question is, if you are in this business, should you pay tax or not? The answer is you should pay. However, are we paying or not? We are not paying. Let us be sincere. *(Hon. Masaba rose_)* I am on the Floor. *[Mr Masaba: "The Speaker has given me."]* No, please. Can I conclude?

THE SPEAKER: Let the minister finish his explanation.

MR MUSASIZI: I know the rules of this House. Madam Speaker, the point we are making - My ancestral land in Hamurwa where I was born, should not attract tax. But if we have business people who are in the businesses of trading in land, whether individuals or companies, and they are making a profit, we should find a way in the law to charge tax on them. So, the question we should –

THE SPEAKER: That is okay.

MR MUSASIZI: Yes, the debate we should be having now is how do we separate –

THE SPEAKER: Maybe we need to define what a business and non-business asset is.

MR MASABA: Thank you, Madam Speaker. The information I wanted to give is about the business asset. When you look at the law in section (2), the Attorney-General was in, but he has stepped out. He would help our minister very well. Business asset means an asset which is used or held for use in business and includes any asset held for sale in a business or any asset of a partnership or company. That is the definition of a business asset.

THE SPEAKER: What is a non-business asset?

MR MASABA: A non-business asset is anything else that is not a business asset, according to the law. Now, the minister, in his explanation, gave an example of jewelry. Meaning if I bought my watch at Shs 1 million and I want to sell it at Shs 2 million, the minister wants me to pay a tax on that.

THE SPEAKER: No, that is not what it is supposed to be.

MR MASABA: Yes, that is how the law is. The law, as it is, provides that someone who is holding a business asset pays tax. So, if you had said that you wanted to tax a business asset, that would be understandable, but when you phrase it as a non-business asset - When I sell my TV at home and I get a profit on it, you want to tax it?

THE SPEAKER: Now, a non-business asset is personal. It is a non-operating item held by individuals or companies that are not part of the core operations. They are often targeted at a 5 per cent disposable tax on gains in specific jurisdictions.

MR NANDALA-MAFABI: Madam Speaker, what the minister raised about land ceases to be a business asset. It is a commodity for trading. Let me make it understandable.

If my business is buying land and selling, my trading stock is land. If my trading stock is land, it is different from Hon. Karim, who keeps his land and sells it at a later time. So, I am subject to tax because I trade in land.

MR MUSASIZI: Thank you, Madam Speaker and Hon. Nandala-Mafabi, for yielding the Floor. I am not in the business of selling and buying land, but I have invested. I have saved my money in land with the expectation that this land will gain more value and give me more money in the future.

Madam Speaker, I would like to give you my personal example. In the year 2009, I bought an acre of land in Namanve, Kiwanga. I subdivided it in 2015 or thereabout and I sold each plot at Shs 40 million. Yet, I bought an acre at Shs 60 million, and I subdivided it, got eight plots and sold each plot at Shs 40 million. The question is: did I pay any tax? The answer is no. Another question, was it fair for me not to pay tax on the gain I made?

THE SPEAKER: Honourable minister, will you have the capacity to monitor all the non-business assets? That is number one. If you are also looking at non-business assets that you wish to benefit from, for example, I plant trees now, and after a particular year, I will be able to get more money out of those trees. Are you going to tax that?

MR KATESHUMBWA: Madam Speaker, the minister needs to understand that we agree with him when it comes to business assets. There should be every measure to ensure his ministry identifies everybody who is in a business and is making capital gains tax, and that is an administrative issue.

If he is not registered, you have the power to forcefully register that person and say, " You are in this business; we need to tax you. What we are asking you, honourable minister, is the scope and your capacity to implement."

You are zeroing in on land, but Madam Speaker, you have talked about trees. The law does not provide an exclusion. Suppose someone has land and he sells it to solve a medical problem, do you want to tell me that you will tax what he gained?

Honourable minister, how are you going to administratively go into every household in this country to know that Hon. Nandala-Mafabi bought my chairs and I earned income? I have sold my watch and earned income - we need to pass a law that can be administratively implemented.

The average cost of -

THE SPEAKER: The administration of the law -

MR KATESHUMBWA: Madam Speaker, international practice requires that for every tax, if you incur more than 3 per cent in collecting that tax, it is not viable.

What is not clear from the minister is that when you say non-business asset, you are casting a net into the unknown. We need to understand that this House cannot legislate on administrative issues. Therefore, our thinking as a committee, Madam Speaker, was that perhaps, if the ministry was looking at land and people are involved in selling and buying land, it is a different study. Go and study it properly -

THE SPEAKER: Real estate.

MR KATESHUMBWA: And come back next -

THE SPEAKER: I may want to sell my house not for a business purpose. It is my personal property.

MR KATESHUMBWA: Come back next year with a refined proposal when you have studied, and then we will look at this issue again.

MR NANDALA-MAFABI: So, Madam Speaker, I would like to make -

THE SPEAKER: Hon. Nathan, which clause was that?

MR NANDALA-MAFAABI: Madam Speaker, that was Clause 3.

THE SPEAKER: Okay. I put the question that the Income Tax (Amendment) Bill, 2026, be read for the second time.

(Question put and agreed to.)

THE SPEAKER: I would like you to discuss this, clause by clause.

BILLS
COMMITTEE STAGE

THE INCOME TAX (AMENDMENT) BILL, 2026

Clause 1

THE CHAIRPERSON: Clause 1 has no amendment. I put the question that clause 1 stands part of the Bill.

(Question put and agreed to.)

Clause 1, agreed to.

Clause 2, agreed to.

Clause 3

THE CHAIRPERSON: Any amendment?

12.05

THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING, AND ECONOMIC DEVELOPMENT (MR Amos Kankunda): Madam Chairperson, the committee proposes that we delete Clause 3.

Justification

i) Implementation of the tax will cause considerable administrative challenges as the traceability of transactions involving non-business assets will be difficult;
ii) Non-business assets are not used in trading or business, and their disposal has no profit motive. Any gains from their disposal should therefore be exempt from tax; and
iii) Furthermore, non-business assets are usually disposed of for personal reasons, for instance, payment of medical bills, and these therefore should not constitute a tax base. I beg to submit.

THE CHAIRPERSON: Minister?

MR MUSASIZI: Madam Chairperson, the chairperson of the committee has brought in something sentimental. *(Laughter)* Selling assets to pay for medical bills, school fees, or any other personal purpose is sentimental. However, the principle that people who are in the business of buying and selling land, if they make gains, should be taxed is okay.

Madam Speaker, at this moment, I cannot easily differentiate between those selling for sentimental purposes and those selling for business. So, I would like to concede. I will come back next year after I have clearly defined those who sell for making a profit and those who sell for other purposes. *(Applause)*

THE CHAIRPERSON: Thank you. I put the question that clause 3 be deleted as proposed by the committee.

(Question put and agreed to.)

Clause 3, deleted.

Clause 4

MR KANKUNDA: Madam Chairperson, the committee proposes as follows: Clause 4 is amended in subclause (a)(iii) by substituting the words "five million United States Dollars" with the words "one million five hundred thousand United States Dollars."

The justification is to reduce the threshold for citizens from five million United States Dollars to one million five hundred thousand United States Dollars. I submit.

THE CHAIRPERSON: I thought that was a consequential amendment that we already passed.

MR MASABA: Yes, but he has to move it formally, since we had agreed. *(Interjection)* No, wait. I am actually supporting you (*Laughter.*) The position is that since we passed it in the other clause, it is consequential. This is why I did not present it in our minority report. However, the same section has the issue of subsection (a) (i) of Bujagali. We also have a minority on Bujagali

THE CHAIRPERSON: So, section 4(a)(iii) stands part of the Bill.

MR MASABA: Yes.

THE CHAIRPERSON: Then Section 4(i)?

MR MASABA: Section 4(i) -

THE CHAIRPERSON: Okay, let me first put the question for section 4(iii). I put the question that Clause 4 (iii) stands part of the Bill.

(Question put and agreed to.)

THE CHAIRPERSON: How about the amendment?

MR MASABA: We are taking the position of the minister on that.

THE CHAIRPERSON: Are we taking the position of the minister for it to stand part of the Bill?

MR MASABA: Yes. Madam Chairperson. You propose to delete section (a)(i), which is substituting for the following: *The income of* Bujagali Hydro-power Project *up to 30 June 2032.* We are proposing that it should be deleted.

THE CHAIRPERSON: Why don't we leave the chairperson to move?

MR NANDALA-MAFABI: Madam chairperson, he has read it and he only brought an amendment, but on this one, we had agreed with him.

THE CHAIRPERSON: Are you okay with it?

MR NANDALA-MAFABI: He agreed, and even Hon. Kateshumbwa, who was the chairperson of the committee, also agreed. This means there are double standards in this House. We are getting -

THE CHAIRPERSON: It is not cast in stone.

MR NANDALA-MAFABI: Let us not personalise issues. Why should the Parliament give people work to do? We come with a report here, it is passed and adopted, yet instead of implementing as we had agreed, the chairperson of the committee runs away.

Madam Chairperson, this is unfair. Last financial year, we said we would give it one year and that the Government should go and renegotiate and correct those issues so that Bujagali can refund the money they took in the form of taxes before the exemption.

Madam Chairperson, this House should not be taken for granted. I move that we delete this as the minority committee has proposed, and Hon. Kateshumbwa, who was our chairperson, should come up and support this deletion.

THE CHAIRPERSON: Let me hear from Hon. Kateshumbwa.

MR KANKUNDA: Madam Chairperson, I would like to remind my brother, Hon. Karim, that the public we interfaced with were very passionate about extending the exemption for many reasons, especially our manufacturers. They said the rates, as I read earlier, have reduced from 8 cents to 6 cents. That is why, as a committee, we envisage that an extension of this exemption to 2032 will further reduce it to 4 cents. Besides, it was explained that the performance of the project has increased to over 80 per cent in terms of the delivery of power.

Madam Chairperson, we acknowledge that the power purchase agreement is where the error was and we cannot change it. Why should we, therefore, cause this suffering to our manufacturers by causing an increase in the tariff?

THE CHAIRPERSON: Honourable members, the problem we have in this country is that when we make a wrong purchase agreement, we start complaining afterwards. It was a raw deal; a very bad deal.

MR KATESHUMBWA: Hon. Nandala-Mafabi was my member, and he has been in Parliament more than I. Perhaps he was there undertaking oversight when some of these agreements were negotiated.

Madam Chairperson, while our position has been taken, we have to be mindful that Hon. Nandala-Mafabi knows that the biggest problem we have with Bujagali was the rate of return and the loan. By rejecting this proposal without dealing with the issue of the loan that brought us into this problem, we are shooting ourselves in the foot.

Therefore, it would have been ideal for the Government to bring this proposal with an additional proposal to pay off the loan, and we would not have had a problem. Right now, the challenge we have -and the minister has been explaining here - is the impact of tariffs, if we make this proposal. The private sector, which appeared before the committee, explained that its worry would be the rise in tariffs.

Madam Chairperson, I have not changed my position. The reality is that we signed a bad agreement. I still insist that if the Government has a way of getting money in the next five years to buy off the loan, then this matter will be resolved once and for all. Otherwise, for now, we should allow this to run because it is consistent with the agreement we signed.

MR NANDALA-MAFABI: Madam Chairperson, Hon. Kateshumbwa is talking about a loan, and Hon. Nandala-Mafabi is being around, but we have objected to this since 2014. In 2017, when these people discovered that their end had come, do you know what they did? They decided to go and get more money, yet the first loan had been paid. You saw it in the report. Why would you pick more money when the money had been paid?

Madam Chairperson, they are collecting dividends - first of all, you are getting a return on investment and dividends. So, you are getting twice. I want to tell my brother, Hon. Kateshumbwa, that it is not the loan issue. It is a criminal act that must be dealt with. Parliament should deal with it.

Madam Chairperson, when the Auditor-General audited, he said the power does not even reach 200, but the claim was 100 per cent - *(Interjection)* - even he has also now agreed that it is 20 per cent. What are we paying? It is 100 percent. *(Interjection)* Now it is 88 per cent, but we were paying 100 per cent. It has even moved because it started from 40, then it went up. Moreover, we paid for what we did not get.

Madam Chairperson, we have Karuma. We have -

THE CHAIRPERSON: We are paying for the mistakes we made in the power purchase agreement. We made the mistakes, and it may not be you, Hon. Nathan, but the offices that made mistakes are costing Ugandans.

MR NANDALA-MAFABI: Madam Chairperson, that is true. If we made a mistake, we said, produce 100 per cent. But they are producing between 60 and 80 per cent. You have failed in your duty. In fact, that alone makes the agreement to be terminated.

MR KATESHUMBWA: If it is about the production capacity, one of the recommendations we made was that the Committee on Natural Resources, which provides oversight, should be able to look at this sector because there are commitments, and the Minister of Energy and Mineral Development is here. Periodically, the regulator should look at the performance with respect to the production capacity.

Hon. Nandala-Mafabi, I agree with you, but the major issue is the high return on investment and the loan that was involved. Therefore, we should pay for our mistakes, but –

THE CHAIRPERSON: There is a point of order.

MR ODUR: Madam Chairperson, we must re-evaluate our education system. Some of these universities, including Makerere, where I went, taught us economics. So, we should be in a position to even recall some of the papers -

THE CHAIRPERSON: Some degrees.

MR ODUR: Yes.

THE CHAIRPERSON: Which one?

MR ODUR: No, I am speaking generally. If you are an economist - they are in the Ministry of Finance, Planning and Economic Development. We are taught the same economics. You must belong to some economic theory. Are you a development economist or a classical economist? We have retardatory economists in this country -*(Laughter)*- through the proposals that they bring in the Bills and some of the debates here.

This Parliament sat and made a raft of resolutions. Madam Speaker, if you look at the *Hansard* of 2025 - and, in some of them, I can quote you -

THE CHAIRPERSON: Uh-uh! *(Laughter)*

MR ODUR: You even said that we are here –

THE CHAIRPERSON: I did not sign the agreement.

MR ODUR: When you were convincing us that time, you said: "This is 2025. We are here. We are not going anywhere." This is on the record of Parliament; the *Hansard*. Again, today, you have also said that these are bad agreements – the same thing that you said in 2025. You mentioned Umeme. You mentioned Bujagali.

I would like to submit that this Parliament -

THE CHAIRPERSON: First raise the point of order. *(Laughter)*

MR ODUR: Yes, I want to submit that for a chairperson who led an ad hoc committee and came up with a raft of recommendations to come here, stand and entirely disown his own report, dismantle it by his submission –being a former commissioner at Uganda Revenue Authority (URA), in customs, and who left URA with a record that we, the public, are still interested in –

THE CHAIRPERSON: Actually, URA misses Hon. Kateshumbwa.

MR ODUR: That is what I am saying. We are really interested in his service at URA and the questions he left there –

THE CHAIRPERSON: Hon. Kateshumbwa did a very good job at URA.

MR ODUR: Yes, which job you know how ended. *(Laughter)* My point is: is he in order? *(Laughter)*

THE CHAIRPERSON: It ended well, with him becoming a Member of Parliament.

MR ODUR: I did not say it ended badly. *(Laughter)* My point of order is: for a chairperson that this Parliament spent resources to facilitate, plus his eight members, to go and do work – I had not extracted that expenditure. I would have put it per MP, in terms of how much they spent to do this report.

He came here and we debated that report and adopted it. The Government made a commitment. Now, he has come here and made a complete turnaround. Is he in order, first of all – without bringing a motion to amend the resolution that we passed – to just debate in the negative and disown the report?

THE CHAIRPERSON: Hon. Odur, that report was made by a team of people, including Hon. Nandala-Mafabi and Hon. Karim. After seeing what could have unfolded – we are looking at the purchase agreement. After seeing what could have unfolded, that is why he is making a U-turn. It was not cast in stone. You will debate. Do not worry, Hon. Jonathan.

MR NANDALA-MAFABI: Madam Chairperson, we would like to thank you for being around, as you said. We are saying that if Hon. Kateshumbwa was making a U-turn, he would have invited his members and they would have gone to make the U-turn together, not doing it alone. It is very dangerous for the chairperson of a committee to make a U-turn without his members.

THE CHAIRPERSON: The tenure of the ad hoc committee is time-bound.

MR NANDALA-MAFABI: It does not matter. This was a report of Parliament. Parliament could have sent another team to go and review, saying: "This committee did a wrong job. Let us send this team." However, it came up with recommendations that all of you agreed with. The Ministry of Finance, Planning and Economic Development agreed with it. The Attorney-General agreed with it –

THE CHAIRPERSON: Honourable members, we have heard all the debates. We have heard all the issues. It is just for this House to determine whether to give the extension or not. Let me hear from somebody who has not yet said a word. Let us have Hon. Mpindi. After that, I will give the Floor to Hon. Jonathan, the chairperson, the doctor and my senior youth.

MR MPINDI: Thank you, Madam Chairperson. We are here on behalf of the people who sent us to Parliament. When we were processing this amendment, we invited stakeholders and almost everyone who showed up before the committee supported the move to extend the six years. Unfortunately, Hon. Nandala-Mafabi was not in the committee. Some of us asked them questions -

THE CHAIRPERSON: He was in Washington.

MR MPINDI: He was in Washington. Some of us asked them questions. They said: "If you do not extend, for us in business, we are in trouble." Based on that, we came to that conclusion. It is not that Hon. Kateshumbwa has turned around. It is because of the people that we represent, who said that in the committee.

That is the information that I wanted to give, Madam Chairperson.

THE CHAIRPERSON: Thank you. Hon. Jonathan?

MR ODUR: Thank you, Madam Chairperson. Of course, I oppose the extension, and I have the following reasons for it. First of all, I am getting really excited that the committee – and my brother has submitted that the stakeholders who appeared before this committee, were all in support.

I am happy that this Parliament has started taking the views of the stakeholders, that once they appear before the committee – all of them – and they support an issue, then Parliament takes their view. I am really pleased.

Going forward, with the other Bills that are going to come, Madam Chairperson, I put you on notice that once stakeholders have supported or opposed -*(Interjection)* - no, I do not allow clarification at the end. Let me speak. That is what you said. You said all the stakeholders who came – *(Interjection)*- yes, let me finish. I am really pleased that, now, we are beginning to take the views of the stakeholders of this country very seriously.

Madam Chairperson, we made some recommendations. It would be prudent if the Government could clarify how far they have implemented some of them. I am going to point out only two. The first is for the minister for finance. An amount of $2.83 million was covered in what I could call "fraudulent transaction" within the ministry of finance and we recommended that they should recover that money and tell us. I do not know how far they have gone.

THE CHAIRPERSON: Is it still on Bujagali?

MR ODUR: Yes. It was a finding. We had also found out that there were excess payments of $342 million. We need an update on that. He committed last year that: "You pass. I will come in a month or two." We had made a discovery that insurance was charged an amount of $163,000 dollars as a loss, and we had asked the Government.

So, even if we are requesting for a waiver, this House should be taken more seriously. I had expected either the committee or the minister to highlight these items.

THE CHAIRPERSON: Hon. Jonathan, I can see the minister of – no, the minister has information. There are questions that can be answered.

MR OKAASAI: Madam Chairperson, a lot has been done in regard to this. One, a forensic audit was done on this and the report of the Auditor-General is available. Two, the tariffs have continuously gone down because of the waiver given to this. It has actually reduced to $0.065, as we talk now.

The removal of this will revert all the gains and threaten what we are talking about: the 10-fold growth in the economy. Instead of coming here yearly, I appeal to the House to do it once and we go on until 2032. I submit.

THE CHAIRPERSON: He was asking something– the $312 million.

MR OKAASAI: It is the finance ministry to submit on how we are now servicing the loan.

MR ODUR: Madam Chairperson, let me conclude. This shows how the Front Bench receives recommendations from this Parliament. Because we have given them a leeway, they tend to exploit it. You can see they are not even aware of the commitments that they made, including the minister who is here.

However, I would like to suggest that in the very unlikely event - because the House is also not properly constituted - that you are persuaded to take this direction, six years is untenable. If you interpret the Constitution very well, the term of Government is five years. For you to move beyond this term of office is a bit suicidal.

This Parliament is going to be here. So, in the unlikely event - and I do not know the instruction. Madam Chairperson, you have always –

THE CHAIRPERSON: I am just reminding him that yesterday, I said that I was not going to make a decision for posterity because I am not sure whether I will be here for the next six years. I will be here for five years. In the likely event that we are going to make changes, let us make it five years. We cannot legislate for other people who will come here. Do you get it? I am speaking about the years. I cannot go beyond five years.

MR ODUR: Madam Chairperson, this country has actually taken legislative notice that you gave in 2031 that you will be out of politics.

THE CHAIRPERSON: Exactly. I will be in my village.

MR ODUR: Yes, and you do not have any other ambition. *(Laughter)* So, what we are now saying here, Madam Chairperson, is that since Parliament is going to be here. In the unlikely event, let us not go beyond one year, so that if they want a full term of five years and they return here the next year, then the other Parliament can deal with them in that five years.

I plead that in the unlikely event that we are persuaded - and we are really being gracious. Madam Chairperson, if you remember, last year, we proposed six months. The committee had recommended six months but then we said, "Okay, let us do it for one year."

THE CHAIRPERSON: At least I am aware and sure that I will still be a Speaker for these five years. *(Laughter)*

DR KUGONZA: Thank you very much, Madam Chairperson. I have seen and heard Members in this House trying to move us in a direction of being insensitive to the earlier recommendations and resolutions of Parliament.

Our Committee on Finance, Planning and Economic Development debated this particular matter extensively. We actually looked at both sides. We were caught between a rock and a hard place, but we had to look for the best alternative.

Even when we received views from different stakeholders, they all pointed to one fact. That the extension of the waiver to Bujagali has greatly reduced the tariff rates. If this is not granted, the tariff will immediately go up and this will affect every sector of the economy.

Madam Chairperson, this is not the only thing the Government must do at this particular point in time. But to be able to sustain the levels of growth of this economy, we took this particular direction.

The point that has been supported by Hon. Kateshumbwa here is not his own. He is speaking about a position of the Committee on Finance, Planning and Economic Development. He is right in that respect because this is what we agreed on; that is, that we support the waiver because it is going to help the economy. I beg to submit, Madam Chairperson.

THE CHAIRPERSON: Thank you. Honourable members, you have heard. I am going to put the question. *(Hon. Nandala-Mafabi rose_)* No, Hon. Nathan, you have spoken a lot and you have made your point. Everybody, including those in Bugisu Cooperative Union have heard.

Honourable members, I am putting the question that the whole of Clause 4 stands part of the Bill.

(Question put and agreed to.)

Clause 4, agreed to.

MR ODUR: Yes, she has not yet put the second question. I had moved an amendment which the House can receive and deal with first, then you move. My amendment was that we give one year, which would then read that instead of 2032, we say 2027. It is before the House; the House can deal with it.

My justification was that the next Parliament can then come, since they have the whole five years, the same Member, supposedly the same Speaker –*(Laughter)* - so they can deal with it.

THE CHAIRPERSON: I am putting the question - yes, honourable minister.

MR MUSASIZI: I want to oppose this.

THE CHAIRPERSON: Honourable minister, I put the question that the House adopts the amendment moved by the Hon. Odur.

(Question put and agreed to.)

THE CHAIRPERSON: I put the question that Clause 4 stands part of the Bill.

(Question put and agreed to.)

Clause 4, agreed to.

Clause 5, agreed to.

Clause 6, agreed to.

Clause 7, agreed to.

Clause 8

MR KANKUNDA: Madam Chairperson, the committee recommends that clause 8 be deleted.

The justification is that:

1. the proposal contradicts the fundamental principle of taxing profits and not turnover; and
2. the proposal will make companies that are already making losses to face further financial strain and may lead to closure of businesses. I submit.

THE CHAIRPERSON: Clause 8 deletion? Minister?

MR MUSASIZI: Madam Chairperson, clause 8 is about businesses which carry forward tax losses in perpetuity. When a business remains in operation, it is making business profits but when it comes to taxes, it is always registering tax losses.

The question in this House has always been: why can’t URA audit these companies to ascertain whether they are making profits or losses? The Uganda Revenue Authority has admitted that they have capacity to audit but do not have capacity to audit everybody.

The reason we are asking for this provision to be in the law is that after seven years, if you remain in operation and all the indicators show that you are a profitable business but cannot declare that this is how much I am making and I can give you this tax, we tax you at a rate which we have proposed of 0.5 per cent on your gross income.

Madam Chairperson, I think this is fair because you cannot be seen to be doing well but do not pay tax forever.

THE CHAIRPERSON: Honourable minister, if I have been making losses, what do you want to tax after seven years?

MR KATESHUMBWA: Madam Chairperson, before the honourable member answers, can I add to your question. The minister should be practical. On one hand, the income tax provision has given companies tax deductions and capital allowances that are actually creating this situation. The purpose of bringing them into the law is to promote business.

It is not true that any company that makes taxable losses does not contribute to the economy. They could be making business profits, expanding and creating employment. Therefore, you should not look at them as if they are creating nothing for the economy.

Secondly, this provision could orchestrate more tax planning and losses for the Government. If someone incurs losses in perpetuity but you do audit him to overturn those losses and you create a simple measure of 0.5 per cent, you are actually telling someone that you are comfortable with 0.5 per cent – *(Interruption)*

MR NANDALA-MAFABI: I have information to give to Hon. Kateshumbwa. There is a difference between a tax loss and a profit. I can make a profit but because of the capital allowances you have given, they will lead me to a tax loss.

If I did the accounts and made a profit - let me assume that my depreciation rate is 5 per cent, which I determine by myself, so I am making a loss. You give me a capital allowance of 50 per cent. That means that if I made a profit of Shs 2 million, that would be turned into a tax loss and carried forward. Since my profit margin is too small and you have given me a chance to write off something within a short time, it will take a longer period to recover.

MR KATESHUMBWA: The information is clear. Madam Chairperson, you are an investor in schools. Take an example of someone who has invested. There are people who are building big hotels in this town. It is clear, even if you do a study, that such people will not make a taxable profit in less than 10 years. If someone has a hospital, how long will it take for them to recover?

If you want to deal with the taxable losses, as Hon. Nandala-Mafabi has said, then we must go and revise the schedule of deductions that we have created. However, you cannot give with one hand that creates a problem and then take with the other.

Finally, with some of these measures, we must be mindful of the message we are sending. This country wants more and more investment. If you tell someone to come and invest and you have given them investments in the investment code, now when you say that after seven years I will look at your gross income even when you are in losses and tax it at 0.5 per cent, the message you are sending, honourable minister, is that you are likely to make Uganda a less competitive destination for investment.

How much money are you looking to collect here? Let us empower you and the administrators to audit these companies and turn these losses into profits if you suspect so. However, do not create a problem that can destroy the economy and fail to attract investment.

MR NANDALA-MAFABI: Madam Chairperson, in addition to that, what you are looking at is only the direct tax but the indirect taxes are too many; PAYE and VAT on the consumption of goods. They also provide services, which you may need. Another example is that there are businesses which could be making a loss but help other businesses to make a profit. The moment you close the first, you will have closed those businesses also. There are many indirect responses you can get from businesses, which are making a taxable loss. Mark you, "a taxable loss."

You ask why people invest. People invest to create jobs and goods for a country. Think about people who invest in schools and health. I can tell you that if they were not Ugandans, they would give up. If you have a school, you pay teachers yet the students, especially in remote areas, pay maybe Shs 50,000. However, since you want that place to have a school -

THE CHAIRPERSON: You should ask us who own schools.

MR NANDALA-MAFABI: We know it. Honourable minister, do not create a problem. What will the schools do? That school educates somebody who will become useful in the economy tomorrow; human capital development.

THE CHAIRPERSON: In that school, you buy textile (uniform), which is taxed. You pay teachers who pay PAYE and employ people. Honourable minister, we plead with you on this one.

MR NANDALA-MAFABI: Madam Chairperson, let me help him; he was in Washington. Recently, there was a meeting of – *(Interjections)* - I was not with you -

THE CHAIRPERSON: Let us move fast. I have many Bills.

MR NANDALA-MAFABI: There was a meeting on human capital development. What happened? Uganda was ranked among those countries, which are doing poorly in human capital development. If you try to kill schools or health, you are in danger.

MR ODUR: Madam Chairperson, we have good examples in this country, and the minister should be sensitive. One of the companies in this country is the National Enterprise Corporation (NEC), owned by the Government. For many years, they have been filing losses, I think close to 20 years, but they have now started making a turnaround. NEC reports to this House. At the beginning, Airtel or what was called Celtel, made losses but they managed to turn around.

I have a lot of respect which I have to put on record for the people called Certified Public Accountants (CPA). Many of them are in this House – *[Hon. Nandala-Mafabi: We are very few; not many.]* – okay, there are a few.

Any accountant who, after working under the basic accounting principles that are known to probably some of us who are ordinary, knows that we only tax when the profit is made; but then in the income tax you propose taxing a loss –*(Laughter)*- I cannot make sense out of it. I know that the minister here is a high ranking member of the accounting society. You may be misrepresenting your profession.

I propose that if anything is going on, let us not go in this direction. Otherwise, the ripple effect will probably cause the economy to collapse.

THE CHAIRPERSON: Let me hear from the minister.

MR MUSASIZI: Madam Chairperson, first of all, let me clear this. It is true that I was in Washington and Hon. Nandala-Mafabi was there too. However, I only met him at the airport in Entebbe. (*Laughter*) I never attended his meetings, neither did he attend mine.

Let us acknowledge, even when I am to concede, that there is a challenge. Some of the companies want to take advantage of this to do their tax planning and avoid paying taxes. Since I do not have required support in the House, I concede. *(Applause)*

THE CHAIRPERSON: Honourable minister, even when you have conceded, Uganda Revenue Authority (URA) needs to improve on surveillance to prevent people from under-declaring. I put the question that clause 8 be deleted as proposed.

(Question put and agreed to.)

Clause 8, deleted.

Clause 9

MR MASABA: In our minority report, we had proposed to delete clause 9. The one imposing a withholding tax on debentures is mainly because it is going to raise the interest rate and cost of borrowing funds in the country.

MR KANKUNDA: Madam Chairperson, the committee did not agree to the deletion of this clause because, in the debate, we acknowledged that deduction is allowed on this expense of interest. Even those who spend it are allowed to claim. Therefore, to offset it, we thought that this does not in any way create an increase in the expenditure or cost of borrowing.

MR NANDALA-MAFABI: I have understood this. I have gone to Stanbic Bank here and borrowed money. Stanbic Bank does not get interest, because Stanbic will account for it and be taxed at 30 per cent. I have gone to the United Kingdom(UK), made a debenture, and it has come here. When I am going to pay, I deduct 15 per cent from that to pay the difference.

Madam Chairperson, what do we want from this? We want to promote Uganda. Doing this will force me - because the cost of capital going out will increase. The man will say, I was going to give you 7 per cent, but because you are going to withhold the 15 per cent, let it be 10 per cent to cover that. That is where the problem is. I would like to suggest -

THE CHAIRPERSON: Yours is on promoting Uganda?

MR NANDALA-MAFABI: Yes.

THE CHAIRPERSON: This is a tax and revenue Bill, not tourism. I put the question that Clause 9 stands part of the Bill.

(Question put and agreed to.)

Clause 9, agreed to.

Clause 10, agreed to.

Clause 11

MR ODUR: Madam Chairperson, I seek clarification on clause 11, especially on the definitions given to “control transaction” and “associates”. In terms of business, when you say, you and associates are saying for the purpose of subsection (i), control transaction means a transaction between associates. Who are the associates? Is there a definition for associates?

MR NANDALA-MAFABI: We agree, and this is what we are trying to achieve. There is a definition of associate. What we are trying to do is about transfer pricing. This is what we are looking at. I want to ask the minister about transfer pricing between Kampala and Mbale. I have a company in Kampala invoicing a company in Mbale. This means, if I under-invoice here, the one in Mbale will make more profit, and that profit will be taxed in Uganda, so there is no loss.

MR KATESHUMBWA: What you are driving at is precisely tax planning because the one in Mbale could be having a lot of deductible allowances on his books. On this one, you know very well how transfer pricing can be manipulated. This provision is trying to harmonise with the transfer pricing regulations. I request that you support it. The example you are giving is going to transfer liabilities and advantages from one company to the other, knowing very well that what you are saying will be taxed in Mbale, which may not be possible because of the carry-forward.

MR NANDALA-MAFABI: The taxation is in Uganda.

MR MASABA: Before the minister speaks-*(Interruptions)*- no, I am supporting this clause because we did interrogate it thoroughly. The issue at an arm’s length where companies -

for example, I have a company that grows mangoes, and another that processes juice. Therefore, I will now decide to sell my mangoes cheaply to the company that is processing juice in order to make money, and I am cheating, yet I could have even made more money by selling to another company making juice at a higher price.

THE CHAIRPERSON: I put the question that clause 11 stands part of the Bill.

(Question put and agreed to.)

Clause 11, agreed to.

Clause 12, agreed to.

Clause 13

MR KANKUNDA: Madam Chairperson, the committee proposes the deletion of Clause 13.

The justification is to delete the proposal to tax non-business assets. We discussed this at length.

THE CHAIRPERSON: Consequential.

MR MUSASIZI: Madam Chairperson, this is a consequential amendment, so I agree.

THE CHAIRPERSON: Thank you. I put the question that clause 13 be deleted as proposed.

(Question put and agreed to.)

Clause 13, deleted.

Clause 14

MR KANKUNDA: Madam Chairperson, the committee proposes as follows:

Clause 14 is amended-

1. in subclause (2) by deleting the words "on the game or bet".

a. by inserting a new subclause as follows:

"This section does not apply to winnings arising by playing card games and roulette," which in actual sense means land-based casinos.

The justification is to apply withholding tax from winnings arising from playing land-based games in the casinos.

MR NANDALA-MAFABI: I am playing cards and making money.

THE CHAIRPERSON: Are you exempting casinos?

MR KANKUNDA: Madam Chairperson, in our engagement, we had the Uganda Revenue Authority(URA). We acknowledged that the land-based games in the casinos are very difficult to determine until the actual amount is made. When you are playing at the table, you come in with money. Now, when you win or lose at one stage, you cannot determine. Therefore, putting a withholding tax on every play would be very difficult, and URA acknowledges that.

THE CHAIRPERSON: Hon. Karim? *(Hon. Musasizi rose__)* Just a minute. I want to hear from him.

MR MASABA: Madam Chairperson, before the minister speaks, we had an interaction and because he was not there, URA supported us, saying that it is hard to determine the stage. Someone may come, say maybe with Shs 100 million and play games. You cannot know in which game he will lose or win. So, there is no way you will determine. Therefore, it is better to charge at once.

MR MUSASIZI: Madam Chairperson, I propose to rephrase this section as follows: "This section does not apply to winnings derived from land-based casinos licensed under the Lotteries and Gaming Act."

MR KANKUNDA: I agree. This is why I was giving details to tell what land-based casinos mean, which he has done.

THE CHAIRPERSON: I put the question that Clause 14 be amended as proposed by the minister.

(Question put and agreed to.)

Clause 14, as amended, agreed to.

Clause 15, agreed to.

Clause 16

THE CHAIRPERSON: Committee chairperson?

MR KANKUNDA: Madam Chairperson, the committee proposes that clause 16 is amended by numbering the existing clause as (1), and inserting a new subclause as follows: "For purposes of this section, "public entertainer" means a person who performs in public, or in front of a camera or microphone for entertainment, artistic, or similar purposes, including a person who performs in, participates in, or provides entertainment at any event or activity open to the public, and includes stage, radio, television, and digital performers."

The justification is to provide for a definition of a public entertainer.

MR MASABA: Before the minister speaks, I think this is clear because they had left "public entertainer" open. Even my people who play *kadodi* in Mbale were going to be taxed. We are now trying to create a definition and see the group that is majorly going to be targeted; the musicians and entertainers.

THE CHAIRPERSON: Doesn't it include the *Kadodi*? *(Laughter)* It is entertainment.

MR MUSASIZI: Madam Chairperson, I agree with the committee.

THE CHAIRPERSON: I put the question that clause 16 be amended as proposed by the committee.

(Question put and agreed to.)

Clause 16, as amended, agreed to.

Clause 17

THE CHAIRPERSON: Committee chairperson?

MR KANKUNDA: Madam Chairperson, the committee proposes that clause 17 is amended in paragraph (a) by deleting the proposed paragraph (aa).

The justification is that it is a consequential amendment following the deletion of the proposal to tax the income derived from the disposal of non-business assets. Thank you.

THE CHAIRPERSON: Is it consequential?

MR MUSASIZI: Madam Chairperson, this is a consequential amendment. Therefore, I agree.

THE CHAIRPERSON: Thank you. I put the question that clause 17 be amended as proposed.

(Question put and agreed to.)

Clause 17, as amended, agreed to.

Clause 18

MR KANKUNDA: Madam Chairperson, the committee proposes that clause 18 be deleted.

The justification is that no proper studies were provided, and the introduction of this provision is likely to enable tax planning and will thus erode the tax base. I submit.

THE CHAIRPERSON: Minister?

MR MUSASIZI: Madam Chairperson, I agree with the committee.

THE CHAIRPERSON: I put the question that clause 18 be deleted as proposed by the committee.

(Question put and agreed to.)

Clause 19, agreed to.

Clause 20

MR KANKUNDA: Madam Chairperson, clause 20 is also consequential. That is why the committee proposes that clause 20 be amended by deleting paragraph (c).

The justification is that it is a consequential amendment following the deletion of the proposal to include the income derived from non-business assets as property income.

THE CHAIRPERSON: Hon. Karim?

MR MASABA: Yes. That one is okay, but under Clause 20, still, the proposal in our minority report was to have persons who are earning an income of Shs 4,230,000, and not exceeding Shs 4,920,000, to also be at a nil rate. Then, in the table at the end, someone exceeding Shs 120 million be replaced by someone exceeding Shs 260 million.

MR NANDALA-MAFABI: Again, the minister is making a mistake. What is Income Tax? Income Tax is either from employment, business or whatever. If someone who has traded is paying at 30 per cent, why would you make another one pay at 40 per cent? Let us be realistic. The maximum should be at 30 per cent.

Madam Chairperson, to begin with, PAYE of Shs 120 million and above is not right, having got the 30 per cent. Yet, you also want to charge 10 per cent on the excess. It means you are bringing other taxes to 40 per cent, which is Income Tax. If in a company or wherever I traded, I made my profit and declared my income as Shs 150 million, I would be paying 30 per cent. Why should you then go for Pay as You Earn of 40 per cent when it is above? That is unfair.

Madam Chairperson, taxes are supposed to be progressive. Why are you removing the rate of 10 per cent? I agree with Hon. Karim. Instead of 20 per cent, it should be 10 per cent. You have come from 10, 20, and then 30. Why are you going so far like that?

Finally, the threshold should be increased. I do not know what was proposed. How much is the threshold? What was the proposal? –*(Interjections)*- It should go to 410.

The justification is that even if I get this money, I am going to buy soap, sugar, and alcohol, which are already subject to indirect taxes. The more you give people disposable income, the more indirect taxes you collect. Honourable minister, it is easier to collect indirect taxes, and it is better that you allow it to move that way.

Having said all that –*(Interruption)*

MR MASABA: Hon. Nandala-Mafabi, I am giving you more information. Madam Chairperson, we did a computation and adjusted for inflation, and compared 2012 with the current. Someone who earned Shs 235,000 in 2012 is the same as someone who earns Shs 408,000 currently. That is why we suggested that.

Madam Chairperson, in our economy, someone who earns Shs 350,000 should not be paying this tax. This is a vulnerable person.

THE CHAIRPERSON: Honourable minister?

MR MUSASIZI: Madam Chairperson, the issue we are debating is in regard to Pay as You Earn tax ban. The current law provides that those who earn Shs 235,000 and below are not taxed. The tax rate applicable is nil. Those who earn between Shs 235,000 and Shs 335,000 be taxed at 10 per cent. Those who earn above Shs 335,000 and not more than Shs 410,000 are being taxed.

Madam Chairperson, there is a formula but in summary, it is 20 per cent. Those who earn Shs 410,000 and above are being taxed at the rate of 30 per cent, and those whom we categorise as the highest individual category earn above Shs 10 million per month. The example, here is that Members of Parliament - *(Interjection)* - no, it is important - Hon. Nandala-Mafabi, you and I know these things. It is important that we listen to each other because I am speaking from the point of fact.

So, Members of Parliament fall in the category of the highest individual, those taxed at 40 per cent. For the avoidance of doubt, the salary of a Member of Parliament is Shs 11.8 million. This is above Shs 10 million and it is taxed at

40 per cent. Madam Chairperson, what is this proposal seeking?

This proposal is mainly seeking to exempt or give a relief to the low income category who earn Shs 335,000 and below. We are exempting them from paying tax. We are not changing anything in the highest individual category. This has been there and it is being maintained as is. The only category which is changing are those who have been earning Shs 235,000. I wish Hon. Bakkabulindi was in the House.

Madam Chairperson, two years ago, the workers' MPs brought this idea to me. I asked them to be patient and give me time to study it. I have studied it, Madam Chairperson, and established that the loss it is going to bring to the Government is only Shs 96 billion, which is understandable compared to the category we are trying to give relief.

MR NANDALA-MAFABI: You have said a loss as far as Pay as You Earn (PAYE) is concerned. What about the gain as far as the indirect taxes are concerned? If I got the money, I would pay at 18 per cent; everything I am going to buy, I will pay at 18 per cent as opposed to having paid at 10 per cent.

Honourable minister, you have made an addition of 8 per cent because all those low-income earners will spend all their money. There is nothing they will leave for themselves. Honourable minister, consider that since we have increased the tax bracket. Why don't you put the 10 per cent as it has been and then maybe from the 10 per cent, it can move to 20 and 30 per cent?

Finally, if we have been taxing those who earn about Shs 120 at 40 per cent, then it was a big mistake. Let me justify. Assuming I traded in *menvu* and made Shs 150 million, I will pay 30 per cent. While for the time you have been working, you get Shs 150 million, and pay the excess at 40 per cent. This is unfair in taxation. *(Interruption)*

MR KATESHUMBWA: Madam Chairperson, first of all, we should commend the Government for having brought this proposal to provide some disposable income for the Ugandans who earn below. You have a huge component of people, especially the low-income earners who have been earning and you have been taxing them. Now they have some money to dispose of.

Madam Chairperson, what we have been demanding over the years was this kind of provision. Now that it has come, let us allow it. Then, in the future, we can actually see how we can progressively increase. Your point of taxing the wealthy at the extra 10 per cent is the principle. The wealthy are taxed as wealthy, and the low-income are taxed as low-income. Therefore, Hon. Nandala-Mafabi-

MR NANDALA-MAFABI: Why don't we tax MTN, which is wealthy at 40 per cent?

THE CHAIRPERSON: Honourable members. Let me first put the question on subsection(c) as proposed by the committee for deletion.

(Question put and agreed to.)

MR ODUR: Yes, subsection(c) is handled. Thank you. I am not on that. Madam Chairperson -

THE CHAIRPERSON: They needed clarification.

MR ODUR: Hon. Kateshumbwa is going to be a Member of the 12th Parliament. If he wishes to be the Speaker, he can offer himself. I am taking guidance from the Speaker. Madam Chairperson, you allowed me. The clarification I would like to make, and I want to follow in his footsteps, is to appreciate the Government for varying the minimums in the PAYE from Shs 235,000 to Shs 335,000.

Madam Chairperson, can the minister give us the same mathematics? What stopped him from going a little bit higher?

THE CHAIRPERSON: Higher than Shs 335,000 -

MR ODUR: Yes. Practically, let us look at a typical Ugandan who works-

THE CHAIRPERSON: Do you want to tax a cleaner who earns Shs 250,000? That is the original one. Now we have increased. He is saying, "Why don't you go a little higher?" It should be done progressively.

MR ODUR: He will answer. Madam Speaker, if the Government is committed, for example, that every Ugandan must live in a decent accommodation, which it is not providing - they must eat healthy food or pay for their children to go to school. Do you really think Shs 335,000 here in Kampala or in most of the urban cities, after you have deducted the minimum for housing per month, food, paying school fees, would be fair?

My opinion is that we are moving probably much higher than that. I do not intend to distort, but I want the minister to take that into consideration.

In Kenya, for example, PAYE's threshold, I think, is now close to Shs 7.2 per annum, or something like Shs 600,000. Below that, they do not pay.

Madam Chairperson, we are in the same geographical location. So why don't we move a little bit higher?

MR MUSASIZI: Thank you, Madam Chairperson. I want to thank Hon. Karim and Hon. Odur for their concerns. However, even Rome was not built in a day. We shall progressively get there. The workers' MPs asked us for an increase two years ago and we have now managed to come to Shs 335,000. We have now heard what the minority are saying. In future - why don't you allow me to make a point, then I can give you opportunity to clarify?

THE CHAIRPERSON: Honourable members, I put the question that Clause 20 be amended as proposed.

(Question put and agreed to.)

Clause 20, as amended, agreed to.

THE CHAIRPERSON: You will debate the next one.

MR NSEREKO: Madam Chairperson**,** let me just make a point. Maybe those that will stay here in the future will make reference to it. You can pass this today but the country does not end today, as you have spoken. Empirically, we should look at the cost of living. This is what he was trying to say. So, the threshold you are trying to speak for is actually far from existent. You are speaking for a sweeper at KCCA. Do you know those ordinary sweepers that came here and demonstrated are the ones we are ordinarily giving Shs 300,000?

However, the ordinary cost of living for someone working and living in a municipality setting would have rent of Shs 300,000 per month, groceries worth about Shs 300,000; that is, if they hold a family of two and a child. They also need to attend to their healthcare at their own cost and care for their transport cost.

What is the rationale of the income tax? Madam Speaker, the rationale of the income tax is that you tax someone having ascertained that, after all expenses are deducted, they would be able to survive. That income that they would remain with should be able to hold them as a basket of goods and services for them to invest in something, to grow themselves. Now, at what salary does an ordinary Ugandan break even? It is about Shs 700,000.

THE CHAIRPERSON: Hon. Meddie, you have a very good point but that is a policy matter. We are at Committee Stage.

MR NSEREKO: I wish my brother looks into that and captures the wider population because -

THE CHAIRPERSON: Yes, let us take it to the finance committee as a policy matter.

MR NSEREKO: He has run away.

Title

MR ODUR: Madam Speaker, on the title, I propose that it is amended consequentially because, for example, regarding the payment of non-business assets, which we deleted, many of them are still appearing in the title. When it comes to interpretation and conflict -

THE CHAIRPERSON: That is a long title which will consequently be amended. The other one is a long title. When we are drafting, it will be amended.

MR ODUR: That is why you are putting the question for us to pass the title here.

THE CHAIRPERSON: That is the short title.

MR NANDALA-MAFABI: Madam Speaker, I do not know what a short one is and then a long one. But the moment you mention "title," you have the point.

THE CHAIRPERSON: Honourable members, we are talking about a short title. The long title will have a consequential amendment.

MR NANDALA-MAFABI: Okay, Madam Speaker, I would like to make one correction here. No, we have understood the short one and the long one. Madam Speaker, yesterday or the other day, I referred to my brother -

THE CHAIRPERSON: I put the question that the Title stands part of the Bill.

(Question put and agreed to.)

Title, agreed to.

MOTION FOR THE HOUSE TO RESUME

THE CHAIRPERSON: Honourable minister.

1.20

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Chairperson, I beg to move a motion for the House to 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.

(The House resumed, the Speaker presiding.)

REPORT OF THE COMMITTEE OF THE WHOLE HOUSE

1.21

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) Bill, 2026" and passed it with amendments.

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

THE SPEAKER: Honourable minister.

1.21

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 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 INCOME TAX (AMENDMENT) BILL, 2026

THE SPEAKER: Honourable minister.

1.22

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) Bill, 2026", be read for the third time and do pass.

THE SPEAKER: I put the question that, "The Income Tax (Amendment) Bill, 2026" be read the third time and do pass.

(Question put and agreed to.)

A BILL FOR AN ACT TITLED, "THE INCOME TAX (AMENDMENT) ACT, 2026"

THE SPEAKER: Title settled and the Bill passed. Thank you. Next.

BILLS
SECOND READING

THE LOTTERIES AND GAMING
(AMENDMENT) BILL, 2026

THE SPEAKER: Pursuant to Rule 136(1) of the Rules of Procedure of Parliament, we have the Lotteries and Gaming (Amendment) Bill, 2026. I will now invite the minister to move the motion.

1.23

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to move a motion for the Lotteries and Gaming (Amendment) Bill, 2026 to be read for the second time. I beg to move.

THE SPEAKER: Is it seconded? It is seconded by Hon. Omoding, Hon. Mariam, Hon. Richard, Hon. Mpindi, Hon. Alanyo, Hon. Elwelu, Hon. Muyingo, Hon. Dr Moriku, Hajati, Hon. Okaasai, Hon. Amos, Hon. Kateshumbwa, Hon. Rose, Hon. Obua, Hon. Lillian, Hon. Gureme, Hon. Timu, Hon. John, Hon. Apolot, Hon. James Mamawi, Hon. Achibu, Dr Emily, Hon. Faith, Hon. Vicky, Hon. Cathy, Hon. Noeline, and Hon. Okuri, my footballer. Thank you. Speak to your motion.

MR MUSASIZI: Madam Speaker, the Lotteries and Gaming (Amendment) Bill, 2026, seeks to amend the Lotteries and Gaming Act, Cap 334, to harmonise the gaming tax rate for a betting or gaming activity to 30 per cent of the total amount of money staked, less the payouts. I submit for the consideration by the House.

THE SPEAKER: Thank you. Honourable chairperson, we will give you two minutes to present. There is neither a minority report nor an amendment.

1.25

THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda): Thank you, Madam Speaker. Like I said earlier, most of this approach to the Bills that were presented was earlier laid and explained. Allow me to go straight to the committee observations and recommendations.

Rate of tax for betting activity

Clause 2 of the Bill proposes to amend Schedule 4 of the Lotteries and Gaming Act Cap 334 to increase the rate of tax for the betting activity from 20 per cent to 30 per cent of the total amount of money staked, less the payouts, which are winnings for the period of filing returns for a betting activity. The provision also defines payouts for purposes of providing clarity when imposing the tax.

The ministry indicated that tax harmonisation has been deemed necessary because currently, the game tax is charged at 30 per cent while the pool betting tax is charged at 20 per cent. The amendment harmonises both at 30 per cent, reflecting the fact that there is no meaningful economic difference between the two activities. The introduction of the definition of payouts removes ambiguity and ensures consistent computation of tax.

The committee observed that:

1) The proposed tax is computed on net winnings as opposed to gross payouts, which makes tax administration easier; and
2) Applying a uniform 30 per cent Gross Gaming Revenue (GGR) to both betting and gaming activities, including land-based and live casinos, eliminates the previous disparities.

This also creates a levelled playing field for all licensed operators, whether they are engaged in betting, gaming or casino activities, and ensures fair and consistent treatment regardless of the specific form of gambling.

The committee, therefore, recommends that Clause 2 of the Bill be adopted.

In conclusion, the committee recommends that the Lotteries and Gaming (Amendment) Bill, 2026, be passed, with the proposed amendments. I beg to submit.

1.27
MR KARIM MASABA (Independent, Industrial Division, Mbale City): Madam Speaker, thank you. This is a clear Bill and it is small. We do not have a minority report on it. I propose that we go to the Committee Stage right away.

THE SPEAKER: I put the question that the Lotteries and Gaming (Amendment) Bill, 2026, be read for the second time.

(Question put and agreed to.)

BILLS
COMMITTEE STAGE

THE LOTTERIES AND GAMING (AMENDMENT) BILL, 2026

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.

Clause 2

THE CHAIRPERSON: Committee chairperson?

1.28
THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda): Madam Chairperson, the committee proposes that Clause 2 be amended in paragraph (2) by substituting for the words “transferred or credited”, the word “paid”.

This is to remove the ambiguity, which may arise from the use of the words “transferred or credited”. I beg to submit.

THE CHAIRPERSON: Honourable minister.

MR MUSASIZI: Madam Chairperson, this is for clarity. I, therefore, agree.

THE CHAIRPERSON: I put the question that Clause 2 be amended as proposed.

(Question put and agreed to.)

Clause 2, as amended, agreed to.

The Title, agreed to.

MOTION FOR THE HOUSE TO RESUME

THE CHAIRPERSON: Honourable minister?

1.29
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

THE SPEAKER: Honourable minister?

1.30

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 Lotteries and Gaming (Amendment) Bill, 2026" and passed it with amendments.

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

THE SPEAKER: Honourable minister?

1.30

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 LOTTERIES AND GAMING (AMENDMENT) BILL, 2026

THE SPEAKER: Honourable minister?

1.31

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 Lotteries and Gaming (Amendment) Bill, 2026" be read for the third time and do pass.

THE SPEAKER: I put the question that "The Lotteries and Gaming (Amendment) Bill, 2026" be read the third time and do pass.

(Question put and agreed to.)

"A BILL FOR AN ACT TITLED, "THE LOTTERIES AND GAMING (AMENDMENT) ACT, 2026"

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

BILLS
SECOND READING

THE NATIONAL TEACHERS' BILL, 2026

THE SPEAKER: Honourable members, you will recall that on 6 August 2024, the National Teachers' Bill was tabled for the First Reading and referred to the Committee on Education and Sports in line with Rule 135(1) of the Rules of Procedure of Parliament.

On Tuesday, 26 November 2024, the Bill came up for the Second Reading, whereupon the committee presented a report. The House stood over the consideration of the Bill, pending harmonisation on the matters that were raised with the Ministry of Education and Sports. The matters were raised by Hon. Ssewungu. Since then, these have been concluded and harmonised.

A question was already put on this Bill, and we were at Committee Stage – for harmonisation. I hope that is the correct position.

Now, the Bill is ready – the harmonised position is ready - and because we are ending the term, the Ministry of Education and Sports would like to clear their desk by having this Bill done.

I received the harmonised copy of the Bill and I would now like to hear from the minister.

1.34

THE MINISTER OF STATE FOR EDUCATION AND SPORTS (HIGHER EDUCATION) (Dr Chrysostom Muyingo): Thank you very much, Madam Speaker –

THE SPEAKER: I just want your confirmation that the harmonisation took place.

DR MUYINGO: Madam Speaker, we have had several meetings and we have harmonised everything.

THE SPEAKER: Okay. If you harmonised everything, we will now go to the Committee Stage. I put the question that the National Teachers Bill, 2024, be read the second time.

(Question put and agreed to.)

BILLS
COMMITTEE STAGE

THE NATIONAL TEACHERS BILL, 2024

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.

Clause 2

THE CHAIRPERSON: Committee chairperson?

1.35

THE CHAIRPERSON, COMMITTEE ON EDUCATION AND SPORTS (Mr James Kubeketerya): Madam Chairperson, the committee's position is that under Clause 2(1), the words "intends to teach" are deleted. That applies to Clause 2(1) and (3).

Also, the word should be "and" because we want a person to be one who teaches and is also registered. If we put it as "or", it means it can be either one who teaches or one who is registered. We want all teachers to be registered. I beg to move.

THE CHAIRPERSON: Honourable minister?

DR MUYINGO: No objection.

MR KIRYOWA KIWANUKA: Madam Chairperson, we are proposing that it be amended to read, "and/or" because it could be a pre-primary education teacher and also teaching in a primary school. You can say, "and/ or". It could be either of them. I beg to submit.

THE CHAIRPERSON: Okay. I put the question that Clause 2 be amended as proposed as per harmonisation.

(Question put and agreed to.)

Clause 2, as amended, agreed to.

Clause 3

MR KUBEKETERYA: Madam Chairperson, on Clause 3, the committee had these proposals, especially when it comes to – (d) was to provide for the continuous professional development of the teachers and the justification is that this Bill, under Clause 5, makes specific provisions for continuous professional development, which is a prerequisite for the renewal of a practicing license.

MR KIRYOWA KIWANUKA: No objection.

DR MUYINGO: No objection.

THE CHAIRPERSON: I put the question that Clause 3 be amended as proposed.

(Question put and greed to.)

Clause 3, as amended, agreed to.

Clause 4

MR KUBEKETERYA: Clause 4, Madam Chairperson, is about the interpretation. In this Act, unless the context otherwise requires, we decided to delete how it was before and the harmonised position was or is to retain the definition as follows:

"The word "active teaching" means the continuous involvement by a teacher in the teaching of learners in a public or private education institution, whether physically or virtually, but does not include teaching during school practice or internship programmes."

The justification is that the retained definition since the committee agreed to drop the amendments in Clause 6, where the word is used –

THE CHAIRPERSON: Is that all? There are more. Why don't you finish all of them? The harmonised – under education service?

MR KUBEKETERYA: Madam Chairperson, that was 4, and it was about interpretation, and I think the Attorney-General was supposed to give his view.

THE CHAIRPERSON: I am asking you to state all the harmonised positions under 4 - under interpretation.

MR KUBEKETERYA: Madam chairperson, thank you. The harmonised position – of course, that was one, and then the other one was that under Article 251(1)(h) -

THE CHAIRPERSON: 257.

MR KUBEKETERYA: 257(1)(h) of the Constitution. Here we are saying that, "An international education institution means a school or an institution operating in Uganda at a level equivalent to an education institution which provides instructions to learners distinct from the national curriculum and based on an internationally recognised curriculum or the curriculum of another country."

Then the other one is that the word, "medical practitioner" has the meaning assigned to it in the Mental Health Act and here "Minister" means the minister responsible for teachers. The "Ministry" means the ministry responsible for – *(Interruption)* – Okay, the changes.

Another one, Madam Chairperson, is about the composition of the council. We deleted one 1(a), (b), (c) –

THE CHAIRPERSON: We are looking for the harmonised position.

MR KUBEKETERYA: Madam Chairperson, the words we are talking about here is "relevant degree" which means, "a degree prescribed by the minister in accordance with section 28(2)" and "service of a local government" means, "employment of a teacher in the district service commission".

THE CHAIRPERSON: That one was already there. What you have in red is what is harmonised.

MR KUBEKETERYA: Madam Chairperson, if I were to first of all look at what was harmonised then we just move and pass the rest because we had already talked about Clauses 2 and 3.

THE CHAIRPERSON: We are on Clause 4.

MR KUBEKETERYA: Clause 4, yes. About interpretation. The definition of a teacher.

THE CHAIRPERSON: Let the Attorney-General present the harmonised position. No, it is okay.

MR KIRYOWA KIWANUKA: Thank you very much, Madam Chairperson. The parties met and looked at Clause 4. As the chairperson noted, we retained the definition of "active teaching" as part of the Bill. We amended "Education Service" as the meaning assigned to it under Article 257(1)(h) of the Constitution. We introduced "international education institution" as reported by the chairperson of the committee.

Madam Chairperson, we defined "medical practitioner" as the meaning assigned to it under the Mental Health Act. We defined "relevant degree" to mean, "a degree prescribed by the minister in accordance with Section 28(2)".

We defined "teacher" to mean, "a person registered or licensed under this Act", by deleting the words "and include head teacher".

And then, in the training institution, we added Cap 62 at the end of the provision. That is the position, Madam Chairperson.

THE CHAIRPERSON: Thank you very much. Honourable minister, that was the harmonised position. I put the question that Clause 4 be amended as proposed by the harmonisation committee.

(Question put and agreed to.)

Clause 4, as amended, agreed to.

Clause 5, agreed to.

Clause 6

THE CHAIRPERSON: Attorney-General, give us a harmonised position.

MR KIRYOWA KIWANUKA: Madam Chairperson, Clause 6 was harmonised to read as follows:
"The Council shall consist of the following members:
a) Two persons with at least 10 years' experience in teaching in any educational institution or management of an educational institution;
b) A teacher with disability who shall be nominated by the National Council of Persons with Disabilities;
c) A representative of the ministry;
d) A representative of the National Council for Higher Education;
e) A representative of the National Curriculum Development Centre;
f) Two representatives from the Teachers' Union and associations, one of whom shall be from a private education institution; and
g) An advocate with 10 years of experience in legal practice."

Clause 6(2) was amended to read: "The minister shall appoint the members of the Council, at least one-third of whom shall be women. The members of the Council under sub-section 1(f) shall be nominated by members of the Teachers' Union and Association." I beg to submit.

MR NANDALA-MAFABI: On a teacher with disabilities being nominated by the National Council of Persons with Disabilities, I thought a teacher is nominated under the teachers' association. It is like saying an advocate who is disabled be appointed by a disabilities organisation. It cannot work -

THE CHAIRPERSON: The National Union of Disabled Persons of Uganda (NUDIPU) -

MR NANDALA-MAFABI: Yes, that is what I am saying. For example, if we are creating a council for advocates, shall we say, "one disabled advocate appointed by NUDIPU?" No. What will happen here is that the teachers who are disabled are well known, and are under the teachers' association. Therefore, one of the teachers who will be representing those with disabilities will be appointed by the disabled teachers.

THE CHAIRPERSON: Attorney-General.

MR KIRYOWA KIWANUKA: I am sorry; I was not following. I think here when you say, "shall be a person with disability," who identifies that person? Where do they find them -

THE CHAIRPERSON: How do you determine that a person is disabled?

MR NANDALA-MAFABI: Madam Chairperson, we always fill forms. Are you disabled? I do not think that there are some teachers registered in NUDIPU as disabled -

THE CHAIRPERSON: Honourable member, that is subjective.

MR KIRYOWA KIWANUKA: This national union of persons with disabilities is a voluntary organisation. It does not necessarily take care of all persons with disabilities. The National Council for Persons with Disabilities, by law, is required to take care of all persons with disabilities. Therefore, the nomination comes from there - not even an appointment - of a teacher with a disability.

It is not NUDIPU but the National Council for Persons with Disabilities. NUDIPU is voluntary. Some people may join, others may not but this Council is all-embracing. That is the proposal.

THE CHAIRPERSON: Thank you. I put the question that Clause 6 be amended as proposed.

(Question put and agreed to.)

MR NANDALA-MAFABI: Madam Chairperson, since we have started saying that there is a National Council for Persons with Disabilities to nominate a teacher with disabilities, we have very many of these; the accountants, advocates, among others.

Wouldn't it be procedurally right that from now onwards, we ask that the National Council for Persons with Disabilities sends a member with disabilities to represent them in any council?

THE CHAIRPERSON: They nominate.

MR KIRYOWA KIWANUKA: We can amend the Constitution to provide for that. That is another matter, but for today, we are dealing with this one.

THE CHAIRPERSON: I put the question that Clause 6, as amended, stands part of the Bill.

(Question put and agreed to.)

Clause 7, agreed to.

Clause 8

MR KIRYOWA KIWANUKA: Clause 8 was an amendment in Clause 8(3) where we amended to replace 'may' with 'shall' and to introduce who ceases to hold office to read as follows: "Where a member of a council ceases to hold office before the expiry of the term under which he or she was appointed to the council, the minister shall appoint another person to replace the member who ceased to hold the office, and the person so appointed shall hold office for the remaining period of the term of office of the member."

MR NANDALA-MAFABI: Again, here you are saying if the member came by appointment from, say, the National Council for Persons with Disabilities, you have to go back to the same system. You cannot say that the minister shall be the one to appoint. We should correct it here that the same procedure be followed for a person to get to the council.

MR KUBEKETERYA: Let me inform you about how it came about. We were wondering how a ministry could identify that lame teacher to be on the Council. In a way, that is how the issue of NUDIPU came up; for them to identify somebody.

MR NANDALA-MAFABI: I am now on this one. We have passed and agreed on that one. Clause 8(3) states that the minister shall appoint. The minister can only appoint what he has. If a person came from NUDIPU, the Council should again get another person to replace the previous one for the remaining period. The same system should remain. I have just given an example that if it is the teachers who brought the person, then it should be them again.

MR KIRYOWA KIWANUKA: I agree with the honourable member. That is the correct position because even in the clause we first dealt with, the minister was appointing through the nominations of those people. If a person came from a particular constituency and ceased to be a member, that particular constituency will still nominate to the minister, and the minister shall appoint.

Further in Clause 8(5)(d), by adding "is incapable of performing his or her functions as a member of the council as a result of any mental or physical infirmity as ascertained by a medical practitioner."

Then by deleting paragraph (f), which says "conducting himself or herself in a manner unbecoming of a member of the council." That is the harmonised position.

THE CHAIRPERSON: Thank you. I put the question that Clause 8 be amended as proposed by the harmonisation committee and further amended by Hon. Nandala-Mafabi.

(Question put and agreed to.)

Clause 8, as amended, agreed to.

Clause 9

MR KIRYOWA KIWANUKA: Madam Chairperson, Clause 9 was amended by deleting paragraph (h) and replacing it with the following:

"To accredit persons or institutions;
1. To offer continuous professional development programmes for teachers, and
2. To conduct training of trainers of the continuous professional development programme."

Then delete paragraph "i".

The justification is the paragraphs (h) and "I" have been merged to allow persons or institutions that are accredited by the council to offer continuous professional development programmes to teachers to also conduct training of teachers since the council does not have the capacity to conduct the training.

THE CHAIRPERSON: I put the question that Clause 9 be amended as proposed by the harmonisation committee.

(Question put and agreed to.)

Clause 9, as amended, agreed to.

Clause 10

MR KIRYOWA KIWANUKA: Madam Chairperson, the harmonisation committee proposed to delete Clause 10 as it is in the Bill and replace it as follows:

"Collaboration with Government agencies and departments
1) The council shall, in performance of its functions, collaborate with the relevant Government agencies and departments; and
2) The National Council for Higher Education shall, in the performance of its functions, collaborate with the Council-
(a) to accredit programmes for training institutions leading to the award of a degree in education and a relevant degree;
(b) in the setting of admission standards for teachers; and
(c) to inspect training institutions which provide education programmes for purposes of this Act."

I beg to submit.

THE CHAIRPERSON: I put a question that Clause 10 be amended as proposed by the harmonisation committee.

(Question put and agreed to.)

Clause 10, as amended, agreed to.

Clause 11

MR KIRYOWA KIWANUKA: Madam Chairperson, Clause 11 is amended -
(a) in 11(a) by deleting "training institution", and replacing it with "education institution", to read: "to call for any information, documents, records, or reports in respect of a teacher or education institution, from any person, body or authority as council may deem necessary."
(b) to delete paragraph (d) and (e), to delete "training institution" and replace with "education institution" to read: "to enter

and inspect any education institution to ensure compliance with this Act." We have deleted (d).

THE CHAIRPERSON: I put a question that Clause 11 be amended as proposed by the harmonisation committee.

(Question put and agreed to.)

Clause 11, as amended, agreed to.

Clause 12, agreed to.

Clause 13, agreed to.

Clause 14, agreed to.

Clause 15, agreed to.

Clause 16

MR KIRYOWA KIWANUKA: Madam Chairperson, there is a proposal to amend Clause 16 by deleting the words, "objectives and" to read in 16(1); "The council may appoint committees for the effective discharge of its functions".

THE CHAIRPERSON: I put a question that Clause 16 be amended - *(Hon. Nandala-Mafabi rose)*

MR NANDALA-MAFABI: On the maximum and the minimum; if you are saying that the maximum must be five, what is the minimum? A man can decide to be one and say, "I qualify to form a committee alone". We should be careful here about what the minimum is. Attorney-General, in sub-clause (3), what is the minimum?

MR KIRYOWA KIWANUKA: Madam Chairperson, we are thinking that this is a council of reasonable persons who look at the circumstances obtaining at any time, and if they think the committee should have one person, they will appoint one. If they decide on two, so be it, but a maximum of five. The issue here is that if we overly prescribe and set a minimum, the question will then be: why two and not one? Why not four? Why not three? If we do not have the circumstances obtaining at the time before us now, it becomes a rather subjective question to deal with. Therefore, we should leave this to the committee.

MR NANDALA-MAFABI: Madam Chairperson, for a committee to be effective, it must, of course, be an odd number. One is odd, yes, he can be alone. If you are saying the maximum of five, we should amend and state that a committee under this section shall have a minimum of three members.

THE CHAIRPERSON: Honourable Chairman of Bugisu Cooperative Union (BCU), look at Section 61(1) under regulations. It provides that, "The minister may, in consultation with the council, make regulations generally for better carrying into effect of the provisions of this Act". It can be addressed in the regulations.

MR NANDALA-MAFABI: If it is to come in the regulations, then we should delete it so that we give the minister powers to say, "for purposes of this assignment, let it be four or 10 or whatever". If we are making it a law -

THE CHAIRPERSON: This is a parameter. It tells you that there shall be a council. Then, in the regulations, you will say it will be either two or whichever number.

MR NANDALA-MAFABI: Madam Chairperson, the reason I am raising this is that the moment you leave it like this, the chairperson can effectively become a committee every day and say, "The law allows me, I can even be one and constitute a committee", or appoint one person and say, "You go and chair and bring a report".

My proposal is to avoid micromanaging of this institution. We should have a bare minimum to guide this. If you are saying that it be provided for in the regulations, then we should delete it here. The moment you say, "committee", it must have a defined number.

THE CHAIRPERSON: Let me give you a simple example. Our rules give us a bare minimum of the number of Members to form a committee but the Administration of Parliament Act does not specify the number.

MR NANDALA-MAFABI: The Administration of Parliament does not specify the number because, every year, the number of Members of Parliament may increase or decrease.

THE CHAIRPERSON: Exactly, that is what I am saying.

MR NANDALA-MAFABI: That is different. This one here is already determined - the number of the council members is already fixed. That is why - if you really want us to be fair in this law, the moment we create a maximum, we should also have a minimum.

MR KIRYOWA KIWANUKA: I propose that we say a minimum of one person and a maximum of five.

MR NANDALA-MAFABI: I want to propose a minimum of three and a maximum of five. The justification is to avoid one person making decisions for an organisation. For purposes of ownership, the minimum should be three and the maximum five.

MR KIRYOWA KIWANUKA: Madam Chairperson, these are committees of the council. They do not make decisions for the council; they advise it. Even if it is one person, the committee can only advise the council which would then make the decision. Therefore, the issue of one person making a decision - If they think that they need one person to advise them - but they advise in the committee. Where is the challenge?

THE CHAIRPERSON: Honourable members, I put the question that Clause 16 be amended as proposed by the harmonised committee.

(Question put and agreed to.)

Clause 16, as amended, agreed to.

Clause 17, agreed to.

Clause 18

MR KIRYOWA KIWANUKA: Madam Chairperson, this provision, Clause 18 on the appointment of the registrar of the council, was harmonised to read as follows. “A person shall not be appointed as a registrar under this Act unless he or she has experience in teaching of at least 10 years and a postgraduate degree in law, management, or administration”. And say that, “a deputy registrar shall be appointed by the council on terms and conditions as the council shall specify in the instrument of appointment. A person shall not be appointed deputy registrar unless that person has at least five years’ experience in teaching, law, management, or administration”.

The final reading is, “a person shall not be appointed deputy registrar unless that person has experience in teaching of at least five years and a postgraduate degree in law, management, or administration. I beg to submit.

MR NANDALA-MAFABI: Now, that is a registrar and a deputy. Do they have time, or are they going to rule infinitely?

THE CHAIRPERSON: We do not have term limits in Uganda. I put the question that Clause 18 be amended as proposed.

(Question put and agreed to.)

Clause 18, as amended, agreed to.

Clause 19

MR KIRYOWA KIWANUKA: I think Hon. Nandala can see Clause 19, shall hold office for five years and is eligible for reappointment for more than one term. Therefore, we are proposing to amend the provision to delete the word “vacate” and replace it with “resign his or her office”. To read, “the registrar may resign his or her office at any time by giving written notice of three months to the minister and the council”. In Clause 19(3)(D) to read, “inability to perform his or her functions arising from infirmity of body or mind as ascertained by a medical practitioner".

THE CHAIRPERSON: I put the question that Clause 19 be amended as proposed by the harmonisation committee.

(Question put and agreed to.)

Clause 19, as amended, agreed to.

Clause 20, agreed to.

Clause 21

MR NANDALA-MAFABI: The first one is that money is appropriated by Parliament. Now, you are talking about grants and donations. Are you allowing grants and donations to go direct without going through the Ministry of Finance, Planning and Economic Development? That could be dangerous. I am tickling your mind, Attorney-General.

THE CHAIRPERSON: There are methods of declaration under the Public Finance Management Act.

MR NANDALA-MAFABI: That is why I am saying that the money appropriated by Parliament and money acquired as per the Public Finance and Management Act (PFMA) to avoid anybody going behind PFMA.

MR KIRYOWA KIWANUKA: You could say that, but that is a dangerous thing in terms of drafting because when you are reading any law, you read it as a body of laws. For example, when you are doing an employment -

THE CHAIRPERSON: You cannot limit yourself only to the Public Finance Management Act because you have an inspectorate of Government.

MR KIRYOWA KIWANUKA: You have a whole body of laws. It is not a good practice to do that because -

THE CHAIRPERSON: To limit one law.

MR KIRYOWA KIWANUKA: Yes, there are many laws that are going to come into place when it comes to the management of these resources. You have the Public Finance Management Act, the Constitution, the Accounts Act, and there are so many laws. Therefore, if you say "Public Finance Management Act," you are saying you do not need to comply with any other law, but if they say you can receive money, you need to receive it in accordance with the laws of Uganda.

MR NANDALA-MAFABI: The grants and donations in accordance with the laws of Uganda. That is what we were trying to put -

MR KIRYOWA KIWANUKA: That is okay.

THE CHAIRPERSON: I put the question that Clause 21 be amended as proposed by Hon. Nandala-Mafabi and Attorney-General.

(Question put and agreed to.)

Clause 21, as amended, agreed to.

Clause 22, agreed to.

Clause 23, agreed to.

Clause 24, agreed to.

Clause 25

MR NANDALA-MAFABI: If you are saying that the council shall prepare for the financial year within two months, I thought we should follow the rules. When does the Auditor-General issue the audit report? It should be within six months.

When we are talking about audit, the council should prepare statements of account for the financial year and submit them to the Auditor-General within two months after the end of the financial year. What they are saying in the other rule is within three months. That is why by September, all Government entities must have submitted their accounts to the Auditor-General.

Therefore, if we are saying three months to other departments of Government, why are you saying two months for this one?

THE CHAIRPERSON: We want high efficiency levels. Within two months is okay. They are exemplary. I put the question that clause 25 stands part of the Bill.

(Question put and agreed to.)

Clause 26, agreed to.

Clause 27

THE CHAIRPERSON: Attorney-General?

MR KIRYOWA KIWANUKA: Madam Chairperson, Clause 27, application for registration. Clause 1 to read, "a person who intends to be registered as a teacher shall apply to the council for registration. Two, an application under subclause (1) shall be made in the form prescribed by regulations under this Act. Then clause 1 as it stands, to amend it to remove "wishes" and replace it with "intends". A person who intends to be a teacher in Uganda shall be registered in accordance with the provisions of this Act.

Three has been harmonised to read that, "notwithstanding section 28, the council may require a person applying to be registered as a teacher but whose qualification was not obtained from a training institution in Uganda to undertake a competence test to determine his or her suitability for registration." I beg to submit

MR NANDALA-MAFABI: Madam Chairperson, what the Attorney-General has raised, I have no objection, but the issue is timelines. I can apply now and you take six years before you approve me. Why don't you put in line that "upon receiving the application, the council will determine the fate of the applicant within three or 60 days. To avoid people sitting on applications. Attorney-General, if you agree to say, "upon receiving the application, the council will make a decision within 60 days".

Justification

To avoid people sitting on applications.

THE CHAIRPERSON: You mean people sit on people?

MR ODUR: Madam Chairperson, I am inquiring on part 4 generally because it will inform how I will debate some of the clauses. It is about teachers. As a matter of principle, I would like to inquire from the Government. Your conduct over the past five or six years shows that you have segmented what a teacher is in Uganda. It appears there are teachers of different categories, and in this entire part, you are talking about teachers. We do not see the policy undertones that you had been coming with to Parliament and making pronouncements in public, coming out clearly here, the distinction that you have inculcated into the teaching fraternity in Uganda.

In some cases, variations in payments, in others, variations in acknowledging them as teachers. Teacher of this, or that. When it comes to part four-

THE CHAIRPERSON: Honourable, are you making an amendment, or is it a policy matter?

MR ODUR: No, because this is now about teachers generally. As a matter of principle, I am going to make an amendment. I want them to clarify first.

THE CHAIRPERSON: That should be on policy. Take that, he is raising the issues, which are policy matters.

MR ODUR: No, it is policy, but then when it comes to the actual, because if these are the requirements for registration, for example, the requirements for a practising certificate, because they are spread all over, then we have two categories, will you subject us to the same? This is what the law says, yet already, in your practice in public, we are different.

If that is true, when we come to certain clauses, I will propose amendments. Unfortunately, I have not inquired or analysed the certificate of financial implication, which I will be referring to regarding this Bill.

THE CHAIRPERSON: The timing issue is okay; within 60 days, you should be able to provide feedback to avoid Hon. Nandala being sat on.

MR KIRYOWA-KIWANUKA: Madam Chairperson, I have stood here several times and said that I am not a big fan of putting timelines for administrative activities in laws. Regulations should best serve this purpose. We do not know what the circumstances obtaining at any given time. For example, if you have all 50,000 teachers registering or applying at the same time, I would not know.

Therefore, I would propose and try to convince the honourable member that we can provide for this in the regulations and require that those regulations be tabled before Parliament. The important thing about this, it allows flexibility.

The circumstances obtaining today may be different from those obtaining at another time; that is my advice. It will be neater to allow administrative functions to be done administratively through regulation.

MR NANDALA-MAFABI: What the Attorney-General is raising- we are not saying that in 60 days you are making a decision to pass, but within 60 days, you can write to me saying, we have received your application, and you still have the following to deal with so that we can proceed with the process-

THE CHAIRPERSON: Hon. Nathan, would it cause any harm if we brought that into the regulation, as we have in the Rules of Procedure?

MR NANDALA-MAFABI: Madam Chairperson, if the Attorney-General is going to bring regulations with a timeline for applications, I will have no problem.

THE CHAIRPERSON: I put the question that Clause 27 be amended as proposed by the harmonisation committee.

(Question put and agreed to.)

Clause 27, as amended, agreed to.

Clause 28

MR KIRYOWA-KIWANUKA: Madam Chairperson, the harmonisation committee met and resolved to amend Clause 28 as follows:

i) Clause 28(1)(b) by deleting 28(1)(b) from the Act and inserting after Clause 3(3);
ii) A person is eligible to be registered as a teacher if he or she possesses a degree in education, a relevant degree, or a postgraduate diploma in education;
iii) The minister shall, in consultation with the National Council for Higher Education, prescribe the relevant degree referred to in Clause 1(b);
iv) The qualifications referred to in Subsection 1 shall be obtained from a training institution recognised by the National Council for Higher Education;
v) Where the qualifications referred to under Subsection 1 are not obtained from a training institution in Uganda, the person shall have his or her academic qualifications equated by the National Council for Higher Education before applying for registration. That is a harmonised position, Madam Chairperson.

MR NANDALA-MAFABI: I thank the Attorney- General for accepting a teacher to have a postgraduate diploma. I would have been one of those who said, "I got a post-diploma, so am I not a teacher?" However, having done that, I want to ask a question: is this law being made only for teachers at higher institutions? We have primary teachers; they go for - I am happy I have seen the minister of higher education here.

We have primary teachers who hold certificates in education and those who hold diplomas in education. If you are saying that they are not supposed to be regulated by this law, are you going to bring a law to regulate those with diplomas or those with certificates? It is important that all teachers are covered here.

All teachers who have attended a training institution, whether for a certificate or a diploma, should be considered teachers and registered under this Act.

THE CHAIRPERSON: Isn't that in line with the policy shift of 2019, Education Policy?

MR ODUR: Madam Chairperson, I also have questions around this area. In 28(1)(a), it is proposed that these teachers must have a degree in education. When you look at the definition of a teacher now, it includes those in pre-primary, primary, and post-primary, from what I see in the Bill.

Ordinarily, we can say that those in early childhood education, commonly known as nursery teachers, are now required to also have degrees.

THE CHAIRPERSON: Even if you do not have a degree as of now, we have a transition period of 10 years.

MR ODUR: Yes, under 65, and I have also seen the savings, but this is the point I am trying to make. Let us look at what will be required of this current teacher with a Grade III or Grade IV certificate to upgrade for a degree in education. The last time I checked at Makerere University, tuition only, it takes a minimum of Shs 1.4 or 1.5 million per semester to study a degree in education.

When you look at how much the current teachers we are targeting earn, and set the requirement that high. That is the one position.

The second position, my parents were teachers. The effort that an early childhood/nursery teacher makes, given our infrastructural challenges, sitting on the ground to illustrate, and write, in fact, some government schools are still writing on the soil. That effort, for you to raise the level of a teacher to a degree, I cannot see many degree holders- *(Hon. Kubeketerya rose)* _I will take the information. Going down there to see, given the level of effort they have put into education.

I am proposing that, as you have already stated, preschool and then pre-primary, primary and secondary, we could segment and allow the certificate to deal with, for now, you can be registered as a teacher at pre-primary with a certificate. Then a diploma can handle primary and post-graduate.

Otherwise, when we come to the transition, I am going to address that with you. The transition and savings do not cure.

THE CHAIRPERSON: We are going to have a National Teachers University, and it should be able to set the years.

MR ODUR: Madam Chairperson, people who are in education would understand this, because I told you my parents were teachers. There was a reasoning, because I told you my parents were teachers, that where a teacher studies also has a great influence on how they deliver. That is why we had all these PTCs in the localities where the children are. It informs the teachers' delivery methods. Now, these national teachers will be in one centre, probably here in Kampala or anywhere. The cost of transport, the cost of -

THE CHAIRPERSON: No, they will be in all regions. Where we have been having PTCs, NTCs, we are going to have universities. No, you are talking to the Government.

MR NANDALA-MAFABI: Madam Chairperson, let me also tell you something. To be a teacher, under normal circumstances, was for bright people. It was for the bright ones. Nowadays, people have degraded Education to the point that the person who fails to go for a professional course is the one who goes for Education. Now, I want us to go back.

THE CHAIRPERSON: Hon. Nathan, the Government has a very good plan for this. We are transiting, and as we have said, as the Government, we are going to have these universities in every subregion. Even in our Bugisu Region, we are going to have one where Elgon was. We are going to have it. Let us hear from the committee chairman first.

MR KUBEKETERYA: Madam Chairperson, the information – *(Hon. Odur rose_)*

THE CHAIRPERSON: The Government, not me. It is not from me. It is from the Government. The law is from the Government.

MR KUBEKETERYA: Hon. Odur, I do not know why you do not want to get information.

MR ODUR: Madam Chairperson, I would like to receive information from the committee chairperson, but I was getting clarification. When we are in Parliament, there are two: Parliament and the Government. Then you say now -

THE CHAIRPERSON: It is the Government.

MR ODUR: So, Madam Chairperson, are you now speaking for the Government or?

THE CHAIRPERSON: No, I am saying this is a Government Bill. I am saying this is the Government speaking through the Bill. Yes.

MR KUBEKETERYA: Okay, Madam Chairperson, regarding the minimum qualifications, we harmonised that this should not be in the main law, and it should be the minister in consultation with the Teachers' Council to put it in regulations as an instrument. That moves away from the main law.

The fear that you are talking about pre-primary, and the other - It is going to be regulated within the ministry in consultation with the Teachers' Council. It amends – *(Interruption)*

MR ODUR: You cannot amend Clause 28 because a regulation cannot amend a law. Therefore, Madam Chairperson -

THE CHAIRPERSON: You know the problem - Most of what you have has been amended. What he read is the harmonised position. If he has not touched on A, it is not the position. The position, for instance, Honourable Attorney-General, read the harmonised position again on Clause 28.

MR KIRYOWA KIWANUKA: The harmonised position is a person, first of all, we have amended by inserting after Clause 3, first of all, deleting 28(1)(b), then inserting after 3, "*A person is eligible for registration as a teacher if he possesses a degree in education or a relevant degree or postgraduate diploma in education.*"

The minister shall, in consultation with the National Council for Higher Education, by statutory instrument, prescribe the relevant degree referred to in 1(b). The qualification referred to in subsection (1) shall be obtained from a training institution recognised by the National Council for Higher Education.

Where the qualifications referred to under subsection (1) are not obtained from a training institution in Uganda, the person shall have his or her academic qualifications equated by the National Council for Higher Education before applying for registration.

MR NANDALA-MAFABI: What you are raising is now very serious. One must possess a degree in education. That one qualifies. Now you are saying the one who wants to have a post-graduate diploma in education qualifies, but with regulations. If you did engineering, maybe, and you get a diploma in teaching, you will not qualify unless they clear you. That is being subjective.

Also of interest, there are teachers with diplomas. Isn't the teaching diploma from a prescribed institution of learning? Why shouldn't he qualify to be registered as a teacher and get a certificate? We have also raised issues about certificates.

Most laws, as you do them, you can say, this is a cut-off point. Those below, including those who have certificates and diplomas, qualify to become registered members. Then there you can say: "To go and teach, you must qualify as the following…" However, the moment you close out certificate and diploma teachers, this law is going to make -

THE CHAIRPERSON: Hon. Nandala, we are not closing them out, but we are giving them a transition period to upgrade, 10 years. If you are a certificate person, you should be able to grow and get a diploma or degree, and you meet the standards.

MR NANDALA-MAFABI: If you are going for a diploma, it is two years and paying cash. Maybe if you are a senior four -

THE CHAIRPERSON: Yes, there is nothing you can do without paying cash.

MR NANDALA-MAFABI: You go for a certificate 3, then diploma -

THE CHAIRPERSON: Hon. Nandala, there is nothing you do without paying cash. Even when campaigning to come to Parliament, you pay cash.

MR NANDALA-MAFABI: Madam Chairperson, we agree to that, but we argue that in the process you talk about of 10 years, will that person be registered as a teacher or not?

MR ODUR: Madam Chairperson, what I am pleading is that going forward, there is no problem notifying whoever wants to be a teacher that they need a degree to be a teacher. However, for me, who chose 10 or 20 years ago, because of the many social factors, to do a grade three or five diploma to be disadvantaged now, even if you put 10 years, does not hold.

Therefore, what we are saying is that for the ones that are already there, the issue of 10 years should not be there, but you can, going forward, require each – so that when somebody goes to university and applies, they know that they are applying for a degree to become a teacher.

However, the one who was disadvantaged in the past or because of any other reason, and is now in the teaching profession with a certificate or diploma, to be pushed that, within 10 years, they must, yet the pay itself, from both private and Government, cannot support one to upgrade, is what I am pleading for, Madam Chairperson.

Then, I do not want to lose the point that the committee chairperson explained well. There is an intention that the minister, together with the Council, can prescribe something for the pre-primary, primary and post-primary. However, in 28(1)(a), it reads: "A person is eligible to be registered as a teacher if he or she possesses a degree in Education."

When you add "and", it means that you must have a degree in Education first, and then any other can support you. That will lock out the category that I am talking about, Madam Chairperson.

THE CHAIRPERSON: Attorney-General?

MR KIRYOWA KIWANUKA: Madam Chairperson, I am proposing that we collapse Clause 28 and replace it as follows: "The minister shall in consultation with the National Council for Higher Education by statutory instrument prescribe the eligibility for the registration of the person to be registered as a teacher under this Act. I beg to submit.

THE CHAIRPERSON: That is better. I put the question that Clause 28 be amended as proposed by the Attorney-General.

(Question put and agreed to.)

Clause 28, as amended, agreed to.

Clause 29

THE CHAIRPERSON: Deletion?

MR KIRYOWA KIWANUKA: Madam Chairperson, we propose to delete clause 29 on internship programme.

THE CHAIRPERSON: I put the question that clause 29 be deleted.

(Question put and agreed to.)

Clause 29, deleted.

Clause 30, agreed to.

Clause 31

MR KIRYOWA KIWANUKA: Madam Chairperson, we are proposing to amend clause 31 (1) by deleting paragraph (c).

THE CHAIRPERSON: I put the question that clause 31 be amended as proposed.

(Question put and agreed to.)

(Clause 31, as amended, agreed to.)

Clause 32, agreed to.

Clause 33

THE CHAIRPERSON: Attorney-General?

MR KIRYOWA KIWANUKA: Madam Chairperson, it is proposed that clause 33 be amended to read as follows-

1) *"A person shall not teach in any education institution unless the person possesses a valid practising licence issued by the Council.*
2) *An education institution shall not employ a person to teach in an education institution unless the person is licensed to teach under this Act.*
3) *A person who contravenes subsection (1) commits an offence and is liable, on conviction, to a fine not exceeding one hundred currency points or to a term of imprisonment not exceeding four years, or both.*
4) *An education institution which contravenes subsection (2) commits an offence and is liable, on conviction, to a fine not exceeding four hundred currency points and the licence of the education institution shall be revoked for a period of one year."*

I beg to submit.

MR NANDALA-MAFABI: I do not think teachers are practising. Teachers are teaching. It should not be a "practising certificate"; it should be a "teaching certificate". "Practising certificate" is for you as an advocate or me, Hon. Nandala, as an accountant. That is number one.

Number two, if you are going to do it, you should also put when they are going to have the teaching licences, because a teaching licence is valid until it is revoked. Unless you are saying that they are issued on an annual basis. We need to understand. Will the teaching licence be there until revoked, or can it be on an annual basis or after five years?

MR KIRYOWA KIWANUKA: The licence is for four years, under clause 36 (4) of this Bill.

THE CHAIRPERSON: No, is it "practising" or "teaching" licence?

MR KIRYOWA KIWANUKA: Well, we had it as "practising licence", but we can change it.

THE CHAIRPERSON: They do not practice; they teach.

MR KIRYOWA KIWANUKA: We can call it a "teaching licence" and then we make consequential amendments throughout the Bill – wherever "practising licence" appears, we can change it to "teaching licence".

THE CHAIRPERSON: I put the question that clause 33 be amended as proposed by the harmonisation committee and, further, by Hon. Nandala.

(Question put and agreed to.)

(Clause 33, as amended, agreed to.)

Clause 34

MR KIRYOWA KIWANUKA: Madam Chairperson, we propose that clause 34 stands part of the Bill because it was getting into the details, which was becoming administrative.

THE CHAIRPERSON: I put the question that clause 34 stands part of the Bill.

(Question put and agreed to.)

(Clause 34, as amended, agreed to.)

Clause 35

MR KIRYOWA KIWANUKA: Madam Chairperson, we propose to amend clause 35(1) to read -

"(1) Where a person making an application under section 34 is not a Ugandan, the person shall show proof that he or she -
a) is registered or recognised as a teacher in the country where he or she has been practising by an authority equivalent to the Council; and
b) has been teaching for the past three years."

We also propose to insert immediately after subclause (2), the following-

"The Council may require a person applying to be licensed as a teacher under this section to undertake a competence test to determine his or her suitability for licensing."

THE CHAIRPERSON: I put the question that clause 35 be amended as proposed by the harmonisation committee.

(Question put and agreed to.)

(Clause 35, as amended, agreed to.)

Clause 36

THE CHAIRPERSON: Clause 36 is amended in subclause (1) by deleting the word "of" appearing right after the word "requirements" and replacing it with the words "for the issuance of a teaching licence prescribed under".

It should read: *"The Council shall, upon receipt of an application under section 34, consider the application and where the Council is satisfied that the person meets the requirements for issuance of a teaching licence prescribed under section 34 or 35, issue a practising certificate to the applicant."*

I beg to submit.

MR NANDALA-MAFABI: Madam Chairperson, that one is okay, but what about the issue of time? Having given me a teaching licence, I think it should remain in force until revoked. The justification is that for a teacher who is teaching, yes, he gets a salary. You cannot treat a teacher as you would an accountant or an advocate, because those make money for their firms, but a teacher is just an employee. He does not have his own business, so he would not need a licence every year or after five years.

So, I propose that, since a teacher will be an employee, apart from the institutions themselves, they should have this licence in place until it is revoked by the council. The justification is that this is to avoid teachers moving from villages to look for a teaching licence - and these are people who are already vulnerable in their character.

MR KIRYOWA KIWANUKA: That is what the law provides. What we are discussing here is the renewable, what we are calling a "teaching licence". We were calling it a "practising licence", which we have changed to "teaching licence". Once a person is registered as a teacher, they remain a teacher forever, but they get a teaching licence after four years.

You see, the other one is a registration certificate. Once I get my certificate of registration, it is for life. For me, as a lawyer, if I get a certificate of enrollment, I am enrolled. However, every year I renew my practising certificate. Here, the teacher will receive a certificate of registration once they are registered. Then, every four years, they get what we used to call a "practising licence", which we now call a "teaching licence".

THE CHAIRPERSON: I put the question that clause 36 be amended as proposed by the harmonisation committee.

(Question put and agreed to.)

(Clause 36, as amended, agreed to.)

Clause 37, agreed to.

Clause 38, agreed to.

Clause 39, agreed to.

Clause 40, agreed to.

Clause 41

MR KIRYOWA KIWANUKA: Madam Chairperson, we propose that clause 41 be amended in subclause (1) by deleting paragraph (a) – "(a) an intern teacher;"

THE CHAIRPERSON: I put the question that clause 41 be amended as proposed by the harmonisation committee.

Question put and agreed to.

Clause 41, as amended, agreed to.

Clause 42

THE CHAIRPERSON: Yes.

MR NANDALA-MAFABI: He talked about school practice. If you are in school practice, it clearly means that you are not yet a teacher. Why have you brought it here? That one should not be there. You should also delete it. You see. We said, from this, why have you brought it here?

THE CHAIRPERSON: Where?

MR NANDALA-MAFABI: You see, there is an intern.

THE CHAIRPERSON: Clause 41.

NANDALA-MAFABI: Yes, that one.

THE CHAIRPERSON: That was deleted.

MR NANDALA-MAFABI: I am saying we should delete paragraphs A and B. You see, a school practicing teacher is more or less like an intern.

MR KIRYOWA KIWANUKA: So, you are saying that we delete B to mean that a student undertaking school practice will require a license.

Because yes, because part five does not apply to these people. The reason we are deleting interns because we have removed the entire concept on internship under teacher training. But if you say we are happy to remove it the way Hon. Nandala- Mafabi thinks that a student undertaking school practice should have a license, well and good. So that is what we are saying here that -

That is why part five does not apply to them.

THE CHAIRPERSON: Look at the heading.

MR NANDALA-MAFABI: No, I have seen it, Madam. This is a law not for interns or school practice. You will only be a teacher after finishing school and qualifying. So, you are not going to disqualify somebody who is training. You have got an advocate who has come to your place for internship. He is not an advocate until he practices. The law you are making is not for school practice teachers and interns. You disqualify somebody who -

THE CHAIRPERSON: Hon. Nathan. This application means you are not requiring the license from that category.

MR ODUR: Madam Chair, both sides are correct. For me, this is a redundant actually for me a redundant -

THE CHAIRPERSON: You know; school practice is part of the training to be a teacher. Yes -

MR KIRYOWA KIWANUKA: Madam Chairperson, the people in school practice remain in the schools for a considerable period of time.
And you remember that the law has said no one shall teach without a license.

So, that means that a person in school training who enters the classroom and purports to teach commits an offense. So, this law is saying, no, the fundamental rule is that no one should enter a classroom to teach anyone if they do not have a license. But do not require a person who is teaching under school practice to obtain a license. That is all its saying.

THE CHAIRPERSON: Honourable members -

MR NANDALA-MAFABI: No Madam Chair, let me tell you, a school teaching practice is a subject. You must pass it to qualify to become a teacher. Yes, you must do school practice. When you qualify, that is when you they give it to you.

MR KUBEKETERYA: Let me give information to Hon. Nandala-Mafabi.

I think it is just the nomenclature of this application. We are saying this one should not apply to me who is undertaking school practice. So, I am not unlawful to be in class because I do not have a license. So, they should remain. The other first one has gone but this one remains. Because these ones are undergoing training.

MR ODUR: Madam Chair, I am sorry to go ahead. The reason why I said both sides may be right and this provision appears to be redundant. Because when you go to Clause 42, it gives the minister power to exempt anyone by statutory order. So, if the minister so wishes that a school practice person or a student under Clause 42, they would now make a prescription and say the following are exempt.

I just wanted first to draw your attention to clause 42 so that the Clause 41 can actually go and then that intention of allowing exception for some people to go and teach can be captured under Clause 42. But I also have another proposal under Clause 42.

MR KIRYOWA KIWANUKA: A student undertaking school practice is subject to this law.

I want us to first be clear that there are certain parts of this law which would affect even student teachers. For example, discipline and code of conduct. They will apply to them.

All this section is saying "*That if you find a student teacher in the classroom teaching, do not ask him or her for a license.*" That is all they are saying. Do not ask them for a practicing certificate. So, whether it is redundant or not, these are kind of things we put there for avoidance of doubt. We do not want people to be harassed in the villages and so on. So, if it is redundant, we should leave it there.

THE CHAIRPERSON: Thank you. The law is made to be futuristic. It is not for only now. I put the question that Clause 41, as amended, stands part of the Bill.

(Question put and agreed to.)

Clause 41, as amended, agreed to.

Clause 42

THE CHAIRPERSON: I put the question that Clause 42 -

MR ODUR: Madam Chair, Clause 42 reads "Exemptions of persons from part four and part five…" which is about registration and then the teaching license, by the minister. And says the minister may, by statutory order, exempt a person.

And it goes on. Part B, prescribe the procedure and manner in which a person or a category of persons exempted under paragraph A shall engage in - my issue is: should it not be known for anyone who wants to be exempted to know the parameters of exemption?

Because here it is not clear. So, I would prefer that the minister should prescribe by regulation who can benefit from the exemption. The way it is here, it is quite problematic.

THE CHAIRPERSON: It is already there that the minister will prescribe that by a statutory order.

MR ODUR: No, when you read it, that is not the spirit, madam. The order is the end result of the exemption. I have exempted you. It is the statutory order. That is what it means under paragraph (a). Then paragraph (b) is the conditions for the exemption. That I have exempted you but subject to these conditions.

Now, my point is - all the teachers and everyone who desires to be exempted must know well in advance that if they do not want to subject themselves, these are the standards.

Therefore, the minister should actually rather prescribe the parameters of the categories of person who could be exempted and then later exempt.

Then two, since we have a council, which is responsible for registration and then issuance of the teaching practice, would it not be better that the minister exempts only after the council has granted?

MR KIRYOWA: Madam Chairperson. We cannot possibly provide the circumstances of exemption. We cannot provide the circumstances because we want everyone to comply with the registration, and we expect everyone to comply.

This clause is talking about - when we were discussing this Bill, they talked about a person who comes here to give lectures in Makerere University or in a school; a professor comes from somewhere to hero for four days to give a lecture and its part of the teaching - hat is what was anticipated in this kind of scenario.

The issue of the approval and participation of the council - I think the honourable minister can guide on that. I would not have any challenge with that, myself.

MR ODUR: Attorney General (AG), the point I raised - yes, there is a professor in the United States who wants to come. It should be known in advance. The minister should prescribe, maybe the details - we give the power only here, but we do not give the details because as it is here, it is just giving the minister the power to exempt. But I am saying by regulation, the minister should sit down and prescribe the circumstances later on, that can be known to whoever wants to maybe invite a guest lecturer from America or so. You cannot procure that person to come, and after they have reached here and you have paid for their air ticket and fees, then you start running around. Then the minister says, "This one does not qualify. Fly him or her back." I hope you get my point.

MR NANDALA-MAFABI: People may come and call you to go and do what they call mentorship speeches. They may say, "Member of Parliament (MP) X or Counsellor Y, come and speak to our law class." You cannot get him or her before students and then ask, "Where's your teaching practice?" We need to be very careful.

That is why we say we need to prescribe what is necessary. Let the Minister of Education tell us what it is that he is going to exempt?

THE CHAIRPERSON: Attorney-General, what is the position on clause 42?

MR KIRYOWA KIWANUKA: On clause 42, the harmonised position is as I presented it, that the provision stands as part of the Bill. However, I definitely think we should take the guidance to work on regulations to address this aspect. We can do that under clause 63, but the Bill can stand as it is.

THE CHAIRPERSON: I put the question that clause 42 stands part of the Bill.

(Question put and agreed to.)

Clause 43

THE CHAIRPERSON: Clause 43 is for deletion. Have you left it the way it is? Hon. Gilbert?

MR OLANYA: Thank you, Madam Chairperson. Regarding clause 43(1), which states that a person who wishes to take a Degree in Education at a training institution shall possess the relevant qualifications, I feel we need to define what constitutes relevant qualifications. There is a tendency for many teaching institutions to employ unqualified individuals.

THE CHAIRPERSON: You have come late. The relevant qualifications were already mentioned. Check the clauses behind. You are raising a very important issue, but it was already mentioned.

MR NANDALA-MAFABI: Madam Chairperson, he has a point. Maybe we could help –

THE CHAIRPERSON: Clause 43

MR KIRYOWA KIWANUKA: Madam Chairperson, we propose to delete clause 43 on teacher training from the Bill.

THE CHAIRPERSON: I put the question that clause 43 be deleted as proposed.

(Question put and agreed to.)

Clause 43, deleted.

Clause 44, deleted.

Clause 45

MR KIRYOWA KIWANUKA: Madam Chairperson, we propose to amend clause 45(1) to read:

“(1) Every teacher who engages in teaching shall undertake continuous professional development as the minister may, on the recommendation of the Council, prescribe by regulation;

(2) By deleting sub-clause (2), and

(3) By deleting the words, ‘by the minister’ and say, ‘under this Act,’ and to read, ‘Council shall not renew the practicing certificate -’ which is now a teaching license, ‘-of a teacher who fails to meet the requirements of continuous professional development as prescribed under this Act.’ I beg to submit.

MR NANDALA-MAFABI: Madam Chairperson, professional development means that you must leave the school, go somewhere and maybe train for either a month, two or a week. Let the Attorney-General and the minister to tell us what professional development of a teacher is.

A teacher teaches every day. If I were a physics teacher, I would read Physics textbooks every day. In fact, a teacher should not be treated like you lawyers or accountants because lawyers and accountants can forget – *(Interruption)*

MR KUBEKETERYA: Madam Chairperson, I am giving my colleague information. The spirit of professional development is that these teachers can go for a term of about two months -

THE CHAIRPERSON: Actually, during holidays.

MR KUBEKETERYA: Yes, so, it is not that when you read a Physics book, you do not need to go and compare with other people for best practices. It is in a good spirit.

MR NANDALA-MAFABI: There are too many schools. Are you going to establish centres for all teachers to attend professional development? Are you going to have a professional development curriculum? I would like the ministry to assist us in understanding this.

DR MUYINGO: Dear honourable colleagues, in the profession we learn every day. We are expected to improve ourselves almost every day. Many things are coming up on the board: distance education and attendance at seminars and workshops. Therefore, the spirit behind this is to encourage our teachers to improve the profession almost every day.

MR ODUR: Madam Chairperson, on the face of it, this sounds very good because it has the effect of building capacity. However, we must be careful about the undertones that I believe we currently lack information about.

In other sectors, we came here and made certain provisions that looked innocent. After going out, you find that there is only one service provider monopolising this professional development. They will charge an amount that you cannot run away from. If you do not have a certificate from them, you cannot proceed. We already know about one of the lawyers. Some lawyers have failed to practice because of the Continuing Legal Education (CLE) points they must earn.

We must treat this so that for you to require a teacher in Karamoja or Kisoro to come for a professional development or refresher course in only an institution that is based here, that sometimes charges even Shs 1.5, that institution or service provider must also be licensed. I am just giving a caution.

THE CHAIRPERSON: A number of teacher training colleges that will be put in place under the Uganda National Institute for Teacher Education (UNITE) will be everywhere.

By the way, at my school, if you do not attend professional development during the holidays, you cannot come back and teach because we need new knowledge. It evolves, day in day out. The school does it. We do capacity building.

MR OLANYA: Madam Chairperson, that is the information I wanted to give. Currently, the government organises refresher training for science teachers every holiday; for all schools across the country.

Besides, with the new curriculum coming into force, refresher courses shall become a must, as it changes over time. There are many new things that are brought into the curriculum. Therefore, the continuous training for teachers to acquire knowledge is very important.

THE CHAIRPERSON: I put the question that clause 45 be amended as proposed.

(Question put and agreed to.)

Clause 45, as amended, agreed to.

Clause 46, agreed to.

Clause 47, agreed to.

Clause 48, agreed to.

Clause 49, agreed to.

Clause 50, agreed to.

Clause 51, agreed to.

Clause 52

MR ODUR: Madam Chairperson, on clause 52(iii), "a person aggrieved by the decision of the committee may appeal to the High Court." I wanted the Attorney-General to be here, but given the current amendment and the number of teachers, I think the Chief Magistrate's Court could handle this appeal. The High Court already informed us, when we were amending, that they are over-burdened by-

THE CHAIRPERSON: Actually, after the amendment of the Act, a chief magistrate would handle this.

MR ODUR: I wanted to propose, but also because of the way the High Court- the circuits are-

THE CHAIRPERSON: Scattered.

MR ODUR: Yes, they are scattered, they are very far- that is why I said the Chief Magistrate's Court; that includes the Grade One Magistrates, would be able to deal with this. We may need the Attorney-General-

THE CHAIRPERSON: Attorney-General. This is a straightforward - the Chief Magistrate's Court candle. Instead of the High Court in clause 52, we should provide for the Chief Magistrate's Court, as they are almost everywhere.

MR KIRYOWA KIWANUKA: That would be acceptable because now we have the Chief Magistrate's Courts everywhere, and they are more accessible to teachers.

THE CHAIRPERSON: I put a question that clause 52 be amended as proposed by the committee and further amended by Hon. Odur.

(Question put and agreed to.)

Clause 52, as amended, agreed to.

Clause 53, agreed to.

Clause 53

MR NANDALA-MAFABI: How do you fine a teacher 250,000 currency points? You are talking about Shs 5,000,000. Imposing on a teacher a fine not exceeding 250 currency points. 250 currency points for a teacher? You see, in the case of a sanction of the disciplinary committee, where a teacher is found guilty of professional misconduct under this Act, the council may invoke any of the following sanctions -

THE CHAIRPERSON: That is a deterrent.

MR NANDAlA-MAFABI: No, it is entirely -

THE CHAIRPERSON: We are saying, do not do it.

MR NANDALA-MAFABI: Why don't you remove him instead of charging him five million?

THE CHAIRPERSON: I put a question that clause 53 stands part of the Bill.

(Question put and agreed to.)

Clause 53, agreed to.

Clause 54, agreed to.

Clause 55

MR KIRYOWA KIWANUKA: Madam Chairperson, to insert after (a) the words "or (b)" to read, "A teacher whose name has been removed from the register under section 54(2) (a) or (b) may, where he or she has justifiable reasons, apply to the council to restore his or her name to the register".

I beg to submit.

THE CHAIRPERSON: I put the question that clause 55 be amended as proposed by the harmonisation committee.

(Question put and agreed to.)

Clause 55, as amended, agreed to.

Clause 56, agreed to.

Clause 57, agreed to.

Clause 58

MR ODUR: Madam Chairperson, in light of the amendment to clause 52, I also propose -

THE CHAIRPERSON: To Chief Magistrate -

MR ODUR: Yes, I propose that we replace the High Court with the Magistrate's Court.

MR KIRYOWA KIWANUKA: Madam Chairperson, we need to be a bit careful here. Not the decision that we put for the council, as far as the registration of teachers is concerned, was to the Magistrate's Court - not all decisions of the council. Therefore, we shall say, "Save as otherwise provided under this Act, a person aggrieved by a decision of the council may appeal". If the Act has not specifically provided for it - because that one deals with teachers directly - we may have decisions of the council relating to schools and all manner of other things.

I would, therefore, propose that, unless the Act has specifically created a jurisdiction elsewhere, the rest should be given to the High Court because some of the pecuniary jurisdiction may be higher than what the Magistrate's Court can carry.

MR ODUR: If the intention is to tag it to the pecuniary jurisdiction, then we should prescribe a right to go to court. The person going to court will now determine that, for this matter, I need to go to the High Court.

My insistence on the Magistrate's Court was basically because the Government recently explained to us the burden on the High Court, and for that reason, they proposed that the Chief Magistrate's Court and the Magistrate's Court should be able to handle such matters.

I do not think that decisions arising out of licensing of teachers, removal, or denial of certificates require a judge of the High Court to sit. I think these matters can be resolved by the Magistrate's Court. That was the spirit in which I was raising. Any decision of the council should go to the Magistrate's Court.

MR KIRYOWA KIWANUKA: Madam Chairperson, the High Court, for example, is vested with unlimited powers, but specifically, you cannot seek judicial review in the Magistrate's Court. We need to be careful about what we are dealing with here.

Where we have specifically looked at the issue of the teachers and their licence, that is an individual private issue. However, where the council makes a decision, why don't we say, "save as specifically provided in this Act, a person aggrieved by a decision of the council may appeal to the High Court"?

THE CHAIRPERSON: To a relevant court.

MR KIRYOWA KIWANUKA: Or to a relevant court.

THE CHAIRPERSON: I put the question that clause 58 be amended as proposed by Hon. Odur and further by the Attorney-General.

(Question put and agreed to.)

Clause 58, as amended, agreed to.

Clause 59, agreed to.

Clause 60, agreed to.

Clause 61, agreed to.

Clause 62, agreed to.

Clause 63, agreed to.

Clause 64, agreed to.

Clause 65

THE CHAIRPERSON: Transition.

MR KIRYOWA KIWANUKA: Madam Chairperson, we are proposing that in clause 65, we delete subclause (2).

THE CHAIRPERSON: I put the question that Clause 65 be amended as proposed.

MR NANDALA-MAFABI: The teachers would have already been registered. The subsection shall not apply to teachers who are engaged -

THE CHAIRPERSON: That is the one we are deleting.

MR NANDALA-MAFABI: Now, if we do it, then it shall apply to them.

THE CHAIRPERSON: This is transitional.

MR NANDALA-MAFABI: No, but there are those who are already registered. Now, let me ask Dr Muyingo.

THE CHAIRPERSON: You read Clause 65 well.

MR NANDALA-MAFABI: Madam Chairperson, I have understood. That means that everybody must apply afresh. If I registered as a teacher in 1989, should I again apply to register as a teacher? If this one was trying to save that, then Section 20 shall not apply to a teacher who was registered before the commencement of this Act. That means all teachers who are already registered -

THE CHAIRPERSON: Hon. Nandala-Mafabi, do not read in isolation. They are saying that, notwithstanding Section 64(i), a teacher who at the commencement of this Act is registered under the Education, Pre-Primary,

Primary and Post-Primary Act, 2008, but whose qualifications are not in compliance with the eligibility requirements under this Section 28 shall within 10 years from the commencement of this Act comply with the requirement for eligibility under Section 28 of this Act.

I put the question that Clause 65 be amended as proposed.

(Question put and agreed to.)

Clause 65, as amended, agreed to.

MR ODUR: Madam Chairperson, we had amended Clause 28 and I wanted the Attorney-General in light of that amendment - originally in the Bill we had proposed a degree and all the qualifications. Now, you proposed that the minister with the council will sit and come up with the requirements.

In light of this, we need to reflect on the amendment that you made. I agree with the deletion of two, but even under one, if you read it, to make it fit within the proposal with which you made the amendment, we will need to polish it.

MR KIRYOWA KIWANUKA: What you can only just say is to set the requirements for eligibility prescribed pursuant to section 28; that is it. But Section 28 is there. We did not delete it. We replaced it with new – So, we are just saying maybe we could read it for clarity to say, "Notwithstanding section 64(1), a teacher who at the commencement of this Act is registered under the Education Act, 2008, but whose qualifications are not in compliance with the eligibility requirements prescribed under section 28 shall within 10 years from the commencement of this Act comply with the requirement for eligibility prescribed under Section 28 of this Act.

We are just saying prescribed, because the minister will prescribe under Section 28. Thank you.

THE CHAIRPERSON: Okay, I put the question that Clause 65 be amended as proposed and further amended by Hon. Odur.

(Question put and agreed to.)

Clause 65, as amended, agreed to.

Schedule 1

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

(Question put and agreed to.)

The First Schedule, agreed to.

Schedule 2

THE CHAIRPERSON: I put the question - Chairperson.

MR KIRYOWA KIWANUKA: Schedule 2, Clause 2 on quorum, to read that "the quorum for a meeting of the council is two-thirds of the members".

THE CHAIRPERSON: I put the question that the Second Schedule be amended as proposed.

(Question put and agreed to.)

The Second Schedule, agreed to.

Schedule 3

THE CHAIRPERSON: Deletion.

MR KIRYOWA KIWANUKA: Madam Chairperson, we propose to delete Third Schedule.

THE CHAIRPERSON: I put the question that the Third Schedule be deleted as proposed.

(Question put and agreed to.)

The Third Schedule, deleted.

Title

THE CHAIRPERSON: I put the question that the title stands part of the Bill.

(Question put and agreed to.)

The Title, agreed to.

MOTION FOR THE HOUSE TO RESUME

THE CHAIRPERSON: Honourable minister.

3.21
THE MINISTER OF STATE FOR EDUCATION AND SPORTS (HIGHER EDUCATION) (Dr Chrysostom Muyingo): Thank you very much, Madam Chairperson. I beg to move 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

3.22
THE MINISTER OF STATE FOR EDUCATION AND SPORTS (HIGHER EDUCATION) (MR Chrysostom Muyingo): Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, "The National Teachers Bill, 2024" and has passed it with amendments.

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

THE SPEAKER: Honourable minister.

3.22
THE MINISTER OF STATE FOR EDUCATION AND SPORTS (HIGHER EDUCATION) (Dr Chrysostom Muyingo): Madam Speaker, I beg to move that the report from the Committee of the whole House on the Bill entitled, "The National Teachers Bill, 2024" be adopted.

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

(Question put and agreed to.)

Report adopted.

3.23
THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka): Madam Speaker, I request the indulgence of this honourable House to recommit clauses 6, 11 and 33. I misreported on the harmonised position of the parties for clauses 6, 11 and 33.

THE SPEAKER: Move a motion for recommittal.

MR KIRYOWA KIWANUKA: Madam Speaker, I move a motion that clauses 6, 11 and 33 be recommitted for consideration by the House.

THE SPEAKER: I put the question that clauses 6, 11, and 33, as requested by the Attorney-General, be recommitted.

(Question put and agreed to.)

BILLS
COMMITTEE STAGE

THE NATIONAL TEACHERS BILL, 2024

Clause 6

3.24
THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka): Madam Chairperson, I sincerely apologise for this mishap on my part. The harmonised position of the committee for Clause 6 is that we retain the provisions in the Bill, but amend part B to say, "A teacher with a disability shall be nominated by the National Union of Disabled Persons of Uganda" and to insert a new clause provision 3, at least one-third of the members of Council shall be women. I beg to submit.

THE CHAIRPERSON: I put the question that Clause 6 be amended as proposed by the harmonisation committee.

(Question put and agreed to.)

Clause 6 as amended, agreed to.

Clause 11

MR KIRYOWA-KIWANUKA: Madam Chairperson and honourable colleagues, the harmonised position is that we drop the words "training", "institution" and "education" so as (a) will read as follows: "To call for any information, documents, records, or reports in respect of a teacher from any person, body or authority as the council deems necessary."

Retain (d), delete (e), and as the intention of (e) has been captured in Clause 10 as proposed by the committee. I beg to submit.

THE CHAIRPERSON: I put the question that Clause 11 be amended as proposed by the harmonisation committee.

(Question put and agreed to.)

Clause 11 as amended, agreed to.

Clause 33

MR KIRYOWA-KIWANUKA: Clause 33, we propose to carry forward the provision as proposed by the Committee on Education, but insert the words, "or international education institution" after the word, "education" wherever it appears in the proposed clause and provide a definition for the word, "international education institution".

Accordingly, the phrase of international education institution should be inserted in Clauses 41(1)(c), 42(b) and 46(2)(c).

Madam Chairperson, I also propose that an amendment be made when we dealt with the licensing of teachers and practicing licenses. We amended Clause 33 to read, "valid teaching license".

I propose that wherever in the Bill, "practicing license" appears, be replaced with "teaching license". I beg to submit. Wherever "practicing license" appears, to be replaced with "teaching license". I beg to submit.

THE CHAIRPERSON: Thank you. I put the question that Clause 33 be amended as proposed by the harmonisation committee.

(Question put and agreed to.)

Clause 33 as amended, agreed to.

MOTION FOR RESUMPTION OF THE HOUSE

3.38
THE MINISTER OF STATE FOR EDUCATION AND SPORTS (HIGHER EDUCATION) (Dr Chrysostom Muyingo): Madam Chairperson, I beg to move that the House resumes and the Committee of the whole House reports thereto. I beg to move.

THE CHAIRPERSON: I put the question that the House resumes after re-committal and the Committee of the whole House reports thereto.

(Question put and agreed to.)

(The House resumed, the Speaker presiding_)

REPORT OF THE COMMITTEE OF THE WHOLE HOUSE

3.39
THE MINISTER OF STATE FOR EDUCATION AND SPORTS (HIGHER EDUCATION) (Dr Chrysostom Muyingo): Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, "The National Teachers-

THE SPEAKER: Has recommitted Clauses 6, 11 and 33.

DR MUYINGO: Has recommitted the Bill entitled -*(Interjection)*- Clauses 6 - those ones.

THE SPEAKER: Has recommitted Clauses 6, 11 and 33.

DR MUYINGO: 6, 11 and 33 - *(Interjection)*- exactly -

THE SPEAKER: Thank you.

DR MUYINGO: And has passed it with amendments.

THE SPEAKER: Thank you.

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

3.40

THE MINISTER OF STATE FOR EDUCATION AND SPORTS (HIGHER EDUCATION) (Dr Chrysostom Muyingo): It is a good day for me. (*Laughter*) Madam Speaker, I beg to move that the report from the Committee of the whole House on the Bill entitled, "The National Teachers Bill, 2024", be adopted.

THE SPEAKER: I put the question that the report of the Committee of the whole House after the re-committal of clause 6, 11 and 33 be adopted by this House.

(Question put and agreed to.)

Report, adopted.

BILLS
THIRD READING

THE NATIONAL TEACHERS BILL, 2024

3.41

THE MINISTER OF STATE FOR EDUCATION AND SPORTS (HIGHER EDUCATION) (Dr Chrysostom Muyingo): Madam Speaker, I beg to move that the Bill entitled, "The National Teachers Bill, 2024", be read the third time and do pass.

THE SPEAKER: I put the question that the National Teachers Bill, 2024 be read the third time and do pass.

A BILL FOR AN ACT ENTITLED, "THE NATIONAL TEACHERS ACT, 2026"

THE SPEAKER: Title settled and the Bill has been passed.

DR MUYINGO: Madam Speaker and honourable Members of Parliament here present, just a short one. I want to say thank you very much. First, for the love you have for your country and taking us through this very important business.

I would also like to thank the teachers for their contribution to this country, but I also thank the MPs and all of you for the various contributions and may God bless you.

THE SPEAKER: Thank you. Thank you so much.

3.33

THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda): Thank you so much, Madam Speaker. I also had initially wanted to thank the House, but also thank the members of the finance committee and the staff, the technical team, for the hard work under the circumstances to have delivered the Bills that this House has passed.

I would like to appreciate you, Madam Speaker, for your guidance and pray that in future we will continue to work and deliver quality Bills like we did today. Thank you so much.

THE SPEAKER: Thank you, for using a stick.

MR KUBEKETERYA: Madam Speaker, I would also like to most sincerely thank the members of our committee. I think they are the majority today, and I would like to thank the honourable ministers of the sector and the Attorney-General. Actually, we were going to have a miscarriage of this Bill. I would like to thank the Speaker to have accepted our request to come and preside over. Thank you very much.

THE SPEAKER: Thank you. Honourable members, I want to thank all of you for coming in the rain to attend this session. It was not easy. Even me, I was saying, should I go, but I thank God that all of us managed to come.

In a very special way, I want to thank the chairperson and members of the Finance

Committee, we are now able to raise revenue. I thank my good friend, the Minister of Finance, Planning and Economic Development, Hon. Musasizi. When you are not here, we miss you, but we are happy you were there to do it and got what you wanted. Back to education, you are a great team. Thank you for that, Bill.

I thank the Minister of Education and Sports and the Government legal advisor. As I was telling you, we always feel the gap when you are not here, and we are happy you came. Today we have rested this. On this side, I thank Hon. Jonathan, who is good. I also thank Hon. Nathan and the whole House.

Government Chief Whip, thank you for whipping your team with the Prime Minister, but I want to make this clear: year in, year out, we do appropriate, and the ministers are not there. If mistakes are made, there is no responsible minister to correct on the Floor.

Tomorrow we are going to do appropriation, and I request that you all be here and see what is happening, how much is going to your sector, and how much is going to your ministry. so that when we are asked the questions, we are all asked. Not only one person, neither Hon. Obua nor Hon. Anita. Can we all be here tomorrow at 10:00 a.m.? You know me when I say 10:00 a.m., it is 10:00 a.m. We will do appropriation tomorrow. The Budget Committee is ready. Hon. Obua, and the Government, is that agreeable with you?

3.38

THE THIRD DEPUTY PRIME MINISTER AND MINISTER WITHOUT PORTFOLIO (Ms Lukia Nakadama): Madam Speaker, I thank you for the dedication you have put in all that we are doing for the good of our country. We are going to whip, together with my colleague, the Honourable Government Chief Whip, all the ministers and ensure that all the ministries are represented.

THE SPEAKER: Thank you so much. The House is adjourned to 10.00 a.m. tomorrow, Friday.

(The House rose at 3.38 p.m. and adjourned until Friday, 24 April 2026)