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**BILLS**

**SUPPLEMENT No. 6**

**20th May, 2020**

**BILLS SUPPLEMENT**

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**Bill No. 12**

*Constitution (Amendment) Bill*

**2020**

**THE CONSTITUTION (AMENDMENT) BILL, 2020**

**MEMORANDUM**

1. The Object of the Bill is to amend the Constitution of the Republic of Uganda in accordance with Article 259 and 262 of the Constitution following the passage of a Parliament Resolution on 28<sup>th</sup> February, 2019 to remove the governor and deputy governor from being chairperson and deputy chairperson respectively from the board of directors of the Central Bank; to provide for the functions of the governor and to provide for the governor as the Chief Executive Officer of the Central Bank; to provide for the resignation of a member of the board.
2. The procedure for amending article 161 of the Constitution is by a bill for an Act of Parliament supported at the second and third readings by the votes of not less than two thirds of all members of Parliament as provided for by article 262 of the Constitution.

**MAWANDA MICHAEL MARANGA (MP),**  
*Igara County East.*

A Bill for an Act

ENTITLED

**THE CONSTITUTION (AMENDMENT) ACT, 2020**

**An Act to amend the Constitution of the Republic of Uganda in accordance with Article 259 and 262 of the Constitution to; provide for a Chairperson of the Board of Directors of the Bank, not being the Governor; to provide for a member of the Board to resign from the Board, to provide for the governor as the Chief Executive Officer of the Central Bank, to provide for the functions of the governor to provide for the appointment and functions of the deputy governor and for other related matters.**

**BE IT ENACTED by Parliament as follows:**

AMENDMENT OF CHAPTER NINE OF THE  
CONSTITUTION-FINANCE

**1. Amendment of article 161 of the Constitution.**

Article 161 of the Constitution is amended by—

- (a) substituting for clause (2) the following—

“(2) The authority of the Bank of Uganda shall vest in a board which shall consist of—

- (a) a governor; and
- (b) six other members.”

(b) substituting for clause (3) the following—

“(3) The governor and all other members of the board shall—

- (a) be appointed by the President with the approval of Parliament; and
- (b) hold office for a term of five years and shall be eligible for reappointment.”

(c) substituting for clause (4) the following—

“(4) The President shall appoint a chairperson of the board from among the members appointed under clause (2) (b).

(d) substituting for clause (5) the following—

“(5) The President may remove a member of the Board from office—

- (a) if information relating to the conduct of the member, which could have precluded his or her appointment, is brought to the attention of the President;
- (b) for inability to perform the functions of his or her office arising from infirmity of body or mind;
- (c) for incompetence;

- (d) for misbehavior or misconduct;
- (e) for failure to disclose, at a board meeting, a matter in which he or she has a personal interest;
- (f) who has been convicted of an offence and sentenced to imprisonment for six months or more by a competent court in Uganda or outside Uganda;
- (g) for bankruptcy or insolvency; or
- (h) for absence, without prior notice to the Chairperson of the Board for more than four consecutive meetings of the Board;
- (e) inserting immediately after clause (5) the following;

“(6) Notwithstanding clause (5), a member of the Board may, at any time, resign his or her office by giving three months’ notice in writing to the President.

## **2. Insertion of new articles 161A, 161B, 161C**

Chapter nine of the Constitution is amended by inserting immediately after article 161 the following—

### **“161A. Governor of the Central Bank**

(1) There shall be a governor appointed under article 161 who shall be the Chief Executive of the Bank of Uganda.

(6) The office of the governor shall be a public office.

### **161B. Functions of the governor**

(1) The governor shall—

- (i) be responsible for monetary policy;

- (ii) have authority to incur expenditure for the bank within the administrative budget approved by the board and Parliament;
- (iii) be responsible for the organization and management of the bank;
- (iv) cause proper accounts to be kept of all transactions entered into by the bank and of the assets and liabilities of the bank and of valuables entrusted to the bank;
- (v) ensure safe custody of the assets of the bank and any valuables entrusted to the bank; and
- (vi) ensure the proper discharge of the duties of the staff of the bank and other employees of the bank.

**“161C. Deputy Governor of the bank**

(1) There shall be a deputy governor appointed by the President with the approval of Parliament;

(2) The deputy governor shall deputise the governor and hold office for a term of five years and is eligible for reappointment for only one further term.

(3) The office of the deputy governor shall be a public office.

(4) The deputy governor may be removed from office by the President—

- (a) where he or she is unable to perform the functions of his or her office arising from infirmity of body or mind;
- (b) for misbehavior or misconduct;

- (c) for incompetence; or
- (d) where he or she has been adjudged or otherwise declared bankrupt under any law in force in Uganda and has not been discharged;
- (e) if information relating to the conduct of the member, which could have precluded his or her appointment, is brought to the attention of the President;

(5) Notwithstanding clause (4), the deputy governor, may resign his or her office in writing addressed to the President giving three months' notice from the time of submission of the resignation to the President.