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**Wednesday, 26 June 2019**

*Parliament met at 2.58 p.m. in Parliament House, Kampala.*

PRAYERS

*(The Speaker, Ms Rebecca Kadaga, in the Chair.)*

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, I welcome you to this afternoon’s sitting. Despite my desire to be here early, I was unable to because I was still doing a few things in relation to work in the plenary. Today, we shall start straightaway with the Bill, which was already partially handled, then the responses and matters of national concern will come at the end of the sitting.

Secondly, yesterday I received a delegation from the Uganda Musicians Association. It is a very powerful association. However, they complained, as they have done several years before, about the failure by Government to implement the copyright law. They are being exploited; for example, they told me that the telecommunication companies take 80 per cent of the money for the songs that are used as call-back tunes and the composer gets less than 10 per cent.

They also said that as a country, we are spending money on foreign musicians but not investing in local ones. Recently, someone called Wizkid came here and he was paid $100,000 for a day yet we do not do the same for our own musicians.

In addition, the copyright law needs regulations but no one has ever issued them. The current law is for 2006; so there are areas where we are also not doing well and oppressing our people. I shall be writing to the Minister of Justice and Constitutional Affairs to ensure that they look at the need for regulations, so that they can be assisted.

The musicians also said that there is a company called Uganda Performing Right Society where their royalties are paid. You can imagine, their royalties are paid to a society and the artists have no access to the money. It is a bit of a problem and I hope that we can be able to address it so that we help them to grow and feel that they are Ugandans. Thank you.

BILLS

COMMITTEE STAGE

THE LANDLORD AND TENANT BILL, 2018

**THE CHAIRPERSON:** Honourable members, we had done a number of clauses, so let us just continue.

Clause 24

**THE CHAIRPERSON:** Honourable members, I am just waiting for some information from the Attorney-General. Let us first deal with clause 24 and then we come back to it.

Honourable members, I put the question that clause 24 do stand part of the Bill.

*(Question put and agreed to.)*

Clause 25

**MR KAFEERO SSEKITOLEKO:** Madam Chairperson, the committee proposes to redraft clause 25, subclause (2) to read as follows: “Subsection (1) does not apply where the tenant and landlord mutually agree that the tenant pays the rent beyond the period specified.”

The justification is: To require both parties to agree to the payment of rent beyond the specified period.

**THE CHAIRPERSON:** Honourable minister, is that okay?

**MS AMONGI:** Yes, it is okay.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 25 be amended as proposed.

*(Question put and agreed to.)*

*Clause 25, as amended, agreed to.*

Clause 26

**MR KAFEERO SSEKITOLEKO:** Madam Chairperson, in clause 26 (2), the committee proposes that we substitute the words “be in the prescribed form” with the words “state the amount and period of rent.”

The justification is that given the nature of the sector being regulated, the provision is impractical to implement. To have the prescribed form of a receipt accessed by every landlord is almost impossible. Secondly, it is also to emphasise the need to have the amount of rent and the period stated in the receipt to minimise conflict.

**MS AMONGI:** Thank you, Madam Chairperson. I do not have a problem with that except that I would like us to add the words, “among others”. If we left it the way the committee has structured it, it would almost be as if the receipt should only state the amount and the period of rent, yet receipts have more than those two components; they can have a name, address and all that.

Therefore, it should now read as follows: “A receipt issued under subsection (1) shall, among others, state the amount and period of rent.” The justification is: to give leeway for other information to be contained in the receipt.

**THE CHAIRPERSON:** That is what the chairperson has presented.

**MS AMONGI:** The chairperson’s presentation is only saying, “A receipt issued under subsection (1) shall state the amount and the period of rent.” I would like the words, “among others” to be included so that these form two pieces of information among other information that should be contained in the receipt.

If we leave it the way the chairperson has structured it, first of all the word “shall” is mandatory, so it can be misunderstood that it should only be the amount and period of rent to appear on the receipt. If we say, “among others”, it will encompass all and give room for other information to be contained in the receipt.

**MR NSEREKO:** Thank you, Madam Chairperson. From experience, what happens mainly in the city is that landlords issue receipts with falsified figures. Where people pay Shs 2,500,000, for example, they only put Shs 100,000 and the purpose is not included; it would just show, “receipt for rent”.

That is why I am saying that there would be no harm in retaining the current section as it is so that we retain a format for a receipt meant for payment of rent as per the schedule, because it should include the purpose and the area. If someone gives a receipt acknowledging receipt of money, for what purpose is it? That is why when people change later, they tell you, “I was receiving this for only electricity bills; you have never paid me rent”. Therefore, it should be according to the format as in the schedule.

**THE CHAIRPERSON:** I do not see that format.

**MR KAFEERO SSEKITOLEKO:** The formant would be proposed by the minister in the regulations but it is not in the Bill, Madam Chairperson. We think that if the minister proposes a format now, it is going to be tedious work. In addition, accessibility to such a format by everybody across the country may not be as simple as we think.

**MR NSEREKO:** Madam Chairperson, maybe we can agree that for purposes of this, they include a stipulation that the amount paid and the period for which it is paid, for the particular tenancy and location, shall be specified. They would also include the purpose, of course, on the receipt. We would be comfortable with that.

**THE CHAIRPERSON:** Can you state how you want it to be redrafted, in full?

**MR SSEMULI:** Madam Chairperson, clause 26(2) provides the remedy. It reads, “A receipt issued under subsection (1) shall be in the prescribed form.”

**THE CHAIRPERSON:** But there is no form.

**MR SSEMULI:** Madam Chairperson, I think that would be under the regulations. I do not know whether it would be right to provide the form within the law.

**MS ADONG:** Madam Chairperson, I concur with hon. Ssemuli. When you read subsection (2), it gives the minister powers to issue regulations and in those regulations, she will probably spell out what is required. It might even be more than what we are talking about now. Therefore, we should retain it as it is and the minister will come up with that prescribed form.

**MS KAWOOYA:** Thank you, Madam Chairperson. I appreciate hon. Nsereko’s wish to have all the details in the law. However, in terms of rent, there are different types of rent and the minister would speculate and give regulations on the different types. Secondly, within the law, whether you have specified or not, there are agreements signed between the landlord and the tenant, which cannot be uniform.

Therefore, I agree with the position that the minister will find out those who are renting one room, shops, factories and that is what we should follow. As the chairperson said, it would be tiresome for the entire country and we cannot go through that. Hon. Nsereko, knowing that you are a landlord, there is a way you do your things, especially regarding agreements.

**MAJ. (RTD) GUMA GUMISIRIZA:** Madam Chairperson, I do not know why Members are not appreciating hon. Nsereko’s proposal of specifying the location, purpose and time. We all know that falsification of documents is for purposes of tax evasion and for some other reasons that Ugandans know.

Therefore, as hon. Nsereko said, in my view this has absolutely no harm. If somebody says that he is paying Shs 200,000 for a building around Cairo Bank, opposite Bank of Uganda, as rent, and for this period, certainly any reasonable person can object. I will say, “No, this must be false”. You cannot get a room for Shs 200,000 on Kampala Road for six months. Therefore, hon. Nsereko has a point but I am wondering why colleagues are unable to see it.

**THE CHAIRPERSON**: Honourable members, I do not know whether we can bring this into play with the provisions of clause 55 because we have not reached there but that is where the minister can make regulations. Supposing we just say here, “a receipt issued under subsection (1) shall be in the form prescribed under section 55” and then the minister has powers, under clause 55 (2)(b), to design the forms.

**MR NSEREKO:** Madam Chairperson, the irony is that you can see the minister running away from her responsibility and conceding very fast; with due respect, it is for the ministry. However, the first amendment we had proposed was good and gives comfort to everyone. It talks about payment and issuance of a receipt and says that the receipt shall have the following features: the price or the consideration, the purpose for occupation, and the period of time also must appear on the receipt.

**THE CHAIRPERSON:** What about the particulars of the parties?

**MR NSEREKO:** The particulars of the parties as well.

**MS AMONGI:** Madam Chairperson, first of all I was not running away from my responsibility. My thinking was that regulations done by technical people could take a bit longer to make - sometimes even a year - unless we provide a transitional period for operationalisation of some of the provisions.

Therefore, I thought we could restructure hon. Nsereko’s committee proposal in which he states that the receipt would only state the amount and period of rent. I wanted to say, “A receipt issued under subsection (1) shall, among others…” The words “among others” would cater for the name, the address and any other information required instead of us attempting to list them because we might limit some of the information. It is important for us to state the amount and the period of rent and then we can provide leverage for all other information to be on the receipt.

**THE CHAIRPERSON:** Is that okay? Honourable members, I put the question that clause 26(2) be amended as proposed.

*(Question put and agreed to.)*

**MR NZOGHU:** Madam Chairperson, I am submitting on subsection (3) regarding the responsibility of a tenant to make payments.

I would like to add another provision to clause 26 (3). I feel that the law should levy responsibility on the tenant to keep a record of the payments in form of receipts issued by the landlords. The justification is that in case of any dispute, both sides have reference points.

**THE CHAIRPERSON:** Do you really want us to do that? It is my responsibility to keep my receipts.

**MR NZOGHU:** Madam Chairperson, while we are saying the landlord should have the responsibility of keeping a record of the payments made by the tenant, we should equally put a similar responsibility to the tenant so that in case of any dispute, there is a reference.

**THE CHAIRPERSON:** I thought it is in the interest of a tenant to keep their record.

**MR MIGGADE:** Thank you, Madam Chairperson. I would like to concur with hon. Nzoghu. We have to ask ourselves: what are we calling a receipt? Is it the copy that the landlord remains with or what the tenant actually goes with?

I witnessed an incident in Buvuma where there was compensation. A person bought land but lost the agreement. The original owner of the land came back to say that he had never sold to that person because the person had no evidence to that effect. Therefore, by keeping the receipt, the tenant is able to synchronise what they both have claims over.

**THE CHAIRPERSON:** That micromanages the tenant and the landlord. We may soon say that they need to put money in the suitcase or bank. *(Laughter)*

**MS AMONGI:** Madam Chairperson, the principle of issuing a receipt presupposes that the person receiving is going to keep it. Curing the mischief is not for the person who receives the receipt. When you go to the landlord, for example, sometimes they claim that they have misplaced the receipt. That is why we have that provision for the landlord to keep it because we know what the behaviour of the landlord is sometimes. The tenant will show their receipt but the landlord will say that they have lost theirs.

Also, most of these landlords are not issuing receipts. When you put this provision - “shall keep a record” - we are actually curing that mischief where landlords are not issuing receipts. If the record is not there and Uganda Revenue Authority or any other Government entity comes, then the landlord, under the law, will be mandated to have that record because of that purpose. Otherwise, for you, as a tenant, surely it is your responsibility to keep your receipt. We cannot again put that in the law.

**THE CHAIRPERSON:** Honourable members, you are going to manage people in their homes. Must it be a legal obligation for the tenant to keep the receipt? You are paid money and you want me to direct you to keep a receipt?

**MR ALEX BYARUGABA:** Thank you, Madam Chairperson. We are talking about clause 26 (3). Let me read it verbatim. It says, *“A landlord shall keep a record of all receipts of payments of rent by the tenant.”* To me, this means that if I pay money to hon. Nsereko as my landlord, he will keep all the receipts. It means that I am not getting any copy.

**THE CHAIRPERSON:** It is not receipts but records.

**MR NSEREKO:** Madam Chairperson, I would just like to give him information. This case does not refer to the actual receipt paper but the record of receipt. The record of receipt is not the actual slip that you have torn out of a receipt book to issue to the other person; it is in your records that you keep. This is mainly for tax purposes.

**MR ALEX BYARUGABA:** If that is exactly what they are talking about, then I would like to agree with you. Thank you.

**THE CHAIRPERSON:** Honourable members, what this means is that you take a book and write that, for example, hon. Bahati paid me Shs 2000 in January; he also paid Shs 2000 in April; in October and so forth. That is what this clause is referring to.

Honourable members, I put the question that clause 26, as amended, do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 26, as amended, agreed to.*

Clause 27

**MR KAFEERO SSEKITOLEKO:** Under clause 27, the committee proposes to substitute subclause (1) with the following: “(1) A landlord shall not increase rent without giving a tenant at least ninety days’ notice.”

The justification is that rent increment should be determined by market forces. This can be exercised through mutual agreement by the parties.

We further propose to substitute subclause (2) with the following: “(2) The notice under subsection (1) shall set out the following-

(a) the amount of the proposed rent; and

(b) the date on which the increment is to take effect.”

Justification: for clarity.

We propose to delete subclause (3). The justification is that the provision is not practical.

The committee also proposes to delete subclause (7). The justification is that subclause (6) is sufficient.

**MS AMONGI:** Madam Chairperson, this is a very crucial matter because it is one of the core tenets as to why this Bill is before this House. The proposal in the Bill is capping the percentage that can be increased per year by the landlord. In the Bill, we are saying that a landlord cannot increase more than 10 per cent in a year. The committee intends to delete this. I do not agree with that.

Madam Chairperson, I do not agree with it because the rate of inflation - if that is to be the case – in our economy has never gone beyond one digit. The issue of increasing rent is to cater for inflation and other problems but we have never gone beyond 10 per cent of inflation. That is why we capped the increase at 10 per cent being the maximum within which rent should be increased by the landlord.

I would not mind if the House makes a proposal but at least, we need a percentage because the arbitrary increase in rent by landlords is killing tenants. For you to say that the market forces should determine it would mean that somebody can wake up tomorrow and increase the rent by 100 per cent. We would then have not done the job and fulfilled the purpose as to why this Bill is here. I reject that committee proposal.

**THE CHAIRPERSON:** Honourable members, my other difficulty is that the proposal in subclause (1) is exactly the same as the provision in subsection (2). It is talking about 90 days’ notice. You are restating it in another way -

**MR KAFEERO SSEKITOLEKO:** Madam Chairperson, since we were proposing to delete the 10 per cent cap, what we are mindful about is giving this tenant enough time to be notified that there will be an increase in rent, say in the next three months, and they should be prepared for this or find other premises. This is what we are saying, but limiting *– (Interjection) –* Let me drive my point home.

**THE CHAIRPERSON:** Order! Allow the committee chairperson to present.

**MR KAFEERO SSEKITOLEKO:** Limiting or putting a cap on rent may limit people who would want to redevelop their premises and consequently increase the rent accordingly. We thought we would leave this to the market forces.

**MR NSEREKO**: Madam Chairperson, with due respect to hon. Kafeero, he is under the presumption that all tenants are the same and that we rent premises. I would like to inform hon. Kafeero that some people rent for agricultural purposes. I rent land to grow agricultural produce *– (Interjection) –* Please, listen.

I can rent a greenhouse from you and I can also rent premises for a business that is ongoing; for example, if I rent your premises for a restaurant and I introduce and promote the name and the restaurant has been there. Now, the rationale of this clause to affect the volatility in rent is to affect profitability. If I entered your premises in January and I had a tenancy agreement for one year but before the expiry of the one year, you tell me, maybe in September or October, that you will increase the rent by more than 50 per cent, that would bring instability in my projections because these small businesses are meant to grow.

Now, the reality of what happens downtown is that in many cases, when landlords realise that someone’s performance in a shop is high, they increase on the rent. When we were here petitioning before, we told you that in the case of certain buildings that were downtown, the rent had been increased by more than 100 per cent.

Let us be honest, all other countries outside here have tried to come up with a percentage that is reflective of the inflationary rates within their countries in order to curb the instability of this very factor of production that is meant to help people boost their profitability and growth of business. Therefore, my proposal is that rent increment is not bad but as legislators, we can come up with a proposal similar to other nations.

In the European Union, you cannot go beyond 3.5 per cent in three years. However, in Uganda, we can realise 7 or 10 per cent, even for profitability of the landlord who built the premises. However, beyond 10 per cent per annum, it is too much and eats into someone’s profitability and capital.

**MR KAFEERO SSEKITOLEKO:** Madam Chairperson, whereas I do agree with my colleague, hon. Nsereko, that some landlords are indeed undisciplined, I pray that we stand over this clause for better harmonisation.

**THE CHAIRPERSON:** Honourable members, I would like you to look at this provision carefully. What we are preventing is the annual increase - this year you increase by 10 per cent and even next year, you increase by 10 per cent. Please, you cannot do more than this in a year.

**DR BARYOMUNSI:** Thank you very much, Madam Chairperson. The Ministry of Lands, Housing and Urban Development has been processing this Bill since 2012. We have carried out lots of consultations, studies and also benchmarked various countries where they have these kinds of laws. Like hon. Nsereko said, everywhere they put a cap. We have been having an old law, which caps rent but it was done in 1939 and it is very obsolete. The practice everywhere is that Government and Parliament restrict how much you can increase rent after a period of time - one or three years.

In downtown Kampala, one of the problems we had, and we got to know this through consultations, is that there are landlords who control a number of arcades and shopping malls and they sit and connive; for example, they say they are going to increase rent by 200 per cent across town. When the tenants come the following day, they find the buildings locked and the landlords say, “We have increased the rent by over 200 per cent; you either pay or leave the premises”.

When we were processing this Bill in Parliament, there was a case in downtown where tenants came and found the owner had locked the shop and increased the rent astronomically. This provision is intended to cure that, so that we limit how much you can increase rent. The 10 per cent was arrived at through studies, particularly looking at the trend of inflation and other pressures in the country. For very many years, our inflation rates have been single digit; we have not had inflation rates in double digits. That is how we came up with the 10 per cent scientifically.

**MR TAYEBWA:** Thank you, Madam Chairperson. The issues, as well articulated by hon. Baryomunsi, I think can be well addressed by the notice you are talking about.

Let us be clear. I would like to give you an example of 2012, when interest rates from the banks increased from 18 per cent to 32 per cent. If I borrowed this money, my building will go. If you say you are going to cap how much I can increase, will you also cap the maintenance costs? National Water and Sewerage Corporation charges are increasing, interest rates are increasing and everything is being increased. You may have a situation where those same traders are increasing their goods by 40 per cent in a year but I cannot increase my rent.

Therefore, to me in three months – Hon. Nsereko, even if you go downtown here and you put up a notice of three months, you will find that same building already taken by people. If we are to support the real estate sector, which is a very important sector in this country, I believe that we should leave it to the market forces. However, on the issue of a notice, I support it 100 per cent. I thank you.

**MS ANN MARIA NANKABIRWA:** Thank you, Madam Chairperson. I am looking at the intent of this Bill. What was the intent? It originated from a petition from traders who have been petitioning this Parliament from the time I have been in this Parliament – from the Ninth Parliament.

When the committee comes to alter after their presentation, it means they are altering the intent of the Bill. This Bill is not capping how much the landlord is going to charge initially; it is only addressing issues where a landlord wants to increase rent by 200 per cent annually. Which business will earn that 200 per cent annually? This is what the Bill is addressing. It is simply saying that if you must increase rent, do not go beyond 10 per cent in a year. I submit.

**MS KAWOOYA:** Thank you, Madam Chairperson. I would like the Members to appreciate what both ministers have explained and have experienced. For those of us who have been renting and are now landlords, we agree with the ministers. Hon. Tayebwa was saying that there are instances when inflation goes up and all those other things, but I have never heard of a landlord reducing the rent when the market is bad.Never! Not even me.

This is trying to cure the many conflicts between landlords and tenants. That is why I agree with it. Some of us experience it. What they are curing is the right for both of us to sit and agree, and there will be a law saying increase by not more than 10 per cent. This helps both the tenant and the landlord.

**THE CHAIRPERSON:** It also gives certainty to the tenants. You know how long you are going to be there and what you are going to pay.

**MR LUBOGO:** Thank you, Madam Chairperson. This provision means that if a space is going for Shs 1,000,000, the landlord can only increase by a maximum of Shs 100,000. This begs the question: Is it possible that erecting buildings and renting them out can be considered as a business? If it is, then we need to think otherwise.

While I appreciate the need to protect the tenant, I would also want us to appreciate the spirit that this is business. For that reason, I would propose that maybe we consider making a longer period of notice and say we shall give a six months’ notice such that if somebody is unable to handle, that period will be enough for them to think otherwise. However, if it is business and we are setting a maximum price, then we might be constraining it. Thank you.

**MR ABALA:** Thank you, Madam Chairperson. I would like to agree with what is here and not the amendment. I agree with the provision of “not more than 10 per cent increment” because this tenant is expected to pay the water bills, power bills and sometimes security. At the end of the day, in the event that we allow this to pass, it means we are legislating for the bourgeoisie who will be exploiting the tenants. This is the reason why the ministry is saying that we need a law to address such problems; we have had strikes here in the city and beyond.

My view is that we should not be wasting time to debate this matter. The fact is that we should put a cap of not more than 10 per cent per year. Thank you.

**MR KIYINGI:** Thank you, Madam Chairperson. I am not comfortable when we are legislating and are only talking about an increment without talking about revising downwards. *(Laughter)*

The reason I am talking about this is because I do not think this economy is always going to have inflation. I remember in 1995, many Ugandans did not want to have dollars because the exchange rate was Shs 920 for one dollar. This was because of the boost that was brought about by coffee in 1995. Everybody shunned using dollars.

I propose that when we are capping this, we use the inflation rate which is normally calculated by Bank of Uganda and released to the public. The increment can then be tagged to the rate of the inflation, which is usually calculated by Bank of Uganda. This way, we would avoid people increasing rent unnecessarily.

**MS NYAKECHO:** Thank you, Madam Chairperson, for the opportunity. Hon. Nsereko was debating and he diverted the attention of the House towards landlords and tenants especially in the city. I would, however, like to beg the indulgence of this House and we look at the ordinary citizen - someone who is earning a fixed salary annually, which is rarely increased. Let us say that he is a civil servant earning around Shs 600,000 per month.

This law that we are talking about right now is not only going to take care of a section of people; it is going to be applicable across the country. Whether you are renting in Tororo or Kotido, whether you are a farmer, a teacher or a Member of Parliament and you are renting, this law is for everybody. I would, therefore, like to beg this House that as we are debating, let us be very careful and mindful of the ordinary citizens who do not earn that much.

My opinion is that as the minister has suggested, whatever we debate should be in line with the inflation rate which never goes beyond 10 per cent; let us set it around there. Let us be fair to Ugandans and not be taken up by those businessmen that make a lot of profit. The majority of the people renting that are going to be affected by this law are your personal assistants, your brothers and sisters, teachers; all those who are not here and cannot afford. Thank you.

**MR ARIKO:** Thank you, Madam Chairperson.I have listened to the committee chairperson and my good friend, hon. Muhammad Nsereko. What comes out very clearly is that there are two categories of charges for rent. There is the aspect of land or property for use for agriculture and then there is rent for premises. The House could address itself to the aspect of segregating the rent which goes for production in terms of agriculture and the other rent, which is for premises, because the circumstances may vary.

Madam Chairperson, I would have had a view in as far as the percentage is concerned but on the advice of my friend here, prudence requires that I shelve that for another time.

**THE CHAIRPERSON:** This Bill is about renting residential and business premises.

**MR KALULE:** Madam Chairperson, I do not know whether the Government will institute a board to control rent because I am worried that we are legislating what we cannot enforce. What happens if I own a building and I want to increase the rent charge by 25 per cent and you have put a maximum of 10 per cent? How will you enforce it? If someone comes to me and I tell him I want to increase rent by 20 per cent, will he go to court and say this man increased rent by 20 per cent?

**THE CHAIRPERSON:** If the person agrees with you at 20 per cent, he cannot complain.

**MR KALULE:** That is what I am saying. The problem we have in this country is that the construction industry is still weak. If more buildings are put up, this question of rent charges will be automatic – prices will go down. As long as the construction industry is still weak, we are wasting time putting a percentage cap because we shall not be there to control it. This is my worry.

**THE CHAIRPERSON:** Honourable members, we have a responsibility to plan for the whole country. The paupers, those who earn Shs 100,000 per month also live in this country.

**MR KAFEERO SSEKITOLEKO:** Madam Chairperson, this Bill also proposes to repeal the Rent Restriction Act, 1949 which prescribes rent in particular areas, for example. Now that this is the spirit, I can concede to the minister’s proposal. *(Applause)* Let us retain clause 27(1) the way it is. However, the others are consequential amendments, which we can carry.

**THE CHAIRPERSON:** Which ones?

**MR KAFEERO SSEKITOLEKO:** I had made several proposals.

**MR JAMES KAKOOZA:** I have an amendment on subclause (1). The subclause says: *“A landlord shall not increase rent at a rate of more than ten per cent annually or such other percentage as may be prescribed by the minister, by statutory instrument.”*

Madam Chairperson, I have a problem with the phrase “prescribed by the minister, by statutory instrument” because that goes into micromanagement. Why don’t we say “as prescribed by the law”? This is because every time the prices go down, the minister will be issuing an instrument. It is better to say “as prescribed by the law” rather having the minister micromanage by issuing an instrument every time.

**THE CHAIRPERSON:** Honourable members, even the prescription must be done by the minister, not anybody else. There is a minister in charge of this law and that is the person who is supposed to prescribe. You cannot run away from the minister.

**MR JAMES KAKOOZA:** The rent charges could be affected by the environment, by fluctuation of prices, not the minister. Supposing the prices go down every week, will the minister be issuing instruments every week? Therefore, it is enough when we say “as prescribed by the law”. If the minister has to keep coming every time the prices go down or high, it will become micromanagement.

**THE CHAIRPERSON:** How will that change come into force without an instrument?

**MR JAMES KAKOOZA:** What happens, Madam Chairperson –

**THE CHAIRPERSON:** No, I would like to know how that change in the law will come into force. You have to gazette it and it must have an owner and the owner is the minister.

**MR JAMES KAKOOZA:** The law does not leave a gap. That is why in taxation, we pronounced ourselves as Parliament that a minister can never change any tax rates until it comes to the Floor of the House. With business connivance, any minister with business interest can be - If you put a cap of 10 per cent, for example, that is the law. Why would you want an instrument every time?

**THE CHAIRPERSON:** Honourable members, statutory instruments give notice to the public that we have done a, b, c, d and that is why they are gazetted and some of them are laid here. If you do not want the minister to issue it, who is going to issue that instrument to notify the public that we have made a change?

**DR BARYOMUNSI:** Madam Chairperson, like we said, we came up with the 10 per cent after carrying out studies and observing the inflationary rates. However, we wanted to be flexible. Supposing inflation runs to 20 per cent, would we have to come back and amend the law every time such a thing happens? We thought this would be flexible and empower the minister so that should there be need to adjust the 10 per cent, the minister should be able to come up with an instrument.

If you want Parliament to be involved, we could say “with approval of Parliament”, so that maybe the instrument comes to Parliament here. If there are changes in inflation and we have to amend the law every time, it might be impractical.

**MR KASULE:** Thank you, Madam Chairperson. I think the presence of the minister in the law only emphasises that the minister regulates; so he creates regulations out of the law. If you remove the minister, we shall end up making the regulations. It is obvious that the minister must regulate. However, the minister cannot even just change the rates. In whose interest will he be changing the rates? The buildings are not his.

**THE CHAIRPERSON:** Do you want to add “with approval of Parliament”?

**MR NSEREKO:** Madam Chairperson, I would have no objection that in this law, the people’s representatives must always have an input. I have no objection that the statutory instrument shall continuously be issued by the minister but with the approval of Parliament. We can make that amendment so that it reads as follows: “A landlord shall not increase rent at the rate of more than 10 per cent per annum or such other percentage as may be prescribed by the minister by statutory instrument as shall be approved by Parliament.”

**THE CHAIRPERSON:** Are you okay with that, honourable minister?

**MR TAYEBWA:** I am a tenant, Madam Chairperson, for record purposes. *(Laughter)* The clarification I would like to seek is: In a situation where the building changes ownership, what happens? I will give you an example. Today, we read in the newspapers that Metroplex Shopping Mall has been sold and someone is investing US$ 20 million to renovate it. Of course, after renovation, he must recover the cost of renovation. In this case, he found tenants who have tenancy agreements. After the owner is done with the renovations, he may want to increase the rent to recover the costs. What do we do in such a situation?

Aren’t we creating a situation where people are going to close their buildings every year? You cannot stop me from closing my building. After giving you a tenancy agreement for a year, I decide to close my building. I can say I am doing renovations and after the renovation, I start charging new rent charges and I will ask the tenants to submit new applications. The clarification I am seeking is whether we are going to cure all this.

**THE CHAIRPERSON:** Honourable member, I do not know whether the sale is subject to the existing tenancy agreements. If it is subject, then he is bound by that until the end. If it is not, he starts afresh and no one will stop him because he has invested US$ 20 million.

**MR KAFEERO SSEKITOLEKO:** Madam Chairperson, as I indicated, we can retain what is in the Bill, as amended - with the approval of Parliament. Consequential to that, our proposal in clause 27(2) collapses because we have retained what is in clause 27(1) of the Bill.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 27(1) be amended as proposed.

*(Question put and agreed to.)*

**MR KAFEERO SSEKITOLEKO:** We also have subclauses (3) and (7).

**THE CHAIRPERSON:** Honourable members, I put the question that clause 27 be further amended as proposed by the chairperson of the committee.

*(Question put and agreed to.)*

**THE CHAIRPERSON:** What is it, hon. Kibalya? We have only passed the amendments; we have not taken the final vote. What do you have to say on clause 27?

**MR KIBALYA:** Madam Chairperson, I would like to respond to clause 27(7).

**THE CHAIRPERSON**: We have not yet reached there but you can speak about it.

**MR KIBALYA:** Thank you, Madam Chairperson. My concern on clause 27(7) is where we prescribe the punishment on the landlord - *[Honourable members: “It was deleted.”]* - I concede.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 27, as amended, do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 28, agreed to.*

Clause 29

**MR TERENCE ACHIA:** Madam Chairperson, clause 29(1) says, *“A landlord shall decrease the rent charged to a tenant where the landlord ceases to provide any agreed services with respect to the tenant’s occupancy of the premises”.* That is okay, but clause 29(2) says, *“A decrease in rent under subsection (1) shall be proportionate to the decrease of the services.”*

Madam Chairperson, clause 29(2) looks redundant. How can you expect a tenant to go and complain if the rent has been decreased? This should be deleted as it is illogical.

**THE CHAIRPERSON:** Hon. Achia, don’t you like this clause?

**MR TERENCE ACHIA:** Madam Chairperson, there are two factors, which cause a decrease. One is if the services are not justified in the way they had been agreed upon earlier on; secondly, the landlord may, in his or her wisdom, reduce the rent for competition purposes. Clause 29(2) says, “A decrease in rent in subsection (1) shall be proportionate to the decrease of the services.” Supposing it is not, will the tenant go and complain if the rent has been decreased?

**THE CHAIRPERSON:** Honourable minister, could you give us the rationale for the provision.

**DR BARYOMUNSI:** Thank you very much, Madam Chairperson. What this clause is saying is that if we have agreed that I am going to rent your house and the house has, among others, several services; if, for one reason or the other, the other services cease to be provided, the landlord should reduce the rent and the reduction should be commensurate to the kind of services.

I will give an example; if there was a lift and the landlord stops providing the lift services or if there was a swimming pool and the landlord closes it and the tenant was paying Shs 1 million, the landlord may remove Shs 20,000, which is not commensurate. What we are saying is, the deduction should relate to the services that have been withdrawn. I think this is an innocent -

**MR KAKOOZA:** Madam Chairperson, the minister’s explanation is not clear. The moment I have a tenancy agreement with someone and I have entered into their house, we passed some clauses that say that I must maintain the house as I found it. In case it is faulty, this changes. Therefore, I find clause 29 irrelevant because the moment I occupy a house – We passed a clause that in a tenancy agreement -

**THE CHAIRPERSON:** No, honourable members, this is not about the buildings but the services. For instance, if we have had garbage collection and the landlord says he is no longer going to collect the garbage, the landlord should reduce the rent by a commensurate amount. It is about the agreed services, not the building.

**MR NZOGHU:** Thank you, Madam Chairperson. For purposes of clarity, hon. James Kakooza could refer to schedule 2 of the Bill where you will find details of the services that are supposed to be provided. It is on that premise that the proportionality in reduction of rent can be calculated.

**THE CHAIRPERSON:** Is there still any issue on that? Honourable members, I put the question that clause 29 do stand part of the Bill.

*(Question put and agreed to.)*

Clause 30

**MR KAFEERO SSEKITOLEKO:** Madam Chairperson, in clause 30(2) – it is not (3), there was a typo there - the committee proposes to substitute the words “Small Claims Procedure Rules” appearing in lines 1 and 4 with the words, “Judicature (Small Claims Procedure) Rules”. This is to provide for proper citation of the rules.

**THE CHAIRPERSON:** That is an innocent one.

**MR MUGOYA:** Thank you, Madam Chairperson. I do not agree with the proposal because when you look at clause 30 (1), you realise that we need to slightly amend that and delete (2) because when it comes to determining pecuniary jurisdiction, we have for example, the Local Council Courts Act, No.13, where LCs are supposed to handle civil matters whose pecuniary jurisdiction does not exceed Shs 2 million.

In the Magistrate Courts Act, a Grade I Magistrate is supposed to handle matters whose pecuniary jurisdiction does not exceed Shs 20 million and a Chief Magistrate, Shs 50 million.

Therefore, what is important for us – and there is also still another mistake - when you look at sub clause (1); you cannot legislate to determine the discretion of court. For example, you are saying - if you look at (1) - that where a tenant defaults in paying rent and is in arrears, the landlord may apply to court to recover the rent owed including reasonable costs incurred to recover the rent arrears.

Costs are discretionary awards by courts - see Section 27 of the Civil Procedure Act, Cap 71. Therefore, what we can do is to have a stand-alone provision clause 30 and I propose an amendment to read as follows: “Where a tenant defaults in paying rent and is in arrears, the landlord may apply to a court of competent jurisdiction to recover such rent.” That is my proposal.

**THE CHAIRPERSON:** Hon. Gaster Mugoya, his amendment was about the nomenclature; he was only correcting the title not the substance. Is it called “Judicature (Small Claims Procedure) Rules”?

**MR MUGOYA:** Yes and those ones provide for a claim whose subject matter does not exceed Shs 10 million. What if I have a claim of Shs 2 million or Shs 500,000? That is why I propose that we just leave it to a court of competent jurisdiction.

**THE CHAIRPERSON:** I have no problem with that; his amendment was about the title of the rules and that is what you brought.

**MR MUGOYA:** Madam Chairperson, why should we even mention the judicature? The moment you mention the word “judicature” you are referring to courts of judicature but remember there are matters that cannot even go to courts of judicature. For example, LCs are mandated to handle these small claims so, do we need to cite the judicature small claims rules? We do not need to go into that.

**MS NAGGAYI:** Thank you, Madam Chairperson. I am looking at clause 30 (1) and I think that this Bill presupposes that all tenants are law abiding and that landlords are the ones who are prone to abusing the law.

What if a tenant is in arrears of three months and we have not provided for remedial action because there is likely to be automatic loss of tenancy due to non-payment. That is something that should be addressed here.

**THE CHAIRPERSON:** Isn’t that going to be in the agreement? Those are the conditions of the tenancy.

**MS NAGGAYI:** Madam Chairperson, the reason my honourable colleague was talking about LCIs - I think we are omitting and making a big mistake by not involving the local authorities in some of these matters because there are habitual rent defaulters who keep shifting from one location to the next.

**THE CHAIRPERSON:** What is your proposal?

**MS NAGGAYI:** My proposal is that we should have automatic loss of tenancy for a given period.

**THE CHAIRPERSON:** Then what will be in the agreement?

**MS NAGGAYI:** In arrears for non-payment.

**THE CHAIRPERSON:** Why don’t we leave that to - because they are going to sign an agreement that has covenants?

**MR NSEREKO:** Madam Chairperson, I think that my honourable colleague should be patient because we have clauses from clause 37 that talk about termination of tenancy. You can add that clause; that there can be automatic termination of tenancy in case of failure to pay probably after 90 days or 120 days. Let’s wait because you are now talking about termination and eviction, which is in the next clauses.

**THE CHAIRPERSON:** Honourable member, you will bring your proposal under clause 38. Yes, honourable minister – no, you cannot put everything in the Bill. Do you have your Bill? It is in different parts – this is a member of the committee, no!

**MS AMONGI:** Thank you, Madam Chairperson. I seem to have got the argument of hon. Mugoya on clause 30. It is that we only recognise a court of competent jurisdiction and we delete (2) because it is restricting us to the formal courts of judicature only yet we would like to make provisions as LCs are also defined as a competent court of jurisdiction.

**THE CHAIRPERSON:** Is it?

**MS AMONGI:** Yes and we were going to propose because we did not handle definition yet already, we had agreed with the chairperson that under sub clause 2 – interpretation, we shall include court to mean “a court of competent jurisdiction” so that we also allow LCs to handle where rent arrears is below Shs 2 million.

Therefore, I would buy the idea of hon. Mugoya where clause 30 will only read thus: “where a tenant defaults in paying rent and is in arrears, the landlord may apply to a court of competent jurisdiction to recover the rent owed.”

Then we delete “including the reasonable costs incurred to recover” and (2). That will make it flow with the definition that we will propose. Thank you.

**THE CHAIRPERSON:** I still would like to be clear whether the LC court is a court of record under the law?

**MR KIBALYA:** Madam Chairperson, LC courts are not courts of record because by definition, a court of record must be the High Court. They call it a court of record because they lay down precedents, which turn out to be case laws.

However, in our court structure, Local Council (LC) courts are courts of competent jurisdiction.

Madam Chairperson, we all recognise that LCs are courts. However, for better documentation, we must be specific and clear on which court so that if people wish to go to LCs or family, they are free to go to families or LCs to solve their issues. We need to be specific somewhere and specify which court. Is it the magistrate’s court or court of judicature? What do you call it?

**THE CHAIRPERSON:** I think we will do that when we go to interpretation when defining the courts. We will do that when we go to the interpretation. We have stood over that - as usual.

**MR KASULE:** Thank you, Madam Chairperson. We need to be clear because when both ministers spoke, they implied that we are going to have thresholds of Shs 2 million and above and Shs 10 million and above for different courts. In the definition, shall we describe those thresholds or shall we generalise and say – *(Interjection)* – are they in other laws?

**THE CHAIRPERSON:** What is the amount specified under the Small Claims Procedure Rules? What is the amount specified? Is it ten million shillings? So, anything, even Shs 1 million, as long as you do not go beyond Shs 10 million. So, what is the problem with this then? Why do you delete?

He is saying if you are above Shs 10 million, then you go somewhere else. However, if you have Shs 500,000 or Shs 1 million -

**MR MUGOYA:** Madam Chairperson, issues of jurisdiction are creatures of statutes and law. In the wisdom of this House, in 2006, you enacted the Local Council Courts Act and clearly indicated under section 10(2)(a) under the Third Schedule that if you have a subject matter whose pecuniary value does not exceed Shs 2 million, you will go to the LC courts.

You went ahead and said that; however, where it is beyond Shs 2 million, you go to a Grade I Magistrate, provided the claim does not exceed Shs 20 million. You said between Shs 20 million and Shs 50 million, you go to a Chief Magistrate. Beyond Shs 50 million, it is the High Court.

Now, there is a new precedent – I have not moved with it – where there is a court of first instance. You are not allowed by law. It actually relates to the interpretation given by Article 139. That was a cover up that the High Court enjoys unlimited jurisdiction. It is no longer unlimited jurisdiction, according to the new interpretation by the Court of Appeal or Constitutional Court. You must attend to it in a court of first instance. That is where you are required to file your pleadings before going to another court.

In this matter, if it is a claim for recovery of rent not exceeding Shs 2 million, you will not go to a magistrate’s court. You will go to the LC1.

**MS AMONGI:** Madam Chairperson, considering that you are not compelled to start with the LC; even if you have Shs 2 million, you can opt to go direct to the magistrate’s court. There is no harm in leaving two options if the House intends to leave two.

There is no harm because even if you have Shs 2 million and the jurisdiction is the LC; if you choose to go to the magistrate’s court, you can choose to go there directly. Therefore, if the House feels that the two should remain, there is no harm in leaving them there.

**MS NAGGAYI:** Madam Chairperson, I need clarification from the honourable minister. Now that we have backlog in most of our courts; a tenant is in someone’s house, the LCI is aware but the person has decided – even for Shs 500,000 – to go to the magistrate’s court.

Aren’t we going to escalate violence in some cases?

**THE CHAIRPERSON:** Honourable members, I put the question that clause 30 (1) be amended as proposed.

*(Question put and agreed to)*

*Clause 30, as amended, agreed to.*

Clause 31

**MS AMONGI:** Madam Chairperson, on clause 31 in the Bill, we had proposed to abolish remedy for distress for rent. However, we have been given a study by Uganda Law Reform Commission that was issued in June 2019 after we had already brought this Bill.

In that study, the Uganda Law Reform Commission indicates that the current Distress for Rent (Bailiffs) Act is helping many landlords to recover small amounts of rent from many tenants and that we should not abolish it in this Bill.

To contextualise this particular Act, it is called the Distress for Rent (Bailiffs) Act, Cap 76 and gives a landlord, whose tenants have probably not paid for two or three months, authority to recover rent from movable property or possession of the tenants. The landlord does not necessarily seek a court order to recover that rent.

We wanted it abolished but the Uganda Law Reform Commission has now advised that it is helping a lot of tenants to resolve matters related to collection of rent. With the backlog in court and accessibility of court, they have proposed that we leave this as a measure to continue.

Therefore, our proposal is that we delete clause 31 so that we are able to retain review of the Distress for Rent (Bailiffs) Act.

**MR NSEREKO:** Madam Chairperson, I disagree and I know why the honourable minister is smiling. Honourable members, we have already given a remedy that if there are arrears, you apply to court and where you apply to court, then you can seek redress for recovery and any other costs, as court may deem fit.

That was the rationale. If you uphold clause 30, then you have to have to abolish the remedy because under the Distress for Rent (Bailiffs) Act, a landlord or property owner has powers to sell assets of a tenant who refuses to pay rent to recover.

There are different circumstances as to why a tenant may fail to pay because this law did not envisage that there will be an independent body during recovery to help you. Some people keep gold; others keep precious minerals or cultural regalia with them. At the end of the day, it has been previously abused.

The landlord vanishes mysteriously and refuses to take people’s rent or he is untraceable. They refer the matter and use the distress - so, they come, close up your premises and conduct a sale immediately. Therefore, if we uphold clause 30 of referring the matter to court, we cannot leave a window where the landlord has powers to come and sell your property as a result of failure to pay rent.

**MR OKOTH OTHIENO:** Madam Chairperson, I would like to urge my colleagues to support the minister’s position. What the minister stated is not just the position of the Uganda Law Reform Commission but even the Uganda Law Society has expressed the same in writing. That information is ably with the committee. Therefore, I support the position of the minister and I urge my colleagues to concur with her so that we move on.

**MR GODFREY ONZIMA:** Thank you, Madam Chairperson. I do not have a different view from what he has said.

**THE CHAIRPERSON:** Are you on clause 31?

**MR GODFREY ONZIMA:** I also support the position given by the minister because if every issue is to be referred to court, then you will have to apply to court and yet the parties could resolve it amongst themselves. It is going to make the whole thing expensive and it would require one to always be there to follow up the situation.

Therefore, I think the position put by the minister is okay. If you can sit down and say, “I have this television set. Since I cannot pay you, please take it,” why should you go to court to solve the matter?

The argument that somebody may have been away but the landlord comes to take his or her property – if somebody has been away and he or she knows that they have not paid rent, he or she can still keep the money. When the landlord appears, he or she can give him the money. So, that cannot necessarily mean that the landlord will come and take his or her property.

**THE CHAIRPERSON:** Why are you paying the rent in the first place?

Honourable members, I put the question that clause 31 be deleted.

*(Question put and agreed to.)*

*Clause 31, deleted.*

**MR NSEREKO:** Madam Chairperson, we object to this because it has legal connotations.

**THE CHAIRPERSON:** Of course it has.

**MR NSEREKO:** Please listen because I am being honest. Someone, as a result of being incommunicado – we want to go into practical matters – no one wishes not to pay rent. None of us want to cause a loss to a landlord. Assuming a tenant has been away for a month, overzealous landlords – this one is mainly to frustrate section 30, which –

**THE CHAIRPERSON:** Honourable members, don’t people have agreements? This is a bit too much.

**MR NSEREKO:** Why then do we go for distress? If people have agreements, then we need to delete distress.

**THE CHAIRPERSON:** Let us go to clause 32.

Clause 32

**MR KAFEERO SSEKITOLEKO:** In clause 32(1), Madam Chairperson, the committee proposes to substitute for the word, “shall” appearing in line one the word, “may”. The justification is to make the requirement to pay security deposit discretionary.

In clause 32 (2), we propose to substitute for sub clause (2) the following: “A landlord in a residential tenancy shall not require a security deposit of an amount exceeding the rent payable for one month’s occupancy of the premises to which the agreement relates, or one-twelfth of the rent for one year’s occupancy of the premises to which the agreement relates, whichever is lesser.”

In sub clause (3), we are saying:

“A landlord in a commercial tenancy shall not require a security deposit of an amount exceeding the rent payable for three months’ occupancy of the premises to which the agreement relates.”

The justification is for clarity but also to create distinct provisions for residential and commercial tenancies in relation to security deposits due to peculiarity of the tenancies. Commercial lettings require higher security deposits than residential premises given the intricacies involved in the management of such premises.

Madam Chairperson, under clause 32, the committee proposes to delete sub clause (5). The justification is that management of the trust account will attract administrative cost. In clause 32, we propose to delete the sub clause (6). The justification is that the provision will breed mistrust between parties which will result in unending conflict.

In clause 32(7), we propose to delete the words, “and shall provide written notice of the name, the address and location of the depository and any subsequent charge in the details” appearing after the word, “deposit” in line two.

The justification is that the phrase makes implementation of the provisions cumbersome.

Madam Chairperson, in clause 32(8), we propose to substitute for the sub clause (8) the following:

“Where during the tenancy, the status of the landlord is transferred to another person, the security deposit shall be so transferred and the successor landlord shall notify the tenant of the change.”

The justification is that it is a consequential amendment arising from the amendment of sub clause (6).

**THE CHAIRPERSON:** Honourable minister, what do you say about the proposal?

**MS AMONGI:** Madam Chairperson, there are proposals on which I agree with the committee and there are those that I do not. I will start with security deposits. The committee wants, under clause 32(2), to insert another three months and separate security deposits for residential from commercial. For residential, they want a security deposit for one month and for commercial, they want three months.

First of all, in our analysis, a security deposit is over and above the rent that you have already paid. If you have paid rent for three or six months, you would be told to pay additional three months’ security deposit in a commercial setting and yet probably, you are also renting a residential premise where you pay one month security deposit. That adds up to four months.

Most people who rent for commercial purpose also rent residential premises. Therefore, you are giving a burden of four months to only one person for security deposits outside the rent that the person has already paid. I think three months’ security deposit is high. You are presuming that the person does not rent a residential premise. So, you have not computed the additional one month on the residential premise that will add up to four months.

Therefore, I think that the committee should accept two months’ security deposit the way it is because these two months in the Bill give an equal period which is one month, for security deposits both for residential and commercial. I agree with them on sub clause (5) because -

**THE CHAIRPERSON:** Can we do one at a time? Let us start with sub clause (1) because they wanted to substitute the word “may” for “shall”. A landlord may require a tenant to pay a security deposit for the purpose.

**MS AMONGI:** The problem is, if we say “may”, it is optional and yet the practice in the industry; usually security deposit - and in this same Bill, we have already passed provision for a security deposit. Therefore, you cannot pass in the same Bill provision for a security deposit and again make it optional - (*Interjection*) - we did, I can show it to you later. I would prefer that -

**THE CHAIRPERSON:** Honourable members, you are institutionalising security deposits; that is what you are doing, honourable minister.

**MR JAMES KAKOOZA:** Madam Chairperson, the spirit of the security deposit is that in case any tenant does not pay or causes damage to the premises he rents, the escape route or the safeguard is the security deposit and it must not be optional because when you come to my premises - the practice is that we have houses - those commercial buildings you see in town, there is no way somebody can stay for three to four months without a security deposit. By the time you know that he has left -

**THE CHAIRPERSON:** How will he enter? You people are making this industry very hard.

**MR SSEBAGGALA:** Thank you very much, Madam Chairperson. When we talk about security deposits - usually, when you are renting for the first time - some landlords may say you are paying 4-6 months or even a year in advance; it depends. However, usually, when you are renting for the first time, you pay three months as rent. On top of that, you are then required to pay a security deposit.

What I disagree with is that initially, you said that the security deposit is for three months. However, if we talk about a security deposit of one month and it is “may” and not “shall”- because when we say shall, it is institutionalised. I would like to request that it is “may” and it is one month for both commercial and residential premises.

**MR AGABA:** Madam Chairperson, thank you very much. I agree with my colleagues. A security deposit has value and we agree to it. However, the moment you say it is compulsory - you see landlords are different and the circumstances under which they rent their premises are also different and even tenants - there are very many landlords who do not demand for security deposits and they are willing to rent out their premises.

There are others who want a security deposit before - their houses may take long to be occupied but until they get one who can pay, then can they rent it to them. Therefore, let us keep “may” and make it optional. If I demand security deposit as a landlord they pay it but if not, any other person can. Therefore, I agree with “may” and not “shall”.

**THE CHAIRPERSON:** Honourable members, when we were receiving the report; this point was debated. You are making it more expensive for me to rent a house; I must find the deposit and the rent. I do not think we should make a law like that.

I, therefore, put the question that clause 32(1) be amended as proposed.

*(Question put and agreed to.)*

**MR KAFEERO SSEKITOLEKO:** Under sub clause (2), the minister is not comfortable with the three months. I, therefore, withdraw them and we retain what is in the Bill - one month.

**THE CHAIRPERSON:** Honourable members, the three months are very onerous for the tenant. You need to first get the three months and then pay the rent.

Honourable members, I put the question that clause 32 (2) do stand part of the Bill.

*(Question put and agreed to.)*

**THE CHAIRPERSON:** Honourable members, I put the question that clause 32 (3) do stand part of the Bill.

*(Question put and agreed to.)*

**THE CHAIRPERSON:** I put the question that clause 32 (4) do stand part of the Bill.

*(Question put and agreed to.)*

**THE CHAIRPERSON:** Honourable members, I put the question that clause 32 (5) be deleted.

*(Question put and agreed to.)*

**THE CHAIRPERSON:** Honourable members, I put the question that clause 32 (6) be deleted.

*(Question put and agreed to.)*

**MS AMONGI:** Madam Chairperson, the committee would like to delete the words, “and shall provide written notice of the name, address and location of the depository and any subsequent change in the details” in sub clause (7). I object to the deletion because earlier under clause 26(2), we have provided for where a receipt is issued; you have to state the content in the receipt.

For the committee to say that we only say issue a receipt would not be consistent with what we have already passed. Therefore, we should retain what is in clause 32(7) of the Bill.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 32(7) do stand part of -

**MR KIYINGI:** There is this word which is still standing in the Bill - “security deposit” - and also “shall”, yet on the other side we have removed the word because it has become optional. Why should we maintain it here? I would like to propose that this “shall”, should also become “may”.

**THE CHAIRPERSON:** No, this is about the receipt. Once you have received it is when you must issue the notice. This one he has received; I put the question that clause -

**MR KAFEERO SSEKITOLEKO:** In clause 32(7), if we are to retain it, there is still a disturbing word “and location of the depository” which may refer to the trust account, which we have deleted, unless we agree to delete it as well *- (Interjection) -* yes. We have deleted the trust account -

**THE CHAIRPERSON:** We deleted clause 32(6)

**MR KAFEERO SSEKITOLEKO:** Yes. Then we cannot refer to the same when we have deleted it. Therefore, we can amend by also deleting location of the depository and we say the landlord shall provide the tenant with a written receipt for the security deposit and shall provide written notice of the name and the address.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 32(7) be amended as proposed.

*(Question put and agreed to.)*

**MR KAFEERO SSEKITOLEKO:** In clause 32(8), we proposed to substitute the entire sub clause with: “Where, during the tenancy, the status of the landlord is transferred to another person, the security deposit shall be so transferred and the successor landlord shall notify the tenant of the change.” That is what we proposed since it is a consequential amendment.

**THE CHAIRPERSON:** No, if the landlord is changing, you say, “I am now the new landlord.”

**MR SEBAGGALA:** Madam Chairperson, I seek clarification. The purpose for a security deposit is to compensate the landlord in case a tenant has misused the house. In case you have not tampered with the house, how will the tenant get back that money? I would like to see a safeguard that in case I have lived in the house for three months and it is as it was; I have not tampered with it, how do I get back that money as a tenant?

**MR AGABA:** Madam Chairperson, I think the provision answers that question. In this case, the landlord has changed so the new landlord needs to inform the tenant that he is the new landlord and the security deposit is still available. This is to give comfort to the tenant that despite the fact that the landlord has changed, the security deposit is still there.

**THE CHAIRPERSON:** Honourable members, I put the question that sub clause (8) be amended as proposed.

*(Question put and agreed to.)*

**THE CHAIRPERSON:** I put the question that sub clause (9) do stand part of the Bill.

*(Question put and agreed to.)*

**THE CHAIRPERSON:** I put the question that clause 32, as amended, do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 32, as amended, agreed to.*

Clause 33

**MR KAFEERO SSEKITOLEKO:** Madam Chairperson, the committee proposes to delete sub clause (2).

The justification is that the landlord should be allowed the freedom to decide whether or not to consent to the assignment.

**MS AMONGI:** Madam Chairperson, I would like to object because the committee wants to remove the word, “unreasonable”. First of all, clause 33 states that if a tenant wants to leave a house, he should notify the landlord that he is leaving but there is a new tenant replacing him.

Sub clause (2) says, if a tenant introduces a new tenant to the landlord, which tenant may have refunded the original tenant’s rental payment and has been given the same agreement, the landlord can refuse that tenant but not unreasonably refuse.

Therefore, if you remove the word, “unreasonable”, you would have left the other person – we are saying we should leave it because somebody can be very unreasonable and say, “I do not want the tenant you have brought.” *(Interjection)*

No, it has to remain because there are difficult landlords. He might want your money that is still left for six months to die in his house so that he gets a new tenant in addition to your money and yet I have an agreement as a tenant and I have got a new person who could have refunded my six months’ rent. I would say, under the same terms and conditions, I hand you this person but you unreasonably reject the person.

This provision protects the tenant that in case they are leaving, they can bring a new tenant to replace them in that house. For example, you could have got an opportunity to travel abroad or you may have built a house. If you had a family, you may say, I am leaving my mother and siblings in this house – *(Interjection)* - No, let me finish my example then you will come in.

If I built a new house and had 10 members of my family, I may wish to shift to the new house but I am still left with three months’ rent that is fully paid. I can say, “I am leaving my mother and siblings in the house for the three months that are left.” If the landlord says, “No” without any explanation, I would be protected under the current provision in the Bill. However, if we remove the word, “unreasonable”, I would have no protection at all.

Therefore, I would like the word in the Bill to remain and I reject the one of the committee.

**THE CHAIRPERSON:** Any contrary view?

**MR AGABA:** Madam Chairperson, issues of tenant and landlord have normally been managed between the two without a third party. Transfer of tenancy is quite difficult; we should be fair.

Fine, if you had a tenancy of six months and you have gone for two months and there are four months left but you are going away, why don’t you agree with me, as your landlord, so that I refund your money and get another tenant? *(Interjection)* Assuming, in transferring the tenancy to another person, you get a person that I did not agree with, what would I do as a landlord?

**THE CHAIRPERSON:** Honourable members, if I am going to assign someone else, I must get the written consent of the landlord.

**MR AGABA:** With the consent, it is okay.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 33 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 33, agreed to.*

Clause 34

**THE CHAIRPERSON:** It has the same issue.

**MR KAFEERO SSEKITOLEKO:** Madam Chairperson, for clause 34, the committee proposes to delete sub clause 2.

The justification is that the landlord should be allowed the freedom to decide whether or not to consent on the assignment.

**MR NSEREKO:** Madam Chairperson, I have a problem with clause 34 (1). When you acquire your lease or a tenancy - I will give you a practical scenario of what happens downtown. When I rent a shop, I get six of my colleagues to sublet from me. In most cases, there are two things involved here; landlords charge goodwill for everyone entering. They also charge a registration fee for everyone entering.

When they realise that you have come together to pay for a shop and others are subletting from you, as the owner of the parent agreement, they withhold their consent. They tell the tenants to go directly and pay to the landlord in order to frustrate you. They charge the one who works from the door to wherever.

In my opinion, in commercial tenancy, a tenant shall have the authority to sublet - *(Interjections)* - I am telling you what actually happens. We can discuss this without –

**THE CHAIRPERSON:** Hon. Nsereko, suppose I rent four rooms of your house for a year and then sublet the sitting room without your consent?

**MR NSEREKO:** Madam Chairperson, I am talking about commercial tenancy.

**THE CHAIRPERSON**: No, it is the same. Does this say commercial or residential?

**MR NSEREKO:** I am coming up with an amendment in order to draw a distinction between commercial and residential tenancies in this. Practically, when people hire buildings - assume I rented your building in its entirety to operate a hospital, I would need to rent out part of it for someone to operate a canteen – Listen to me clearly, honourable members. I have rented your building to operate a school but I want to hire out a canteen and maybe a printery –*(Interjections)*– it is not different; it is all a tenancy.

**THE CHAIRPERSON:** You do not sublease; you just contract an operator for the canteen; you do not sublease the building.

**MR** **NSEREKO:** In most cases, you sublet people for this provided it does not exceed the powers you have in your parent contract or agreement.

**MS OPENDI:** Thank you, Madam Chairperson. This Bill is intended to solve some of the challenges that we have been having. Hon. Nsereko is talking about commercial tenants and part of the problems that we have in Kampala City now that most of the tenants are crying about are the middlemen who come in - they are actually speculators. They are brokers. He becomes a tenant and then subleases to others and therefore, the rent becomes almost double. Therefore, Madam Chairperson, my view is that we maintain clause 34 (1) as it is so that we solve that problem of those many speculators.

**MR NSEREKO:** On record, I want to object to that, Madam Speaker -

**THE CHAIRPERSON:** Hon. Nsereko, just a moment. Honourable members, I want to believe that if you have really written a lease with a tenant, there are conditions and they are clear. You do not just wake up and say, “I want to hire out this and that.” No, because when you are leasing, you have a lease agreement and there are conditions there; there are covenants.

**MR NSEREKO:** Madam Chairperson, there is something going on downtown. She nearly touched it but she missed the point. When these landlords build shops or arcades, they call upon some of their relatives and they allocate them some shops. Then for everyone that is entering, they are called upon - as matter of fact before you take up a shop you must pay what is called “goodwill” at the beginning, not at exit. At exit if someone has been operating a shop and they are leaving, assigning you their tenancy then they can ask for that good will.

However, even at newly constructed site, the landlord says, you must first pay me goodwill because I have allocated this shop to X, Y and Z. This is what she was trying to say.

**THE CHAIRPERSON:** No. Honourable members, please let us differentiate the issue of “goodwill” from the lease. A lease is a legal document; it is an agreement; it is a contract. We are not talking about sharing premises, we are talking about subleasing.

**MR AGABA:** Madam Chairperson, let me put it in context. In Kampala here, people put up their buildings and after that they do two things: they either find a property manager who takes up the building and manages it and brings them money or a Ugandan businessman comes and rents the building or a bigger part of the building. He gives them money at a time when they do not have the tenants. Now, this Agaba who has come and rented part of the building begins hunting for tenants and sublets to them. Therefore, depending on the period you have agreed with the owner of the building, I also deal with the tenants that are coming to see how I make business.

Madam Chairperson, the current provision of the law in 34(2), which states thus: “A landlord shall not unreasonably withhold consent to the subleasing of the whole or any part of the premises,” would be fair if we categorize this as only for commercial tenancy not subleasing residential because that becomes difficult.

Otherwise, in commercial tenancy this is what is happening – a building stays for two or three years without tenants, somebody takes it up and then begins looking for them one by one and sublets to them at slightly a higher cost to also make a profit. Thank you.

**MR KAMUSIIME:** Thank you, Madam Chairperson. I have been looking at this clause critically and realised that all along we had catered for it. We actually have a schedule about tenants’ agreement where we shall have agreed on all terms and conditions for leasing.

Now, and as we have listened to the honourable members, it is true that at some point somebody will rent a bigger part of the premise and also sublet it somewhere as long as the next tenant fulfils the terms and conditions in the original tenancy agreement. Therefore, Madam Chairperson, we do not need to bring this obstacle. I pray that we delete clause 34.

**THE CHAIRPERSON:** No, no.

**MR SEBAGGALA:** Madam Chairperson, as a matter of emphasis, definitely in Kampala and other major towns, it is very difficult to afford rent for a shop in an arcade as an individual. That is why if I am to rent it, I will need other 10 people so that we can raise the money they want.

I think, Madam Chairperson, for commercial premises, we cannot do away with subletting but when it comes to residential, we can restrict.

**THE CHAIRPERSON:** But honourable members, even the other sharing is not a sublease. I bring 10 people and they are under me; it is not subletting. It is like a license for you to come and operate with me. You have no agreement of subleasing.

**MR AGABA:** Madam Chairperson, those 10 people need to be protected. Tomorrow you wake up and chase one of them or two yet they are doing business there; they need a sublease to protect them - in a commercial setting not residential. That is why I would like to move an amendment in clause 34 so that we can cater for commercial tenancy and that is when clause 34 (1) and (2) will qualify. However, if we leave it as it is, it will still be -

**THE CHAIRPERSON:** What about if someone is going to sublet part of my house?

**MR AGABA:** We should not allow it for residential buildings.

**MS NAGGAYI:** Madam Chairperson -

**THE CHAIRPERSON:** Are you not part of the committee?

**MS NAGGAYI:** No, Madam Chairperson. In Kampala, like hon. Nsereko said, I think we should address the legality or illegality of the “good will” because that is where the whole problem arises from.

**THE CHAIRPERSON:** Honourable members, the “goodwill” is not part of this law.

**MS NAGGAYI:** But that is where it arises.

**MS STELLA KIIZA:** Thank you, Madam Chairperson. I also do not agree to include that clause in this law just because it seems we are going to include all practices of that industry into a law. As long as there is a tenancy agreement that prescribes the terms and conditions, the law has to follow that. Other common practices of that industry should be managed by the demand and supply of that industry. I rest my case.

**MR NSEREKO:** Madam Chairperson, I propose that we delete that clause 34(1).

**THE CHAIRPERSON:** Honourable members, I put the question that clause 34 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 34, agreed to.*

*Clause 35, agreed to.*

Clause 36

**MR KAFEERO SSEKITOLEKO:** Madam Chairperson, in clause 36, the committee proposes to delete the entire clause. The justification is that this should be left to the parties to allow flexibility.

**THE CHAIRPERSON:** Honourable minister, what do you say about this proposal?

**MS AMONGI:** Madam Chairperson, I agree because clause 34 has already been deleted yet clause 36 was operationalising a sub-lease.

**THE CHAIRPERSON:** We have not deleted 34.

**MS AMONGI:** Madam Chairperson, I think the issue of prescribed forms in the earlier sub clauses we deleted and said putting a standard form might not be very wise. Therefore, I agree with the committee that clause 36 be deleted.

**THE CHAIRPERSON:** Members, I put the question that clause 36 be deleted.

*(Question put and agreed to.)*

*Clause 36, deleted.*

*Clause 37, agreed to.*

*Clause 38, agreed to.*

*Clause 38, agreed to.*

*Clause 39, agreed to.*

*Clause 40, agreed to.*

Clause 41

**MR KAFEERO SSEKITOLEKO:** In clause 41, the committee proposes as follows -

Clause 41(5)

Substitute for the words, “not more than twelve or less than six months" appearing in line three, the words "at least three months."

The justification is to reduce the period of notice of termination of commercial tenancy to make it more reasonable and also set only the minimum period of notice.

Clause 41(6)

Substitute for sub clause (6), the following -

“(6) A notice of termination under this section shall specify the date of termination.”

The justification is for clarity and to avoid restricting parties to tenancy agreement prescribed form of notice of termination.

**MR NSEREKO:** Madam Chairperson, I object to hon. Kafeero’s proposal of reducing –

**THE CHAIRPERSON:** Which one? Is it sub clause (5) or (6)? There are two proposals; which sub clause are you addressing?

**MR NSEREKO:** Madam Chairperson, I am addressing myself on sub clause (5), where he wants us to substitute it with the three months instead of six months. I think what is here is sufficient enough, mainly when you have set up a business. Transition is not easy so when you have given me notice, I really need those six months to transition and look for premises.

Yes! Assume you have set up a theatre or a hospital and someone tells you that you have to leave; you must put business in context. You need to move laboratories. One hundred and twenty days is very short. I would like to persuade you, honourable members, to accept that we retain clause 41 (5) as it is. Six months is really reasonable.

**MS BBUMBA:** Thank you, Madam Chairperson. Depending on the cause of the termination – but if it is misconduct or misuse of the property, a six months’ notice would be too long. If the tenant is destructive and you give him notice, since he knows he is leaving, the amount of damage he will cause in six months will be too much. I think we should reduce the time of the tenancy to a maximum of three months.

**MR NSEREKO:** Madam Chairperson, that one is catered for in clause 42 whose headnote is termination by abandonment and any other. You do not even need those six months. When someone has abandoned the premises, it is actually one month notice so that one is catered for.

**MS BBUMBA:** Madam Chairperson, for instance, if I have property, I will not allow anybody to operate a bar in that property. However, if you change from the original intention of using it as a residence and turn it into a bar and I give you notice but I have to wait for six months to remove your bar, I think that will be too long.

**THE CHAIRPERSON:** Minister, what was the rationale for your proposals? Let us understand your proposals before we take a decision.

**MS AMONGI:** Madam Chairperson, the rationale was based on giving someone sufficient time to first look for the alternative – because most people pay rent for three months. They condition a tenant to pay rent for three to six months. If you are going to another house, which might not be a new one, you are looking for a house that is occupied or someone is also preparing to shift. You also need to factor in the aspect of the people who already are settled there; they might also have an agreement of three months or six months.

Therefore, if you give someone less time of three months, looking for a place and probably businesses require you to also furnish the new place or remove equipment from the old place to shift to the new one - so we felt that it would be sufficient for notice of termination.

However, in the Bill, there are other provisions for termination under emergency. There are also issues related to criminal acts that other laws will address. Abandonment and all other grounds for termination outside this are there so that aspect of other grounds for termination can cater for it.

**THE CHAIRPERSON:** What do you say? Do we retain your provision?

**MS AMONGI:** We retain the provision in the Bill.

**THE CHAIRPERSON:** Honourable members, I put the question that sub clause (5) do stand part of the Bill.

*(Question put and agreed to.)*

**THE CHAIRPERSON:** I hope you have no problem with sub clause (6). Honourable members, I put the question that sub clause (6) be amended as proposed by the chairperson.

*(Question put and agreed to.)*

**THE CHAIRPERSON:** I put the question that clause 41 as amended do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 41, as amended, agreed to.*

*Clause 42, agreed to.*

*Clause 43, agreed to.*

Clause 4

**MR KAFEERO:** The committee proposes to delete clause 44 (4).

The justification is that-

1. Following the proposed amendment to the definition of the word "court", the provision becomes redundant since appeals are not restricted to only the High Court.
2. The right to appeal is guaranteed by the 1995 Constitution of the Republic of Uganda and other applicable laws.

**THE CHAIRPERSON:** In the definition, we have not done it but it was in reference to a Chief Magistrate’s Court. Why do you have a problem with this? If you are not happy with the lower court’s decision, you appeal to a higher one; if you are not happy with the Chief Magistrates Court, you go to the High Court.

**MR NSEREKO:** Madam Chairperson, I have a problem with this; clause 44 (3). It reads, “A tenant is liable to pay rent while he or she challenges a termination notice.” I think that is the discretion of court. Court can rule otherwise; whether you pay rent or you do not continue to pay rent, as it hears that matter.

**THE CHAIRPERSON:** No, this person has given me notice. Does that absolve me from paying rent? That is what this – you are still there; you are in court and you say that you have got notice so you will not pay rent. You are liable because you have an agreement.

**MR NSEREKO:** Madam Chairperson, you are in court and I think depending on the prayers you make in court, then the court has the discretion to let all parties know whether you continue to pay rent or not, until the matter has been –

**THE CHAIRPERSON:** Imagine I am already living there but he has given me notice and then I say that I do not like that notice so I go to court. Does that absolve me from paying rent?

**MR NSEREKO:** I think we should leave that to the discretion of court.

**THE CHAIRPERSON:** No, I am there because of an agreement. You have been paying but when I give you notice, you say, “Now, I will not pay.”

**MR MUGOYA:** Madam Chairperson, I am on clause 44(4), where the committee proposes to delete the entire sub-clause. I was of the considered opinion that we just amend sub-clause 4 as follows: “A tenant who is dissatisfied with the decision of the court under sub-section (2) may appeal to the appropriate court.” We delete the word, “High Court” and insert “Appropriate”. The justification is that appeals are properly prescribed by our laws as and when they lie.

**MR AGABA:** Madam Chairperson, I do not know why my learned colleague still insists that we should guide them on the appropriate court of appeal because an appeal is automatic. If you are dissatisfied with the decision of the court, your lawyers will guide you on where to appeal; they will not just take you anywhere but they will appeal in the appropriate court of appeal.

That is why I agree with the committee that it is redundant to encourage them to appeal. They will appeal in the appropriate court if they are dissatisfied.

**THE CHAIRPERSON:** I think the right of appeal should always be stated.

**MR BYARUGABA:** Madam Chairperson, do we have to delete it? We can only stop at appeal. Does it harm the provision?

**MR MUGOYA:** Madam Chairperson, I would like to correct the impression by my brother, hon. Agaba, that laws conferred appeals as an automatic right. We have curtails and circumventions when it comes to matters of appeal. There are areas or decisions where you can appeal upon seeking leave of court and there are areas where appeals are of right. Different litigation laws provide for such processes and procedures.

I pray that this august House takes my amendment as the more appropriate.

**MR KAFEERO SSEKITOLEKO:** Madam Chairperson, based on the guidance by our learned friend, hon. Mugoya, I concede and withdraw the amendment but also accept the amendment to say “appropriate court”.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 44 be amended as proposed.

*(Question put and agreed to.)*

*Clause 44, as amended, agreed to*.

*Clause 45, agreed to.*

Clause 46

**MR KAFEERO SSEKITOLEKO:** Madam Chairperson, the committee’s proposal is to delete clause 46, entirely. The justification is that the provision is similar to clause 48 and therefore, redundant.

**THE CHAIRPERSON:** We have not reached clause 48.

**MR KAFEERO SSEKITOLEKO:** Madam Chairperson, whereas, we have not reached there, we may reach and decide to delete clause 48, which is better than clause 46, which we shall have already adopted.

**THE CHAIRPERSON:** No, honourable members, this is a very important provision. It is saying that if I have issued a notice to terminate and I accept your rent, it does not take away my notice even if I have taken your rent; it does not take away my rights to remove you. That is what it is saying.

**MS AMONGI:** Madam Chairperson, under the Rules of Procedure of this House, we do not legislate in anticipation and we have not yet reached clause 48. However, the most important issue under clause 46 is that if the landlord has issued notice and I have not vacated as a tenant, the date approaches and you are telling me to vacate and that date finds when I have not vacated – this provision is saying in that circumstance, the landlord may apply to court for an order of eviction.

The second point also says that let the court handle this matter expeditiously. I think it is an important provision to remain and I propose that we retain clause 46 as it is.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 46 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 47, agreed to.*

Clause 48

**MR KAFEERO SSEKITOLEKO:** Madam Chairperson, the committee proposes to delete the entire clause 48 because it is similar to clause 46.

**MR NSEREKO:** Madam Chairperson, we object to the committee proposal. This is hon. Kafeero’s proposal and not the committee’s proposal. There has been gross abuse of the rights of tenants. I would like to support the proposal by the honourable minister in their proposal that the court order is required to evict a tenant because it is very clear from what we have stated before that in case of termination, there are different proposals for termination – by abandonment or any other forms of termination.

However, where it comes to a deadlock, then a court order is what is sufficient for us as a measure of standard to evict tenants from premises.

**MR LUBOGO:** Madam Chairperson, I find no difficulty to accept the proposal of the committee chairperson. First of all, the wording in clause 46 and clause 48 is exactly the same, except the head note. They all look to a court order for eviction of somebody who has not left the premises. I wonder why we have to reproduce when the effect is the same. Clause 46 and clause 48 give the same effect – using a court order in order to evict somebody from the premises.

**THE CHAIRPERSON:** The committee chairperson wants to delete.

**MR NSEREKO:** One is for termination and the other is for eviction. Eviction can be as a result of different scenarios. In this case, the one you are referring to in clause 46 is refusal by a tenant to vacate premises after receipt of notice of termination. This is far different from any other forms of eviction. Another eviction can be due to criminality or any other thing that does not need notice.

For example, for failure to pay or any other issues and you have to move to court – because we have already legislated that you have to move to court. Therefore, eviction is execution of a court order and without a court order, you will not evict a single person. That is what we are trying to stress in this matter.

**THE CHAIRPERSON:** No. Honourable minister, I am seeing what the chair has done. He is juxtaposing the words but it is the same. I have refused to go then you have to go to court to get me out. So why don’t we delete 48?

**MR AGABA:** Madam Chairperson, the import of 48 is to require a court order for eviction. In 46, the landlord has been guided to go to court in case the tenant refuses to vacate. It is a process. 48 should actually be execution but I think the wording in it could be amended to match with the heading, “court order required to evict a tenant” below it they reproduce what is in 46. Perhaps if we amend the wording in 48 to reflect the heading –*(Interruption)*

**THE CHAIRPERSON:** No, honourable members. In clause 46(1), the landlord may apply to court for an order to evict the tenant. He has already applied for the order to evict here in clause 46. So why does he require another order to evict?

**MR AGABA:** Madam Chairperson, in clause 46, the landlord may apply to court to seek an order to evict the tenant. In 48, it should be talking about what follows now that the landlord has got the order to evict the tenant. That is what is not –

**THE CHAIRPERSON:** No. This is onerous on the landlord. First he goes to court to get the eviction order, then he says: “Now I want to execute” *(Laughter)* So, he needs two orders to evict the same tenant?

**MR SSEMULI:** Madam Chairperson, I would think that we should first consider where the execution orders arise from. With section 46(1), it talks about where a tenant does not vacate the premises. That implies in case there is an element of refusal.

When it comes to 48(1) where the tenant fails to vacate the premises, we can have a situation whereby the tenant has got a justifiable reason why he failed. To me, these two are totally different. The execution orders are arising from different scenarios.

**THE CHAIRPERSON:** Honourable members, you cannot put so much oppression on the landlord. He has to go to court for two orders on the same tenant?

**MS AMONGI:** We would like to agree with the chairperson to delete 48 because sincerely, the content and substance of both are the same. Maybe the only difference is in the words “may” and “shall”.

In 46, “may” is also optional. You can, as a landlord, opt to go to court or we retain the distress, you can opt for that. So I agree that we delete 48.

**MR NSEREKO:** Madam Chairperson, I only have a problem here. I am trying to persuade honourable members that without a court order at execution, it becomes very difficult and it will create ambiguity and conflicts down there.

When someone has a legitimate court order to throw you out, then you will not object. They go and register it at the police and they are given all the coverage and protection they need to take you– *(Interruption)*

**THE CHAIRPERSON:** But what is the purpose of the first order? It is to evict. So now you want a landlord to finish with that one and then he goes back for a second one? That is onerous.

**MR AJEDRA:** Madam Chairperson, thank you for giving me way. I have a practical example. I had this tenant who was very arrogant. I gave all the notices under the lease agreement and he refused to leave. All I had to do was to go to my lawyer, obtain a court order, and then I went to the police and he was thrown out.

What hon. Nsereko is saying should be taken very seriously. Out there, there are those tenants who are just a nuisance.

**THE CHAIRPERSON:** Can you tell me, what is the purpose of the eviction order under 46?

**MR AJEDRA:** You see, as a landlord, I might decide to say, “Okay, I give you a notice to vacate my house because I have gotten a better tenant” or “I would like to use the place for something else so I want my house back”. You have to protect me to be able to get this tenant out of my house.

**THE CHAIRPERSON:** Hon. Ajedra, we have given you the protection under 46 –

**MR AJEDRA:** it is optional. That is where the problem – *(Interruption)*

**THE CHAIRPERSON:** But when you get it, what is it for? Isn’t it for eviction?

**MR AJEDRA:** Surely it is mandatory. I think we are trying to say that let it be mandatory not optional.

**THE CHAIRPERSON:** Honourable members, I put the question that Clause 48 be deleted.

*(Question put and agreed to.)*

*Clause deleted*

Clause 49

**MR KAFEERO:** Madam Chairperson, the committee proposes under 49 (2) to substitute for the words “two hundred and fifty” appearing in line four, the words, “twenty four”.

Justification: to make the currency points commensurate with the offence.

**MS AMONGI:** Now, the equivalent of 24 currency points proposed by the committee is Shs 480,000. Yet you have not determined how much that rent is. If you are going to give penalty of Shs 480,000 for someone that is maybe renting where rent is Shs 2,000,000 or Shs 3,000,000, I think this is not proportionate.

If the committee wants to reduce what we had proposed, we can say “not exceeding the equivalent of one or two or three month’s rent”. So we make it equivalent of the rent payable. But if we put it the way it is and standardise it at only Shs 480,000 it can be too low for some people.

I propose that it instead reads, “A landlord who evicts a tenant from the premises or requires, compels or attempts to require or compel the tenant to vacate the premises in contravention of this Act commits an offence and is liable on conviction to a fine not exceeding the equivalence of three months’ rent payable or imprisonment not exceeding one year”. We can now agree whether it should be rent of one or two or three months. Our proposal is rent of three months.

**MR KAFEERO:** Madam Chairperson, there are guidelines under the law of how you compute currency points vis-à-vis the number of years of imprisonment. So we were trying to make it commensurate to one year of imprisonment because 250 currency points is not commensurate to one year.

**MR NSEREKO:** Madam Chairperson, I have an alternative view because we are talking about unlawful eviction of a tenant.

In clause 49(1) I would like to move that, “A landlord shall not, except in accordance with this Act, evict a tenant from the premises or require, compel or attempt to require or compel the tenant to vacate the premises.” I would like us to be specific that a landlord shall not evict a tenant without a court order. We are dealing with unlawful evictions without a court order. This is what we are grappling with regarding land and it is the same thing you are going to find here. If you give a route or an option to evict people without court orders then you will see what will spur from this.

**MR AGABA:** Madam Chairperson, the proposal makes meaning now that we have deleted 48. Remember the heading of 48 was, “Court order required to evict a tenant”. We have done away with 48 so it makes sense to bring the requirement that the landlord shall not, except with a court order, evict a tenant. It makes meaning to bring it here.

46 is to the effect that the landlord may go to court for a court order to evict. That is an option. Now, 48, which would have required the court order for eviction has been done away with. Therefore, we must infuse it in 49 that the landlord shall not evict the tenant unless with a court order.

**MS AMONGI:** Madam Chairperson, I would like to object to making it mandatory for eviction to be conducted only through a court order because we have already said that one, we have several people in the villages paying Shs 5,000 or Shs 10,000 and we have already accepted that we shall define court as LCs so that they can also determine such cases. It does not issue eviction orders.

Secondly, we have retained the Distress for Rent (Bailiffs) Act, cap 76, which makes provision for a landlord to handle issues related to tenants who have failed to pay. We have retained that provision. Therefore, you cannot make it mandatory for the order when in other provisions we have allowed other aspects of such as mediation. There are so many people who will not be able to go and get a court order, with the systems that you know very well in the Judiciary.

Therefore, let us leave it as “may”. Somebody who is able to go to court and get that eviction order can do so. Those who can negotiate and amicably get the person out of their house should also be able to do so.

**MR NSEREKO:** Honourable minister, that ceases to be what we call an “eviction”. If you are talking about people negotiating amicably, it ceases being called an eviction. When you term it as an eviction, it is forceful or against the will of someone. When you stand up and say that people may agree, it cannot be an eviction. An eviction is where you disagree and you want someone to be evicted from that house.

The only way you can execute the eviction of someone without their will is through court and by issuance of a court order. This is to narrow down the friction between persons.

**THE CHAIRPERSON:** Honourable member, read 46(2); “The courts shall consider an application for an order to evict a tenant expeditiously.” They are saying, do it quickly. There is an order to evict under 46. After you get it, do you keep it in your pocket?

**MR NSEREKO:** Madam Chairperson, what harm would it cause when we clearly legislate on what we term as an unlawful eviction – If it is harmful to them, let them show what harm it is causing. If I say that it will be unlawful to evict someone without a court order, how harmful is it to them when I clearly seek for that in the law? How does it hurt them?

**MS AMONGI:** Hon. Nsereko, my problem with you is that you want to amend 49 to make it explicit and mandatory. I think the way it is structured now caters for your concern. Like I said, we deleted the provision, which would have abolished the Distress for Rent Act, which gives the provision to evict someone or get your money from that person without going to court.

In 49 we are saying that a landlord shall not, except in accordance with this Act – What is your problem? Let us follow the procedure in the Act and conduct evictions. Like the Chairperson has indicated, 46 already gives you that leverage of expeditious handling by court.

**MR NSEREKO:** Honourable minister, that is the same question I would be asking you. Why do you have a problem when we are explicit? Right now we are not handling – In 46, we were handling your route to court and what you acquire. Now we are clearly stating what is unlawful.

**THE CHAIRPESON:** Hon. Nsereko, the words are, “except in accordance with this Act”. It is saying, you must be operating under this Act.

**MR NSEREKO:** Where in the Act have we stated that you shall not evict someone unless you have a court order?

**THE CHAIRPERSON:** What does the court give you?

**MR NSEREKO:** Court might not necessarily give you a court order to evict someone. The court can give you other remedies. Now we are taking about eviction itself as a remedy.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 49 do stand part of the Bill.

*(Question put and agreed to.)*

Clause 50

**MR AGABA:** Madam Chairperson, we made an amendment on 49(3).

**THE CHAIRPERSON:** As a committee? There was no amendment.

**MR AGABA:** The currency points –

**THE CHAIRPERSON:** The 24? Is that 49(2)?

**MR AGABA:** Yes, we wanted to create proportionality; instead of having currency points, we talk about rent for a month or two so that it is proportional to the crime. Someone may have been evicted of Shs 2-3 million and they pay only 24 currency points yet another one was evicted of Shs 10,000 or Shs 20,000. It is not proportional and that is why we had adopted the proposal by the minister that we make the rent for one, two or three months but we did not take a decision on that.

**MS ADONG:** Madam Chairperson, I have a problem. We are creating offences on the landlord but the tenant seems to be free. What about tenants who unreasonably refuse to vacate? Can’t we also make it an offence to unreasonably refuse to vacate? We seem to be favouring tenants and yet it is not easy to build a house.

**THE CHAIRPERSON:** What do you want to do to that tenant other than evict?

**MS ADONG:** Madam Chairperson, we could create, under 47, if we can go back –

**THE CHAIRPERSON:** No, we have finished with that.

**MS ADONG:** Under 49(3), a new sub-clause – But here we are only talking of unlawful eviction of tenants. We can create a new sub-clause to say, tenants –

**THE CHAIRPERSON:** Look at the headnote for this section; unlawful eviction of tenant. Unless you are creating –

**MR NSEREKO:** Madam Chairperson, eviction is a remedy against the tenant so what are you trying to say? Is it double jeopardy? Are you punishing the person for the same? It will be too much because you are already evicting him or her.

**THE CHAIRPERSON:** But there are civil remedies. You can sue the person for being unreasonable. Landlords can sue tenants in addition to eviction.

**MR MUGOYA:** Madam Chairperson, she badly wants to hear my voice. You cannot charge a tenant with criminal trespass because that has been settled by courts. Once you allow someone to enter your premises upon an agreement, a breach of a promise or an agreement does not give rise to criminal liability. That is how a tenant is protected. Of course, the remedies are already provided for under clauses 46, 47 and so on so, you don’t need again to criminally charge a tenant.

**THE CHAIRPERSON:** Honourable members, I want us to be clear on the issue of the currency points. Is this something new where we can say, “Either rent for three months or imprisonment?”

**DR BARYOMUNSI:** Thank you very much, Madam Chairperson. The initial formulation by the ministry was giving 250 currency points, which translates to Shs 5 million. The amendment by the committee gives 24 currency points, which translates to Shs 480,000. However, we are talking about premises of different sizes and qualities.

Madam Chairperson, there are people who rent houses in my village at Shs 5,000 per month but there are those who rent buildings in millions of shillings in town here.

The practice in most countries is that they use the equivalent of the rent so that it is commensurate. If you are renting at Shs 5,000, then the punishment will be commensurate to that amount and if it is in millions of shillings, it is also commensurate to that. That is why when we reviewed this as a ministry, as presented by the minister, we said it should be equivalent of three months’ rent payable so that it is commensurate with the different levels where people are renting.

**THE CHAIRPERSON:** Honourable members, I put the question that subclause (2) of clause 49 be amended, as proposed by the minister.

*(Question put and agreed to.)*

*Clause 49, as amended, agreed to.*

Clause 50

**MR BYARUGABA:** Thank you, Madam Chairperson. I have a problem with the last three words of clause 50, which are “and other amenities.” You recall, Madam Chairperson, one time, when Bauman House was being rented by Parliament. As a Member of the Committee on Legal and Parliamentary Affairs, I had an opportunity to scrutinise and look at their tenancy agreement. They were actually charging for issues like parking, toilets, and this is what we are trying to repeat here when we talk about “other amenities.” I would, rather, we continue with all these other amenities as specified under clause 50(1) so that it is conclusive.

**THE CHAIRPERSON:** These are extra services beyond the ordinary.

**MS AMONGI:** Madam Chairperson, the rationale for this is that besides issues of security, conservancy and sanitation - if you go, for example, down town - we discussed the issues of toilets. You find someone has put a swimming pool on the rooftop or has put barbeque or a common usage facility in an apartment being rented. So, if you do not include other amenities, you will limit and still probably the person - how will the person manage to take care of those common-user facilities?

Madam Chairperson, if you go to Mirembe Villas, they even advertise parking, gardens, the volley ball pit and other sports facilities. However, for the common-user facility, the landlord will charge to take care of them for the team. Therefore, if we delete the words “other amenities”, it might be difficult. The fact that the words are “the landlord may” it is operational, it means that during the negotiations between the tenant and the landlord, the tenant can negotiate to remove charges for some of the amenities. Otherwise, where there are people who want to live and accept to pay for those amenities, if you do not put it here, then you will limit them. I pray that we leave those words.

**MR BYARUHANGA:** Madam Chairperson, given the fact that this House has paid for that kind of anomaly - we were paying for toilets and parking as amenities. You can imagine someone rents you a house but the parking lot within the compound is rented.

**THE CHAIRPERSON:** Honourable members, look at the head note. It reads: “Extra services.” It is beyond the normal; the toilets and parking. It is something extra like golf course, where you can play within your –

**MR KIYINGI:** Thank you, Madam Chairperson. I do not have a problem with charging for other amenities. My major concern is on the word “sanitation.” All complaints have always related to this word because of charging for toilet facilities on premises.

Madam Chairperson, you remember very well that recently, we have a problem of cholera in some parts of Kampala because of sanitation. Some landlords lock their toilets and their tenants fail to get where to ease themselves. This is one of the causes of cholera in the city. I would, therefore, propose that we delete the word “sanitation” among the other amenities because it can cause diseases.

**THE CHAIRPERSON:** Honourable member, you have destroyed your own point. For instance, now that we have Ebola and because of that, I installed sanitizers. That is an extra cost. Shouldn’t you pay for it? It is about extra services.

**MR NSEREKO:** Madam Chairperson, I would like to bring to your attention something - I do not know whether we should distinguish commercial tenants from residential in this matter or in any other matter resultant.

What is happening now - and it is a reality - is that other than a few upscale malls like Acacia Mall and a few others, they are the few where you enter to transact business, both as a tenant and as a guest, and you do not have to pay for the washrooms and other facilities. Otherwise, downtown, you have to pay Shs 500, depending on which call of nature you are going for. *(Laughter)* I am sorry, Madam Chairperson, but that is a reality. How do we cure this? Assuming a student from Makerere University is going to buy a pair of shoes and a few clothes then nature calls when they are in a mall and they need to foot an extra cost? Can’t we classify someone who uses premises for commercial purposes should not charge people or we shall attend to that in other laws?

**THE CHAIRPERSON:** This student is not a tenant.

**MR NSEREKO:** For your information even the tenants downtown pay for this in commercial building and to prove, the honourable minister might have interfaced with these people, they pay for this on a daily basis.

**THE CHAIRPERSON:** If you agreed that the toilets are separate from the actual shop.

**MR NSEREKO:** That is why we are here to cure. That for a landlord to provide commercial facilities, a tenancy for commercial purposes then they must foot the bill for the common user areas and-

**THE CHAIRPERSON:** I think they will agree, they are going to have an agreement.

**MR NSEREKO:** They never, they impose.

**MS NAMAYANJA:** Thank you very much, Madam Chairperson. Whenever you are taking up somebody’s premises for rent, there are terms and conditions that are set. What we are talking about is extra services outside the contract. I think that the extra service that we are talking about must be paid for because they are extra.

**MR KIYINJI**: Madam Chairperson, in the commercial part of Kampala, landlords rent toilets separately and they have their own “landlords” who charge whoever goes to the toilet for a service.

**THE CHAIRPERSON**: Honourable members, if you agree to that arrangement, that I will be paying for the toilet separately it is yours.

**MR KIBALYA**: Thank you, Madam Chairperson. We are making a mistake by looking at only things like a toilet but there are extra services that may be required at a given time, for example, there are moments when you find thieves at a particular moment invading a given area and it requires people to mobilise and deploy security somewhere. If you say that the landlord must meet the cost of the whole security without cost sharing, that is the mistake.

There are services that you may need to have some tenants cost share. It may not have been seen before at the time when you were entering the agreement or to begin renting. It comes at the time when you need to address it accordingly.

**THE CHAIRPERSON:** Hon. Nsereko, supposing I establish a tennis court, swimming pool, sauna steam, shouldn’t you pay for them?

**MR NSEREKO:** Madam Chairperson, I do not object to that because even internet and Wi-Fi is fine. I am talking about these commercial buildings charging people for use of toilets.

**THE CHAIRPERSON:** If you have entered an agreement with that landlord that the toilets are to be paid for separately, you will pay for them separately.

**MR NSEREKO:** Madam Chairperson, there are no agreements; we are talking about the reality now.

**THE CHAIRPERSON:** We should encourage them to have agreements.

**MR NSEREKO:** That is what we talked about in the past incidences.

**MS OPENDI:** Thank you very much, Madam Chairperson. I have heard hon. Nsereko and the issue of toilets in Kampala has been a big challenge. When His Excellency, the President was touring Kampala and interfacing with the traders, this was one of the biggest complaints that the tenants raised to him and he brought it to us in Cabinet.

When I read this and listening to hon. Nsereko, supposing we removed the issue of sanitation from this extra cost wouldn’t it cure the problem so that we say, “A landlord may charge a service fee for any extra services provided to a tenant including services related to security, conservancy and other amenities.”

Then we remove the issue of sanitation because it is a big problem and that was one of the problems that those people raised. It is unfortunate that the Minister for Kampala City Council Authority has moved out. Otherwise, the issue of toilets is a big one. You can imagine you rent a premise but you must pay for the toilet separately and this is the reason why we have people using polythene bags. If you do not sell- can you imagine paying Shs 500!

So assuming that you have a stomach upset, how much would you pay for this toilet use. Let us just remove the word “sanitation” and use the Public Health Act to enforce issues of sanitation.

**MR KAMUSIIME:** Thank you, Madam Chairperson, in clause 6 of this Bill, we handled issues of suitability or fitness of premises and we talked that “the premise should be in line with the Public Health Act.” Meaning, sanitation is covered there when you go along that clause.

In this particular Clause 50, since we are providing for extra services-meaning that initially the premises were meeting the requirements fit for habitation and now we are providing for extra.

I am only suggesting that we add after the word “amenities” “as agreed upon by the tenant.” In clause 50 (1) that “a landlord may charge a service fee for any extra services provided to a tenant including services relating to security, conservancy, sanitation and other amenities as agreed upon with a tenant” because this is extra of what had been put in the agreement and what makes the premise fit for human habitation, thank you.

**MS KOMUHANGI:** Thank you, Madam Chairperson, I think the contention was on the listing the extra services and generalising them like other amenities. Listing them is quite limiting by saying other amenities you open up for any that may emerge in the due course like you said.

Like the honourable minister said, sanitation is wider than toilets. The toilets are a basic and are covered in the tenants’ agreement; they are not part of the extra. They must be catered for anyway and it should be left like the minister presented, it suffices because it is open enough.

**MR OTIENO:** Thank you, Madam Chairperson. My attention is drawn to the proposal by the honourable minister that we remove sanitation from the list of other services that must be paid for. Even if I depart slightly from hon. Komuhangi’s argument that sanitation is greater than toilets. Even if we limit toilets, there are other attendant costs. For instance, when visitors come to a premise, they will use those toilets and they flush water. It is very unfair to require the landlord to pay for water where he cannot even determine how many people are going to use that facility and how much is going to be incurred at the end of the day.

So, Madam Chairperson, that is why I urge and appeal to Members that we allow this as part of extra services that even as I go there, there is a user fee. I can maybe pay Shs 100 to go towards the cost of the water, other than putting it on the landlord. That is my argument.

**THE CHAIRPERSON:** Honourable members, we are taking a lot of time on this issue. The basic services are provided for under clause 6. These are extra. The head note is clear for extra services.

**MR AGABA:** Thank you. Madam Chairperson, hon. Komuhangi has properly put her memories together. The point of contention of hon. Byarugaba was the *ejusdem generis* rule in enlisting the possible extra services and other amenities. This is where the problem was.

There might be tenancy agreements where sanitation is mentioned as one of the other services, like collecting of rubbish (*kasasiro*) in rented premises. If there are premises where you have apartments, slashing the compound is part of sanitation and others.

However, for toilet facilities especially in commercial buildings, it would be a surprise if it is taken as an extra service. The toilets must be part of the basic that is contained in the tenancy agreement. This sanitation here is largely about the other services that come with sanitation in the premises.

Madam Chairperson, I would like to disagree with hon. Byarugaba. You cannot list everything. That is why the rule guides us that you may list a few and then leave the rest which are in that line to be included. In this category “and other amenities”, it is simply to alert us that there may be other services not mentioned which can be taken as extra services that can be paid for.

In order to cure the problem hon. Nsereko is raising – especially in Kampala here – toilet facilities can only be part and parcel of the tenancy agreement. Most of the tenants on commercial buildings have a key to their toilets. However, for other people who would like to use the public toilets, there must be a provision to enable them to use them. That is why they pay an extra charge to use them. Thank you, Madam Chairperson.

**THE CHAIRPERSON:** Honourable members, when you go to other countries and you are not a resident in that hotel but want to use the facilities, you pay. As long as you are not a resident, you pay.

**MS NAUWAT:** Thank you, Madam Chairperson. A few days ago, the Minister for Kampala Capital City Authority presented a statement here on flooding in Kampala. One of the causes was to do with garbage being thrown everywhere.

When we talk about sanitation, we really need it in this Bill because like Members have already said, we should not limit it only to toilets. We should also broaden it so that issues of garbage are covered under sanitation. So, we should retain the word “sanitation”.

**MR JAMES KAKOOZA:** Madam Chairperson, I would like to supplement on what the previous speaker has said. What is happening down there in commercial buildings is that they even contract these services.

When you look at clause 3, it says, *“The relevant costs referred to in sub-section (2) are the estimated costs to be incurred on behalf of the landlord in connection with matters for which the service fee is payable.”*

The extra cost here means that the building, renting – in other countries, like what Madam Chairperson has said, like New York, you stay in a place, pay for accommodation but they even charge you for the presence of your stay because you will utilise some services which you need.

This is a city; so you want to leave it to landlords and tenants, where the extra service will be provided and you do not want to pay. You must pay and if the landlord provides this, you have to pay.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 50 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 50, agreed to.*

Clause 51

**MR KAFEERO:** Madam Chairperson, the committee proposes total deletion of clause 51. The justification is the word “annoyance” is ambiguous and is likely to be abused.

**MR NANDALA-MAFABI:** Madam Chairperson, if we leave clause 51 as it is, we are in danger. A tenant may not want to pay rent. He will run to Police and say, “The landlord has annoyed me.” Because there is no definition of “annoyance” or how you can determine annoyance, that will be the end of it. *(Laughter)*

Clause 51 should have been deleted. It is very dangerous because I might be asking for rent, then you say that I have annoyed you. Do you know that the penalty is 150 currency points? That means that when he reports that you have annoyed him, you pay Shs 3 million or stay for one year in prison or both. *(Laughter)*

**THE CHAIRPERSON:** Honourable members, if you read the ordinary covenants in tenancy agreements, this is there. Hon. Nandala, you might decide that every three days, you come to my house that you want to check on this or see this. You come at night and say you are the landlord and must check on whether the lights are working. *(Laughter)*

**MR NANDALA-MAFABI:** Madam Chairperson, what you are talking about on tenancy is there in the agreement. The agreement is very clear that the landlord will be receiving his money either one month or three months in advance. It is in the agreement.

Another agreement says you will maintain the walls clean and the landlord will do X, Y and Z. Each of us has his own obligation in the agreement. The moment any of us defaults on that, the agreement is ruined.

However, there is no measuring tool or a meter to measure annoyance –

**THE CHAIRPERSON:** It is not the annoyance of *okusunguwala*.

**MR NANDALA-MAFABI:** That one has been taken care of under “nuisance”. You will report your landlord for being a nuisance because “nuisance” has its own law. However, this one is very dangerous. You are, in short, saying that the tenants will report these people whenever he does not want to pay, claiming that he is annoyed. This is dangerous, Madam Chairperson.

**THE CHAIRPERSON:** It is not the annoyance of getting angry.

**DR BARYOMUNSI:** Thank you, Madam Chairperson. The purpose of this law is to promote a cordial relationship between a landlord and a tenant; where the tenant should respect the landlord and also the landlord should respect a tenant because they have that mutual relationship.

This provision is a cardinal provision in all landlord-tenant legislations. When we appeared before the committee, we had tried to qualify the “annoyance”. Let me read our amendment to put it more clearly.

The new amendment which we are proposing is to read as follows:

“A landlord and his or her agent, who wilfully subjects a tenant to any annoyance with the intention of inducing or compelling the tenant to vacate the premises or to directly or indirectly pay a higher rent commits an offence.”

That is how we have improved it. It is not the petty annoyance but where somebody deliberately wants to annoy you so that you can leave and so forth. We are trying to ensure that the landlords are not – *(Interjection)* – Hold on! Let me first finish – *(Interruption)*

**MR JAMES KAKOOZA:** Honourable minister, what is the yardstick of annoyance? How can you legislate for an immoral because it has no yardstick? Annoyance can be anything and can be an escape route for a tenant who can refuse to pay a landlord and uses this law to get money from you.

You cannot legislate for anybody on annoyance. It can be an escape route to hammer you. So, there is no yardstick of annoyance. How do you form that criterion of annoyance?

**DR BARYOMUNSI:** Annoyance is known and some of the areas that are used to describe annoyance are rudeness by the landlord towards the tenants. Secondly, some landlords can become inaccessible and unapproachable to the extent that even when the tenants want to reach out to them, they are absent.

Also, *-(Interruption)*

**MR NSEREKO:** The information I would like to give my colleague is that in case of commercial buildings, some landlords even continue to call their tenants to their offices regularly. This report has come from downtown. The landlord says, “Come and see me in the afternoon.” The tenant goes there and again after, he says, “There is something I want to tell you in the evening.” This is true and it is happening.

Therefore, others will even come near your house and play loud music because he is the landlord and probably he is on the top floor. He will play loud music in order to discourage you from doing certain things or even call you after every other hour. I know hon. Nandala-Mafabi may not annoy his tenants but others may.

**DR BARYOMUNSI:** Madam Chairperson, when I finished the university, I rented a house and I was staying with the landlord within the same premises. Whenever we would watch television or show that we were happy in our room, he would come and switch off the electricity to annoy us. (*Laughter*) So, sometimes landlords can be a menace to the tenant just maliciously and stubbornly.

So, this provision is trying to say the landlords should respect the tenants because they have a relationship they have established.

**MR KIBALYA:** Madam Chairperson, we are only worried – honourable minister, we are not creating a new society or country. Both landlords and tenants have been co-existing. However, we are creating room for some people to behave differently. For example, if you support Manchester United and I support Arsenal FC and in the evening, when one of the two teams has lost, there is going to be a battle.

There are several areas of annoyance. Maybe in this case, we want to target something that is not clear. We could be specific and explicit in that area. However, if we leave an open statement, somebody would wish to avoid something. There is a tenant and a landlord. You will find situations – at times, you cannot trust where you are going or what is happening next. Maybe we should be clear and say we are amending this. If this is the line, then let us move.

**MR MULINDWA:** Thank you, Madam Chairperson. I want to propose that we delete this completely because there are no parameters. In my constituency, some landlords can come and complain about you eating chicken when you have not paid rent. So, annoyance should be deleted. Why would a landlord go into those details?

**THE CHAIRPERSON:** Honourable members, one of the major covenants in any tenancy agreement is that once you paid your rent, you are entitled to enjoy the premises. So, this landlord who passes around your house several times a day saying, “There is too much smoke here or you have too many children shouting” is what annoyance is about?

**MR LUBOGO:** Thank you very much, Madam Chair. The minister has read out the amendment he was making on the provision and he restricted it to two areas of demanding rent and also increment of rent. He was actually not addressing the issue you and the Members have been referring to that amount to annoyance.

My problem with this particular provision is that we may not actually address what we are envisaging in this. It is going to remain ambiguous and very difficult to enforce. If we are to say restrict it to rent only, what about the other areas like what the minister said that the landlord could come to switch off the power because your football team is winning? We were not even providing for that.

We cannot even give a whole spectrum of what it amounts to. So, it is really a problematic area. We may have to consider restricting it to those two areas he talked about. Otherwise, it will become so ambiguous.

**THE CHAIRPERSON:** I wanted to propose that we say, “A landlord and his or her agent who wilfully subject a tenant to any annoyance with the intention of interfering with the quiet enjoyment of the tenancy”. It does not talk about rent.

**MR NANDALA-MAFABI:** That is very good, Madam Chair. I think we should, first of all, define annoyance. We should take annoyance to the interpretation clause. The reason is that annoyance must be in relation to what the landlord and the tenants are. Supposing you are my tenant and we are in the bar, we take some alcohol and fight. Because you are my tenant, you may say, “He annoyed me”.

**THE CHAIRPERSON:** It is not that. This is in relation to where you live.

**MR NANDALA-MAFABI:** For me, I wanted two things. The annoyance in relation to violating the tenancy agreement -

**THE CHAIRPERSON:** That is what I proposed here; interfering with the quiet enjoyment of the tenancy. It is because you have an agreement, the landlord says you pay my rent and go and sleep.

**MR KAFEERO:** Madam Chairperson, given your guidance, for as long as the House is comfortable to adopt the proposal by the Rt Hon. Chairperson and also go ahead to create a new Clause 52, which will have a headnote subjecting a landlord to annoyance, I can then concede to the amendment.

**THE CHAIRPERSON:** How do you subject the landlord to annoyance? Honourable members, let us finish with clause 51 before we go to a new clause.

**MR REMIGIO ACHIA:** Thank you, Madam Chairperson. I just went online and checked the legal definition of “annoyance”. The alternative word is “nuisance” and it says, “Excessive or unlawful interference or unreasonable annoyance or inconvenience in the use of property”.

Madam Chair, I think you are right. Among other things, if you have given your tenants premises to use, this other subtle inconvenience, unreasonable interference with the tenancy and the use and enjoyment of the property is what is defined here as “annoyance”. We need to put this definition in the interpretation clause and keep this provision as it is.

Once we interpret it, this clause stands. This is an extract from the UK law and I think it is proper. Therefore, we should keep it as it is and define it in the interpretation clause. Thank you.

**MR ATIKU:** Thank you, Madam Chairperson. The last submission here puts it clearer. However, the proposal that the chairperson of the committee was bringing does not suffice because the legislation here is to bring harmony and fairness. We are legislating for the underprivileged. The landlord is in a more privileged position *–(Interjection)–* Yes but at least - Madam Chairperson, may I be protected?

**THE CHAIRPERSON:** Order, members.

**MR ATIKU:** To be fair, this clause is there to protect the interest of the underprivileged and most times, the tenants are an underprivileged class of people.

**THE CHAIRPERSON:** Honourable members, if we agree to introduce the definition under section (2) then we should leave it as it is.

Honourable members, I put the question that clause 51 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 52, agreed to.*

Clause 53

**MR KAFEERO:** Madam Chairperson, the committee proposes, under clause 53(1), to substitute for the words “twenty hours” appearing in line three, the words “at least forty eight hours.”

The justification is for consistency with clause 6(4).

We are also proposing to insert two new sub-clauses immediately after sub-clause (1) as follows: “Notwithstanding sub-section (1), a landlord may enter rented premises without giving notice in case of an emergency occurrence.”

For purposes of this section, emergency occurrence includes floods or fire.

The justification is to cater for a situation that may require unrestricted entry into the rented premises by the landlord.

Madam Chairperson, also in clause 53(3), the committee proposes to delete sub-clause (3).

The justification is, it is redundant since it is already catered for under sub-clause (1) and clause 6(4).

**MS AMONGI:** Madam Chairperson, the assumption of the chairperson on clause 53(1) was that the House was going to approve the committee’s amendment of forty eight hours. However, the House retained what is in the Bill under clause 6(4), which is permitting the landlord to enter a house after a notice of twenty four hours. Therefore, I propose that we retain twenty four hours as already passed under clause 6(4) for purposes of clause 53(1). Then on clause 53 - Should we first deal with that or may I continue?

**THE CHAIRPERSON:** Honourable chairperson, what is your rationale for forty eight hours?

**MR KAFEERO:** Madam Chairperson, it is true that in the previous clause, we retained what is in the Bill. Therefore, this one collapses consequentially.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 53 do stand -

**MR OTIENO:** Madam Chairperson, I have noticed that of late, there is an emerging trend. A tenant may rent a premise and use it for terror activities; they may create a terrorism cell within it. I have also realised that of late, even the landlord is held responsible. When they arrest them, there is an emerging tendency where even the landlord is taken.

Now, we are making a provision where it is becoming difficult for a landlord to check his premises without giving notice. I do not know how this law is taking care of these kinds of emerging trends where people may rent your premises, it is fenced and they know that for you to go there, you will give a twenty four hour notice. When you give them a twenty four hour notice, they will conceal their activities.

However, security forces may have superior information, which you the landlord lack and they may discover that there are some terror activities going on within those premises. When they come, you will be the first suspect and that is what has been happening.

Therefore, Madam Chairperson, in this law, how do we take care of these kinds of complexities that are emerging in these times when terrorism exists?

**MR KIBALYA:** Madam Chairperson, I would like to remind the colleague that the other time when we agreed to this, we said that the twenty four hours concern issues like repairs and defection etc. For issues that concern emergency and the police, the other agencies still exist.

One of the colleagues gave an example of one tribe that buries in the house. You cannot hear somebody digging a grave and you wait for twenty four hours. Just go to the police for assistance. Therefore, for any other issue outside repairs, the agencies that are in place by law must still operate.

**THE CHAIRPERSON:** Hon. Otieno, you should work on the presumption that in the tenancy agreement, you are expected to be free to live in your premises and the landlord should let you know if he is coming.

Honourable members, I put the question clause 53 do stand part of the Bill?

*(Question put and agreed to.)*

*Clause 54, agreed to.*

Clause 55

**MR KAFEERO:** Madam Chairperson, the committee proposes under clause 55(2)(b) that we delete paragraph (b).

The justification is, it is a consequential amendment since all prescribed forms have been done away with although in the tenancy agreement, we retained it and so it may not be all. However, it still applies to some *- (Interjection) –* Yes, in some places we removed.

In clause 55(2)(d), we propose that we delete the word “hundred” appearing in line two.

The justification is, it is redundant.

**THE CHAIRPERSON:**  Where is that?

**MR KAFEERO:** That is in clause 55 (2)(d).

In clause 55 (2)(f), we propose to redraft paragraph (f) to read as follows: “Prescribe fees for licencing of agents under paragraph (c).”

The justification is to ensure that the minister prescribes fees for licencing of agents only to avoid abuse.

We also propose the insertion of a new clause immediately after 55 to read as follows: “Amendment of Schedule:

 The minister may, with the approval of Cabinet, by a statutory instrument, amend the Schedule.”

The justification is to allow the minister to amend a schedule whenever need arises.

**MS AMONGI:** Madam Chairperson, clause 55 (2) (b) cannot be deleted because there are provisions that we left - I think committee chairperson had presumed that all these amendments would have been adopted. Now that some of these amendments retain forms, this one should remain. I only agree with him on the deletion of the word, “hundred” under (d) to read, “72 currency points.”

In (f), the fees that are to be prescribed are not necessarily only for licensing of agents. If you redraft the way the committee is proposing to say, “Without limiting the general effect of sub section (1), regulations under that sub section…” – because sub section (1) says, “The minister may, by statutory instrument, make regulations generally for the better carrying into effect any of the provisions of this Act.”

Therefore, if we delete (f), which states, “Prescribe fees for anything done under this Act,” which will operationalise one which says, “For carrying out any other effect and provision of this Act,” the (f) that the committee wants to redraft, would limit it only that the fees should only be for licensing of agents yet sub-section (1) says that regulations and any fees you are making or anything to be done, should be for any provision of the Act.

Therefore, there are other provisions of the Act that might require fees. If you only make fees for purposes of agents only, it would be unfair. So, I propose that we retain it the way it is in the Bill so that it gives the broad aspect of prescribing fees not only for licensing of agents, but also others.

Therefore, in their proposal, we shall only accept the amendment of (d) to remove the word, “hundred” and the rest should remain as is in the Bill.

**MR NZOGHU:** Thank you, Madam Chairperson. You recall that we capped the percentage at which the landlord can increase rent. We said it should not be more than 10 per cent and that just in case there is any adjustment, the minister can bring the proposal to Parliament for approval.

I believe that in the same spirit, we would also agree that the minister cannot just amend the schedule without bringing it to Parliament for approval. So, I thought that we should harmonise that so that even the amendment of the schedule should involve Parliament. That is my proposal, Madam Chair.

**THE CHAIRPERSON:** Why don’t we finish with clause 55 first?

**MR NZOGHU:** Madam Chairperson, my view is that we cannot have a law where one clause says that the minister should bring the proposal for Parliament’s approval yet in another we are saying that Cabinet can approve; it will be a contradiction. I am simply seeking the harmonisation of that.

**THE CHAIRPERSON:** Do you want to amend clause 55 (1)?

**MR NZOGHU:** Yes. The chairperson moved that –

**THE CHAIRPERSON:** What do you want the amendment to look like?

**MR NZOGHU:** Let me get the Bill-

**THE CHAIRPERSON:** Honourable member, you are a member of the committee. If you start those precedents, people who would have not preferred the majority report will come here and object to the chairperson’s submissions.

No, we are not going to set that precedent. If you want, go and negotiate with the minister to say it herself but not for a member of the committee to come up and amend clauses.

**MR KAFEERO:** Madam Chairperson, I do agree with the minister’s proposals and therefore, concede on clause 55.

Clause 55, as amended

**THE CHAIRPERSON:** Honourable members, I put the question that clause 55, as amended, do stand part of the Bill.

*(Question put and agreed to.)*

Clause 55, as amended, agreed to.

Clause 56

**THE CHAIRPERSON:** Chairperson of the committee, do you have anything new on clause 56?

**MR KAFEERO:** Madam Chairperson, in light of what we decided in clause 31, we should delete clause 56 where it states, “The Distress for Rent (Bailiffs) Act, Cap 76.”

**THE CHAIRPERSON:** What about the Rent Restriction Act? Is it remaining?

**MR KAFEERO:** We did not tackle that. It is only the “Distress for Rent.”

**MR NSEREKO:** Madam Chairperson, as regards that matter, I know people will suggest that we need re-committal but we have carried out some research and discovered that the Distress for Rent Act was repealed in the United Kingdom (UK) and in Kenya after the enactment of this law because it is archaic and rendered redundant.

I think the movers of this Bill and those that did research –*(Interjections)*– no, we are talking about the Distress for Rent Act - the reason is that if you provide for court as remedy and termination as a result of abandonment, giving one party powers unilaterally to go ahead and sell goods of other people who have been found to be untenable, the justification was that at times they would sell property found in the House that does even belong to the person.

Therefore, in the modern day world, the Distress for Rent Act was rendered redundant. Hon. Mugoya has also carried out research and I will give him some court findings on the same from the rulings of various courts, if you permit, Madam Chairperson.

**MR MUGOYA:** Thank you, hon. Nsereko, for giving way. Madam Chairperson, the Distress for Rent (Bailiffs) Act is a replica of the Distress for Rent (Bailiffs) Ordinance, Cap 116 that we admitted in this country because of the then colonial regime.

In the United Kingdom, as rightly put by my colleague, it was repealed. In Uganda, in the famous case of Magellas Distillers (U) Limited and another, against Viensi and Another, High Court Miscellaneous Cause No. 9, 2009), this is what Justice Kiryabwire stated: “There is need for urgent legal reform as to operationalise applications and Section 2 of The Distress for Rent (Bailiffs) Act (cap 76). The practice now adopted by the bar that seems to have been accepted by the lower courts, is to apply for distress order under section 2 of the Act by way of notice of motion ex parte under Order 52 rules 1 to 3 of the civil procedural rules. I think time has come, in the absence of direct legislation - and the word ‘direct legislation’ is what we are dealing with, to evolve some best practices with regards to orders made under section 2 of the Act.”

In the wisdom of our Chief Justice, exercising these powers under article 133(1)(b) where the Chief Justice may issue order and directions to the courts necessary for the proper and efficient administration of justice, he went ahead and passed practice directions outlawing ex parte applications.

Therefore, you cannot now use Section 2 to enforce recovery of rent or anything related to rent. It has been outlawed by the practice direction because people were rushing to court, file ex parte applications by notices of motion because it is premised on the maxim of inter parties, whose principle is that parties must be heard.

Therefore, you cannot say you are not going to be heard but I can get an order that affects your interests. Therefore, I want to make an application at this juncture under the Rules of Procedure to recommit clause 31, which allows: first, it outlaws the archaic law -

**THE CHAIRPERSON:** At this stage, you can only give notice. The recommittal is-

**MR MUGOYA:** I have now filed a notice.

**THE CHAIRPERSON:** You can give notice but you cannot go into the merits.

**MR MUGOYA:** Yes. I am now giving notice that I will make an application at an appropriate time to recommit clause 31 but as of now, we now need to repeal the Act because it is archaic and no longer applicable in our new constitutional dispensation.

**DR BARYOMUNSI:** Thank you, Madam Chairperson. First, for clarification, a number of countries still have this law, including Kenya. The distress for rent law is still maintained *- (interjections) -* I am talking about distress for rent. I am responding to hon. Nsereko who said it has been repealed in Kenya.

Initially, as my minister has said, we had wanted to repeal this law but the Uganda Law Reform Commission has done a comprehensive analysis. They could table this report dated June 19th - which rationalised this law and they advised that we should maintain it as one of the reliefs, which land lords can have to recover rent once somebody is not paying.

The way the law is, it is also elaborate because you apply for distress. Then you have to appoint a bailiff and the tenant has to be given some time and so forth.

Therefore, it is not straight forward that the tenant’s property will just be sold immediately. In addition to remedies, which we provided of going to court, I think it is fair that we also provide this window for the landlords, so that they can use this law to get property and recover their rent because under this law *- (Interruption)*

**MR NSEREKO:** Why are you then bringing this very law? It is very simple - if everything we have covered here gives remedies to landlords, why do we still need the distress for rent?

**MR PENTAGON KAMUSIIME:** Thank you, Madam Chairperson. I appreciate that we have moved well today and I want to put it to your attention that today, we are waiting for Uganda Cranes match. I want to say that this is very serious - we have already performed. It would be good if we the leaders of this nation could be there to watch how our team -

**THE CHAIRPERSON:** Honourable member, please, do not waste our time.

**DR BARYOMUNSI:** The Distress for Rent (Bailiffs) Act empowers the landlord or a property owner to get the assets of a tenant who has failed to pay after applying for a distress order and then, he has to get a court bailiff to execute it.

However, when you look at the details of the law, even when the bailiffs have this order, the tenant has to be given some time to redeem himself or herself. Therefore, we are saying this is also one avenue of supporting the landlord who is failing to secure rent from this tenant and it is a quicker means of a landlord getting relief. Therefore, this will supplement the other avenues of going to court- *(Interruption)*

**MR NANDALA-MAFABI:** Madam Chairperson, I would like to thank the minister for yielding the floor. There are tenants who have very bad manners because they want to run away and hide behind these laws, wanting to cheat landlords. However, if you confiscate his valuable property, he will pay the rent as quickly as possible. However, they always give them time to do it. The only problem we have with today’s bailiffs, they normally do not follow the law; they confiscate today and want to sell in the night. We should make sure that the bailiffs follow the law - because I think they are allowed seven days and they should even advertise the property before they sell.

Therefore, we should remove that section, which allows the bailiffs to advertise - it is very dangerous for us. The reasons hon. Nsereko is very serious, majority of his voters are tenants. It is only five of them who are landlords here, that is where his problem is. Madam Chairperson, we should retain this one.

**MR MUGOYA:** Madam Chairperson, the concern here is that court requested for a direct legislation and you know this is a technical matter, which we need to appreciate. Under section 2 of The Distress for Rent (Bailiffs) Act, there are no rules provided and court is saying since there are no rules provided, Government should come up with a direct or primary legislation to address this lacuna -

**THE CHAIRPERSON:** To make legislation so that the law should is there.

**MR MUGOYA:** There should be a direct legislation and this is what we are dealing with. I have cited clearly Article 133 under which the learned Chief Justice decided to make a practice direction outlawing ex parte application because that was the practice under section 2 of the Act and I have cited the case laws.

Therefore, there is no room for negotiation in as far as this matter is concerned. We need to repeal The Distress for Rent (Bailiffs) Act. That is the position of court.

**DR BARYOMUNSI:** Madam Chairperson, let me just read one phrase given by Uganda Law Reform Commission. From their report on the justification after the analysis, it reads, *“The justification for the retention of the Distress for Rent (Bailiffs) Act is that it is a faster and quicker remedy compared to the court process that takes years sometimes to obtain justice for the landlord. More still, the remedy for distress gives the tenant an opportunity to redeem his or her property since it is seized and not sold off until a specific period of time.”*

What the law provides for is that if I come and seize your television set, it gives you time to redeem it. I can crosscheck the law but the court bailiff should not immediately sell off the property.

What we have agreed with the Uganda Law Reform Commission is that we are going to come up with comprehensive regulations clearly defining how this law can be implemented. I beg Members to support this.

**MR NSEREKO:** Honourable minister, the issue is that there is case law *– (Interruption)*

**MS AMONGI:** No, I am going to answer that. Madam Chairperson, I would like to quote verbatim what hon. Mugoya stated. I presume you mean the case of Megallies Distillers (U) Limited & Anor v. Byensi&Anor, which was stated as follows:

*“There is need for urgent legal reform as to operationalise applications and section 2 of the Act. The practice now adopted by the bar that seems to have been accepted by the lower courts is to apply for a distress order under section 2 of the Distress for Rent (Bailiffs) Act by way of Notice of Motion (ex Parte) under Order 52 rules 1 and 3 of the Civil Procedure Rules.”* He goes on to say, *“I think the time has come, in the absence of direct legislation, to evolve some best practices with regard to orders made under section 2 of the Distress for Rent (Bailiffs) Act.”*

I would like to quote other people that have used this law to make judgements in support of the law. There is the case of Yoka Rubber Industries vs. Diamond Trust Properties (Civil Appeal No. 08 of 2013) [2017] UGSC 16. Part of the argument was, *“the Distress for Rent (Bailiffs) Act gives*

*the right of the landlord to restrain for arrears or rent arises at common law and need not be expressly reserved. It enables the landlord secure the payment of rent by seizing goods and chattels found upon the premises, in respect of which rent or obligations are due.”* This is vital. This is one of the persons who also ruled and is in support of the importance of this law.

In another case of Joy Tushabe and another *–(Interjections)–* but I am answering you *– (Interruption)*

**MR MUGOYA:** You know, she is preaching to the converted. An application by notice of motion presupposes that there is no preferred or prescribed procedure under the law. That is why parties or members of the bar have been proceeding under section 2 of the Act by filing notices of motion. The court has been very clear; let us have a direct legislation.

**THE CHAIRPERSON:** Precisely, they are saying retain that Act but make other legislations.

**MR MUGOYA:** They do not say, “let us —“ well, I do not want to overrule the Speaker but that is the position. You cannot now file ex parte applications in our courts because there is already an instrument by the Chief Justice.

**THE CHAIRPERSON:** Honourable members, by the way, those ex parte things are still going on despite that direction.

I put the question that we delete the first part of clause 56(1) but we retain the second section.

I put the question that sub-clause (1) be amended as proposed.

*(Question put and agreed to.)*

*Clause 56(1), as amended, agreed to.*

**MR KAFEERO:** Madam Chairperson, I have an amendment immediately after clause 56.

**THE CHAIRPERSON:** Do you have a new clause?

**MR KAFEERO:** Yes. We propose –

**THE CHAIRPERSON:** I put the question that clause 56 be amended as proposed.

*(Question put and agreed to.)*

*Clause 56, as amended, agreed to.*

New section

**MR KAFEERO:** Madam Chairperson, we propose insertion of a new section immediately after clause 56 with the head note, “Transitional Provision.”

It reads, “A landlord who immediately –

**THE CHAIRPERSON:** Where is that?

**MR KAFEERO:** We are proposing a new insertion and I had given you a copy –

**THE CHAIRPERSON:** Where is it in your report?

**MR KAFEERO:** It is not part of the report but it is in light of clause 13. Madam Chairperson, we are going back to clause 13, which we stood over and this is going to assist us –

**THE CHAIRPERSON:** No, we stood over clause 13. When we go back to clause 13, then you can propose.

**MR KAFEERO:** Most obliged, Madam Chairperson.

**THE CHAIRPERSON:** Have you abandoned the other amendment; the last item on your report on page 35?

**MR KAFEERO:** Madam Chairperson, I had read the one on the amendment of the schedule but I can reread it. We propose that we amend the schedule to say, “The minister may, with the approval of Cabinet, by statutory instrument, amend the schedule.”

The justification is to allow the minister to amend the schedule whenever need arises.

**THE CHAIRPERSON:** Yesterday, Members expressed concern about Cabinet acting alone. Hon. Kakooza is not here but he was passionate on that issue yesterday about statutory instruments with the approval of Parliament – if it is okay with you, instead of Cabinet –

**MR KAFEERO:** Madam Chairperson, even the minister is guiding that for them, it is procedural to get approval from Cabinet so we can as well say, “with approval of Parliament.”

**THE CHAIRPERSON:** Honourable members, I put the question that a new clause be introduced as proposed.

*(Question put and agreed to.)*

*New clause, agreed to.*

First Schedule

**THE CHAIRPERSON:** Let us finish the schedules. If there is no amendment in the first schedule, I put the question that the first schedule do stand part of the Bill.

*(Question put and agreed to.)*

*The first schedule, agreed to.*

*The second schedule, agreed to.*

**THE CHAIRPERSON:** There are only two schedules. Let us go back to clause 13.

**MR KAFEERO:** Madam Chairperson, before we go to clause 13, we are proposing insertion of a new clause immediately after clause 12, to read as follows:

“Provision of separate prepaid electricity metres -

A landlord shall install a prepaid electricity metre for each rented premises.”

The justification is to make it easier for tenants to track their electricity consumption and manage the costs of electricity more effectively throughout the period of a tenancy but to also avoid exploitation of tenants by the landlords through exaggeration of electricity charges. *(Applause)*

**THE CHAIRPERSON:** I think this is okay. Honourable members, I put the question that a new clause be introduced as proposed.

*(Question put agreed to.)*

*New clause, agreed to.*

**THE CHAIRPERSON:** Let us now go back to clause 13.

**MR NANDALA-MAFABI:** Madam Chairperson, was it clause 13, which we stood over? No, let us go for the dollars. *(Laughter)*

**THE CHAIRPERSON:** This is what we wanted and it has been addressed.

**MR KAFEERO:** Madam Chairperson, with the introduction of this new clause, clause 13 should now be okay.

**THE CHAIRPERSON:** That was one of the contentions. Honourable members, I put the question that clause 13 do stand part of the Bill.

*(Question put agreed to.)*

*Clause 13, agreed to.*

Clause 23

**MR KAFEERO:** Madam Chairperson, on clause 23, the committee proposes just like I mentioned the other day that we substitute for sub-clause 2 to read as follows:

“(2) All rent obligations or transactions shall be expressed or settled in Uganda shillings.

(3) Notwithstanding subsection (2), the parties may mutually agree to settle and express rent in any other freely convertible currency.”

**MR NANDALA-MAFABI:** Madam Chairperson, yesterday, the committee chairperson was reading Bank of Uganda Act. I think he forgot that Bank of Uganda is a bank for Uganda Government whose basic transactions deal with both local and international financing.

Therefore, you cannot bring Bank of Uganda in the tenancy agreement where the property is in Uganda, the tenant is in Uganda and the landlord - even if he is a non-resident under the Income Tax Act, is in Uganda. Having passed schedule 2, which clearly talks about the landlord under section 7(ii), which says that the landlord may in his absolute discretion review the said rent at expiry of this tenancy or give –

**THE CHAIRPERSON:** Where are we?

**MR NANDALA-MAFABI:** I am on page 34 of the Bill. I do not know how you read schedules of the sections. I think schedule 2 (7)(ii), which says, “That the landlord may in his absolute discretion review the *– “*

**THE CHAIRPERSON**: Where are you?

**MR NANDALA-MAFABI:** I am on page 34. What I am trying to take care of is that the people who talk about dollars are taking care of inflation. I am saying that the agreement, which we are making here, is clearly taking care of inflation because inflation moves in relation to how money of Uganda has depreciated as far as the dollar is concerned. This issue of dollars is already covered with these two because at the expiry of the agreement, if you see that the inflation has affected your money, you can adjust your rent in relation to that but not to make an agreement in dollars because the agreement should be in Uganda shillings. The interest part of it and inflation has been taken care of in the agreement.

Madam Chairperson, we passed the Income Tax Act, which clearly talked about rentals and we passed here and said the rent shall be in Uganda shillings. Therefore, this issue of dollars does not apply.

**THE CHAIRPERSON:** Honourable members, I think you should look carefully at the proposal by the committee. They are saying that all rental obligations or transactions shall be expressed or settled in Uganda shillings. Notwithstanding that parties may mutually agree to settle and express rent in any other freely convertible currency. Yes, parties may.

**MR NSEREKO:** Madam Chairperson, in the pure world, that would be okay. However, in reality, normally parties do not mutually agree. All countries jealously guard their currency. We should have confidence in the Uganda shilling and not to even give a window. Buy Uganda Build Uganda, amazing. *(Applause)*

I am of the view that if it is the will of this House that we restrict anything to do with payment of tenancies to be dealt with in Uganda shillings. If the landlords so wish that they want dollars, we are a free market economy and they can move to the forex bureau and change that money in dollars or pounds or euros and go home with their euros. However, yielding this and giving a window for people to trade in foreign currency is a vote of no confidence in our currency. *(Applause)*

I remember, I tried to create a tenancy for a colleague in the United States of America and we had pounds. They told us, “we do not transact in pounds here. Go and change your pounds into the United States Dollars; come back and pay.”

If we want to protect our own currency, it should honestly start from here. If you go to China and you have your dollars, they will tell you to go and change into yuans and pay your rent. The best thing we shall do for our countrymen is to come here and legislate clearly just like we did in the Income Tax Act, that in order to make any payment of rent, it shall be expressed in Ugandan shillings. *(Applause)*

**MR AJEDRA:** Madam Chairperson, with due respect, I believe it was on Tuesday, when we had extensive debate on this matter. Uganda just like most of the countries is a free market economy.

**THE CHAIRPERSON:** Honourable members, Order. This rent is very interesting.

**MR AJEDRA:** Much as most of the transactions in Uganda are conducted in Uganda shillings, it is also a fact that commercial banks issue loans and mortgages in foreign currency. Therefore, the complication that comes is where you have a mortgage in a currency other than Uganda shillings. You must pay the principal and the interest to the banks in foreign currency. There are quite a number of banks and I can name them.

Therefore – *(Interruption)*

**MS OPENDI ACHIENG:** Madam Chairperson, hon. Ajedra is a Minister of State for Finance, Planning and Economic Development. This item that we are discussing is a major item that was extensively discussed in Cabinet. I also know that hon. Ajedra was present and he did not object.

We are all saying that we need to be proud of our country. We are talking about Buy Uganda, Build Uganda. We are talking of local content. The landlords who are building in this country buy cement and other items in Uganda shillings. Therefore, is it in order for the honourable minister who is supposed to be promoting the Ugandan currency, to come here and try to tell us about dollars, aware that we have had challenges in the country? Most of our tenants are actually being exploited because of this issue of demanding for rent in dollars.

**THE CHAIRPERSON:** Honourable members, I would like to know whether this Bill came from the Cabinet. Therefore, what are you postulating here?

**MR AJEDRA:** Thank you, Madam Chairperson. Indeed, it is true that this paper was discussed in Cabinet and the issue of commercial banks issuing or giving mortgages in foreign currency was discussed. That is why there was a window that was given that just in case there are those landlords who have secured mortgages in foreign currency - *(Interjections)*

**THE CHAIRPERSON:** Order. Allow the minister to submit.

**MR AJEDRA:** Madam Chairperson, as I said, this matter was discussed in Cabinet extensively. That window was allowed for those landlords who would have secured mortgages in foreign currency. The expectation is that the banks will want you to pay that money back in foreign currency and so, it was left to the landlord and the tenants to agree on whether they have to pay in local currency or in foreign currency –*(Interruption)*

**MR NSEREKO:** The honourable minister is taking about acquiring loans or mortgages in dollars. The same tenants you are charging – For example, commercial tenants also import goods after changing Uganda shillings into dollars but they do not sell them in dollars. They sell in Uganda shillings and they earn in Uganda shillings and pay taxes in Uganda shillings. We are not closing the forex bureaus.

We are only saying, you are free to charge me initially what you think is the right price that meets your requirement to service your loan. If you feel that your mortgage is $ 1000, charge me Shs 3 million or Shs 3.7 million at the beginning. When the dollar rate increases against the shilling, do not heap the charge on me. Find other means, just like I find other means to meet my other obligations. That is it.

**MR JAMES KAKOOZA:** Madam Chairperson, what the minister is talking about is in the Bank of Uganda Act, section 17. I think what they discussed in Cabinet was premised on section 17, which we passed in the House and it says, “Unit of currency. The unit of currency shall be in shillings. All monetary obligations or transactions shall be expressed, recorded and settled in the shillings unless otherwise provided under enactment or is lawfully agreed to between the parties to an agreement under any lawful obligation.”

Therefore, this window says it is under the discretion of the two parties. Madam Chairperson, maybe you should guide the House. Look at section 26 of the Constitution, which says, *“Protection from the deprivation of property. Every person has a right to own property, either individually or in association with others.”* If I have a right to my own property, you cannot enact a law to go against my right to do business. It becomes unconstitutional.

**THE CHAIRPERSON:** Honourable members, the proposal of the minister and the one of the chairperson are not too far apart. First, they all agree that the primary unit of currency for these agreements is the Uganda shilling. However, they are saying that if you mutually agree, you can do something else. That is what they are saying.

**MR NSEREKO:** Madam Chairperson, the problem that is envisaged in this and why you see that everyone is speaking towards this is because there is a problem. We are trying not to address the problem but rather using what is ideal. Of course, when people agree, ordinarily they do not – *(Interruption)*

**MR MUGOYA:** Madam Chairperson, we should go back to the spirit, intent and purpose of this law that we are enacting today. The intention is to curb fraud on the part of landlords against tenants. They use the issue of charging in dollars to cheat the poor people and that is the essence. It is not harmful at all if we leave out sub-clause (2) because they can do it outside what we have prescribed; on their own volition.

**MR NSEREKO:** Therefore, Madam Chairperson, it would be prudent for us to restrict this, just like we restricted it in the Income Tax Act. We were all here when that issue came up. If someone wishes to convert that money into dollars at the rate they agreed upon in shillings, they should be free to so. We are not saying the tenant cannot pay in dollars but the agreement cannot be written and based on the mode of payment to be in dollars. However, if one so wishes to convert the amount in shillings that you agreed on into dollars, they can walk into a forex bureau and convert that money and present it. *(Applause)*

**MS ADONG:** Madam Chairperson, I would like us to feel the pain a Ugandan feels when he rents a house from a Ugandan but has to convert Uganda Shillings into dollars to pay a Ugandan. It is very painful. It is as if we are living in a foreign country. Let us respect our country.

I get surprised at the whole Cabinet minister who is supposed to be the guardian of our laws, selling our country. When will foreigners respect us when they come to our country and transact in their currency? They should also feel it when they come here. Let them change the dollar into Uganda Shillings. *(Applause)* That could be one of the ways that would strengthen our currency other than leaving it in dollars and someone comes here and lives as if they are in the America. (*Applause*)

**THE CHAIRPERSON:** Order. Honourable members, you cannot all speak at the same time. There is someone on the Floor, please.

**MR AJEDRA:** Madam Chairperson, I think it is important to listen to each other. You heard the submission by hon. Kakooza. It is very clear in the Bank of Uganda Act - *(Interjections) -* let me finish.

**THE CHAIRPERSON:** Order, honourable members. Take your seats. Minister, please, conclude.

**MR AJEDRA:** Let me conclude, Madam Chairperson. It is a fact, which most of these colleagues know, that we have foreign embassies in this country that rent properties from Ugandans. The way they operate is that they pay a fixed sum of rent fees every month or every year. Those sums are budgeted for by their respective countries’ parliaments and the monies are transmitted by their treasuries. They do not take into account the fluctuations of the local currency in those countries. Some of us have had the opportunity to work in a number of countries.

Madam Chairperson, those countries remit exactly what is agreed between the parties. They will not tell you that “since this month, the exchange rate is Shs 3,750, we shall pay you Shs 3,700 converted.” They will pay you exactly, say, $1,000 as agreed between the parties. Therefore, it is only proper that we cater for those instances where the embassies pay fixed amounts in rent charges to local *– (Interjections) -* they cannot convert.

Madam Chairperson, it is only fair that we have provisions for both the local and foreign currencies.

**MR REMIGIO ACHIA:** Thank you very much, Madam Chairperson. We are aware that as a country, our debt level is rising and we pay the debts in respective currencies, whether it is in dollars or not. Every time, we lose money because of the volatility in exchange rates. Many countries protect their currencies. I cannot understand how we can fail to know that there is vital need to protect our unit of exchange. *(Applause)*

Secondly, the minister has brought the issue of embassies. This House always budgets for our embassies and they suffer shortfalls because of the weakening of our shilling. It is the fault of these embassies, if they do not understand economics and exchange rates. If they have agreed with us that they are going to have this money and they have shortfalls because our currency has weakened or strengthened, it is up to them. Why should we legislate for other countries instead of legislating for our people and our currency? *(Applause)*

Madam Chairperson, let it be known in Uganda today and tomorrow that under your able leadership, we have said rent fees should be paid in Uganda shillings. Let the country know that this House has decided so.

**THE CHAIRPERSON:** Let us hear from the Minister of Trade, Industry and Cooperatives.

**MS KYAMBADDE:** Thank you, Madam Chairperson. Uganda is a sovereign state and I think we need to strengthen our currency. We are advocating for local content and so, we should be consistent. That is the first point.

Secondly, my colleague in the Ministry of Finance, Planning and Economic Development should be protecting our currency. He knows very well that foreign currencies in the market can destabilise the market economy. Therefore, I propose that we stick to the local currency so that we strengthen our currency. Thank you. (*Applause)*

**MR KAFUUZI:** Thank you very much, Madam Chairperson. First, I am concerned by the submission of my elder brother, the Minister of State for Finance, Planning and Economic Development (General Duties) who is showing that he has no confidence in our currency and our economy by his submission – and he is on record. He prefers everything to be done in a foreign currency.

I am equally perturbed by my elder brother, the hon. Kakooza’s submission. You cannot carry a Constitution to a maternity ward. *(Laughter)* I think what he quoted was irrelevant and it has no place in what we are doing. As legislators, we must legislate for Uganda; we must legislate for the common Ugandan.

Madam Chairperson, when you are a tenant and seeking a place to rent, you would be starting from a position of the one who does not have and the landlord would already be having a property. It means that at any one time you cannot be equal. Even if the law says you have agreed, the landlord will still be in a superior position to dictate terms because the tenant needs the property. How many Ugandans can negotiate with Sudhir and say, “we are not paying in dollars but in Uganda shillings?”

Therefore, it is our duty and obligation, as Members of Parliament to protect our people and insist that rent be paid in Uganda Shillings. *(Applause)*

**MR ABALA:** Thank you very much, Madam Chairperson and Members for agreeing that all rent must be paid in Ugandan Shilling. Otherwise, anyone who does not support that arrangement is against Ugandans; he is interested in having Ugandans suffer to beg and kneel before the Americans. My view is that at this stage, Madam Chairperson, you put the question so that we go ahead and pass that all rent payments must be in Ugandan shillings. We should not waste time with people who are looking at us as enemies. Thank you very much.

**THE CHAIRPERSON:** Honourable members, it seems the position of the House is that we take the amendment of the committee on sub-clause (2), which says all rental obligations or transactions shall be expressed or settled in Ugandan shilling. Those who need to buy foreign exchange can take Ugandan shillings and go and buy the foreign currency.

Honourable members, I put the question that - did you touch sub-clause (1). Sub-clause (1) remains but sub-clause (2) is what I have read. We stop there and not add the word “mutually agreed”. I put the question that sub-clause (1) of clause 23 do stand part of the Bill.

*(Question put and agreed to.)*

**THE CHAIRPERSON:** I put the question that clause 23(2) be amended as proposed by the chairperson.

*(Question put and agreed to.)*

*Clause 23, as amended, agreed to.*

**THE CHAIRPERSON:** We have finished that. We are now going to Interpretation.

**MR KAFEERO:** Madam Chairperson, in light of the new insertion of clause 13, in regard to installation of prepaid electricity metres. We are proposing a transitional clause immediately after clause 56.

**THE CHAIRPERSON:** Didn’t you put it near clause 12?

**MR KAFEERO:** We did that but I am now talking about the transitional clause. You did guide that after considering the Bill - We propose for insertion of a new transitional provision immediately after clause 56.

”Transitional Provision

A landlord, who immediately before the commencement of this Act is letting premises in which electricity is not separately metred, shall within one year of commencement of this Act provide separate prepaid electricity metre for the rented premises.”

The justification is that since clause 13(b) imposes liability on the landlord for the charges in respect to supply and use of electricity rented premises that are not separately metered, it is prudent that landlords be given reasonable time within which to install separate electricity metres in the already existing premises.

**THE CHAIRPERSON**: Honourable members, I put the question that the transitional clause be introduced as proposed by the committee.

*(Question put and agreed to.)*

*Transitional clause, agreed to.*

**THE CHAIRPERSON:** Now go to clause 2 on Interpretation.

Clause 2: Interpretation

**MR KAFEERO:** Madam Chairperson, in clause 2, the committee proposes to redraft the interpretation of the word “business”, as follows:

“Business includes trade, commerce, profession or employment and includes any activity carried on by a natural person or body of persons, whether corporate or unincorporate.”

The justification is to broaden the definition to apply to both natural and unnatural persons.

Definition of “court”

Substitute for the definition of “court”, the following: “’Court’ means a court of competent jurisdiction including local councils.”

The Justification is to ensure that matters that arise under a tenancy agreement are handled by any court as long as the matter is within that court's jurisdiction and secondly, to avoid restricting access to justice.

**THE CHAIRPERSON:** Is there no definition of annoyance?

**MR NANDALA-MAFABI:** Madam Chairperson, before we come to annoyance, I would like to thank you for giving me way. Business as it is defined here is complaint.

Madam Chairperson, business includes trade and trade means what you deal in; it includes everything. What you mean by commerce is already covered under trade. You do not need to bring commerce here again. If you are talking about persons both natural - business is carried by persons whether corporate or unincorporated. When you say person, it means both natural and unnatural person.

The only amendment I would like to propose is that business includes any activity carried on by a natural person or body of persons, whether corporate or unincorporated. Otherwise, words like “commerce” do not help. This same definition is applicable in all the tax laws and even in the Company Act.

**THE CHAIRPERSON:** Are you insisting on your additions?

**MR KAFEERO:** Given the guidance by my former lawyer in a whisper, I concede to the argument of hon. Nandala-Mafabi.

**THE CHAIRPERSON:** Are there any further amendments to clause 2? Let us go to annoyance.

**DR BARYOMUNSI:** Thank you, Madam Chairperson. We earlier agreed that we should have a definition for “annoyance” and we proposed that we define it as such. “’Annoyance’ in relation to a tenancy means the unwarranted, unreasonable offensive or unlawful interference in the uses or enjoyment of rented premises.”

**THE CHAIRPERSON:** Is there any other? Hon. Nandala-Mafabi, you wanted to deal with annoyance. Are you happy with his proposal? Otherwise, if there are no other proposals, can I put the question?

**MR MULINDWA:** Thank you, Madam Chairperson. Annoyance should be anything in contravention of the tenancy agreement.

**THE CHAIRPERSON:** No. Are there any other proposals for clause 2? Honourable members, I put the question that clause 2 be amended as proposed.

*(Question put and agreed to.)*

*Clause 2, as amended, agreed to.*

**THE CHAIRPERSON:** Honourable members, I put the question that the title do stand part of the Bill.

*(Question put and agreed to.)*

*The title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

7.45

**THE MINISTER OF LANDS, HOUSING AND URBAN DEVELOPMENT (Ms Betty Amongi):** Madam Chairperson, I beg to move that the House do resume and the committee of the whole House reports thereto.

**THE CHAIRPERSON**: Honourable members, the question is that the House do resume and the Committee of the whole House reports thereto.

*(Question put and agreed to.)*

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

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

7.45

**THE MINISTER OF LANDS, HOUSING AND URBAN DEVELOPMENT (Ms Betty Amongi):** Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled “The Landlord and Tenant Bill, 2018” and passed it with amendments.

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

7.46

**THE MINISTER OF LANDS, HOUSING AND URBAN DEVELOPMENT (Ms Betty Amongi):** Madam Speaker, I beg to move that the report from the Committee of the whole House be adopted.

**THE SPEAKER:** Honourable members, I put the question that the report of the Committee of the whole House be adopted.

*(Question put and agreed to.)*

*Report adopted.*

BILLS

THIRD READING

THE LANDLORD AND TENANT BILL, 2018

**THE SPEAKER:** Honourable members, I put the question that the Bill entitled, “The Landlord and Tenant Bill, 2018” be read for the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE LANDLORD AND TENANT BILL, 2019”

**THE SPEAKER:** Members, the title is settled and the Bill passes. *(Applause)* I thought that the minister should tell us where to meet. (*Laughter)*

7.47

**MR MUHAMMAD NSEREKO (Independent, Kampala Division Central, Kampala):** Madam Speaker, on behalf of the tenants and the landlords of this country, I take this opportunity to thank you and the honourable members from both sides of the House for this bipartisan debate. We have all lost somewhere but also gained somewhere.

That is what we wish to create as equilibrium in this society so that in matters where we agree or disagree, we come here to the august House and share views. We are really proud of all of you that even for the first time, the front bench had disagreements but they were all healthy and all meant to promote the unity of this country.

We have done it for the tenants and primarily, we have given a vote of confidence in our currency. Thank you very much, honourable members for this wonderful debate.

Thank you very much, Madam Speaker, for having steered this debate. All sides were frowning but you were always there to help us “balance the boat”. May God bless you.

7.48

**THE MINISTER OF LANDS, HOUSING AND URBAN DEVELOPMENT (Ms Betty Amongi):** Madam Speaker, first, I would like to congratulate you as the Speaker because there have been several petitions to you. You put pressure on us as the ministry and Government to the extent that you directed people to come and demonstrate in the Ministry of Lands, Housing and Urban Development instead of Parliament.

We had to do marathon and make sure that we prioritise this Bill. Because of your effort, we are able to pass this Bill today and it is now an Act. Congratulations.

I would like to thank the Members for the resilience, support and the debate, for standing firm and pass most of the provisions that address the core concern of the majority of Ugandans.

I remember in Cabinet where the President vehemently argued on making sure that by the time we pass the Bill into an Act, there should be provisions that will ensure that the local people who cannot access courts of law have provisions to protect them. I congratulate Members for defining the court including the local council courts.

Many provisions have supported our local people and I think you have shown us and the country that you are patriotic and we stand firm. I would have invited you to the canteen but I know that all of you would like to go and watch football. So, I wish you well.

**THE SPEAKER:** Honourable members, I would like thank the ministers; I think there was a good level of preparedness. I would like to thank our committee, which did a lot of work under a lot of pressure.

I thank the Members for their vigilance, enthusiasm, patriotism and for staying despite the fact that Uganda is going to play against Zimbabwe. Thank you very much. I would like to release you so that we can go and support the team from our homes.

Has the minister paid that money for AFCON? By yesterday, he had not paid the money to CAF for the telecasting of the matches.

7.51

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)** (**Mr Gabriel Ajedra):** Madam Speaker, yes, it will be transmitted in dollars because they are outside the country. *(Laughter)* I undertake to check and report back to Parliament tomorrow.

**THE SPEAKER:** Okay, honourable members, this House is adjourned to tomorrow at 2.00 p.m. Thank you very much and good luck to the Uganda Cranes.

*(The House rose at 7.51 p.m. and adjourned until Thursday, 27 June 2019 at 2.00 p.m.)*