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Uganda Revenue Authority

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AUTOMATIC EXCHANGE OF INFORMATION

Get concerned

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Introduction

Automatic Exchange of Information (AEOI) is defined as the systematic and periodic transmission of “bulk” taxpayer information by the source country to the residence country concerning various categories of income. This includes, but is not limited to, dividends, interest, royalties, salaries, and pensions.

In simple terms, information on accounts or incomes of non-resident persons is transferred to countries where such incomes are held, to the countries where such persons are considered resident for tax purposes.

The tax authorities of the residence countries automatically exchange the reported information with the tax authorities of other participating jurisdictions on an annual basis. This allows tax authorities to identify cases of tax evasion or non-compliance and take appropriate enforcement actions.

Uganda is set to commence exchanges under AEOI in September 2025 with 125 countries. AEOI aims at combating tax evasion by ensuring that tax authorities have access to information about their residents’ offshore financial accounts.

Who is affected by AEOI?

According to the Income Tax Act, Cap 338, gross income is income derived by a resident person from all geographical sources, and failure to report all income or deliberate underreporting results in penalties as stipulated under the law.

According to the Tax Procedures Code Act, a person who knowingly or recklessly. makes a statement to a tax officer that is false or misleading in a material particular; or omits from a statement made to a tax officer any matter or thing without which the statement is false or misleading in a material, commits an offense, and is liable on conviction to a fine of five thousand five hundred currency points or imprisonment of not more than ten years. A currency point is equivalent to Uganda shillings 20,000

The AEOI targets resident persons, namely, individuals and non-individuals such as companies, trusts, and retirement funds.

1. **An individual** is a resident individual for a year of income if that individual
   a) has a permanent home in Uganda;
   b) is present in Uganda for a period of, or periods amounting in aggregate to, 183 days or more in any twelve-month period that commences or ends during the year of income; or during the year of income and in each of the two preceding years of income for periods averaging more than 122 days in each such year of income; or
   c) is an employee or official of the Government of Uganda posted abroad during the year of income.

2. **A company** is a resident company for a year of income if it –
   a) is incorporated or formed under the laws of Uganda;
   b) has its management and control exercised in Uganda at any time during the year of income, or
   c) undertakes the majority of its operations in Uganda during the year of income.

3. **A trust** is a resident trust for a year of income if –
   a) The trust was established in Uganda;
   b) at any time during the year of income, a trustee of the trust was a resident person; or
   c) the trust has its management and control exercised in Uganda at any time during the year of income.

4. **A partnership** is a resident partnership for a year of income if, at any time during that year, a partner in the partnership was a resident person

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BETTER CLIENT EXPERIENCE

Why should you get concerned?

Ahead of the commencement of the AEOI, Uganda is allowing resident taxpayers (individuals and entities) with undeclared/ underdeclared assets or income held in foreign countries to declare them to URA and regularize their tax affairs through the AEOI Voluntary Disclosure Program.

AEOI Voluntary Disclosure Program

This program applies to any individual or entity (including companies, partnerships, trusts, or other similar bodies) resident in Uganda for tax purposes that has undisclosed income or assets held abroad. This includes

a. Persons who receive dividends, interest payments, pensions, royalties, salaries, and or other similar income in accounts held abroad.
b. Movable or immovable assets held in other countries
c. Financial accounts abroad, including account numbers, financial institutions involved, and the income generated from these accounts.

Note: Financial accounts include bank accounts, investment accounts, depository accounts, custodial accounts, and specified insurance accounts, among others.

Under the AEOI Voluntary disclosure program,

a. A full waiver of penalties and interest shall be granted on the tax declared for the current and previous years of income
b. Immunity from prosecution for related tax offences, on voluntarily declared income and assets, shall be granted to taxpayers, and,
c. Flexible payment terms.

Note: Voluntary Disclosure benefits are limited to the information disclosed on the VDP form, and for which relief is granted.

How to can one apply for AEOI Voluntary disclosure?

a) Visit the URA Online Portal – Click on the Domestic Taxes tab – Go to Voluntary Disclosure, or

b) Use the link (https://ura.go.ug/download-category/voluntary-disclosure/)
   - Download and fill out the FAD Form (Individual or Non-Individual)
   - Submit the form to the Commissioner of Tax Investigations through the URA touch point.

URA will receive tax residents' offshore financial account information on an annual basis, effective September 2025, thus obtaining details of undeclared/disclosed income and assets to which taxes shall be assessed, collected, and the offenders prosecuted.

This is in accordance with the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information and the Convention on Mutual Administrative Assistance in Tax Matters (Implementation) Act 2023.

For an AEOI VDP application to be valid, a disclosure must:

- Be voluntary;
- Be full, accurate, and complete

Note: Any information that is already in the custody of URA shall not be considered a Voluntary Disclosure under this program, including information that is already obtained under a tax investigation notification, a notice of audit, or a request for tax information

Accuracy and completeness

A person applying for AEOI Voluntary Disclosure should provide accurate and complete information in their initial voluntary disclosure. However, if any errors or omissions are identified, a person should immediately notify the URA and correct them by submitting the accurate details.

A person shall be entitled to a foreign tax credit from URA in accordance with the Income Tax Act. That person may consult tax professionals, such as tax advisors or accountants, to assist them in completing the form, to ensure accuracy and compliance with the program's requirements.

URA ensures the strict confidentiality of taxpayer information, handling it in full compliance with applicable laws and regulations.

What are the benefits of AEOI?

Having a mechanism in place where information is shared periodically between mutual partners presents the following benefits;

- **Promotes voluntary tax compliance.** Taxpayers/ Resident persons who hold financial accounts in foreign Jurisdictions may come forward to disclose through the AEOI VDP since these accounts shall be reported when AEOI commences.
- **Combating illicit financial flows** such as money laundering through international tax cooperation, as AEOI shall cover the reporting of financial accounts and facilitate investigations into the source of income of these financial accounts.
- **Tax revenue mobilization** through proper accountability of tax revenues through the auditing of the reported financial accounts held by resident persons in foreign Jurisdictions and assessment of taxes of the same.

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URA SERVICES ARE NOT FOR SALE.

All URA offices do not accept cash payments of any kind.

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