JANUARY - MARCH 2026 ISSUE

URA NewsLetter

Uganda Revenue Authority
DEVELOPING UGANDA TOGETHER

Women, Central to Uganda's Economic Architecture

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FOREWORD FROM THE
COMMISSIONER GENERAL

Fellow Countrymen,

I extend my sincerest gratitude to each and every one of you for your unwavering commitment to paying your taxes.

Over the past five years, it has been an honour to lead the team at the Uganda Revenue Authority (URA), and I would want to recognise and appreciate every taxpayer who has contributed their fair share of tax and has supported the effort of nation building by fulfilling their tax obligations.

Together, we have achieved remarkable revenue growth, with collections increasing from UGX 27.7 trillion to UGX 31.6 trillion in the last financial year.

This performance was driven by a stable and resilient economy during the year, improved administrative measures, and strong cooperation from our patriotic taxpayers.

As URA, we deeply appreciate the sacrifices many of you make to meet your tax obligations. This collective effort is vital for driving Uganda towards economic independence and self-reliance, enabling national progress and reducing reliance on external support.

Therefore, it is incumbent upon all of us to be compliant with our tax obligations to realise a self-sustaining nation.

This financial year's target remains achievable given the robust strategy and administrative measures below; strengthening tax administration and compliance, increased workforce, stakeholder engagements, extensive sensitization, improved staff accountability through the performance management system, implementation of digital stamps & EFRIS, enhancing the use of data analytics, and risk management to identify potential taxpayers, audit cases, and revenue leakages, and use of alternative dispute resolution and the voluntary disclosure program.

I believe stakeholder engagements will equip you with all the necessary information that you need for your businesses to grow and additionally help you become and/or remain compliant.

I call upon all taxpayers with an outstanding tax liability as of 30th June 2024 to make use of the tax waiver provided by section 47B of the Tax Procedures Code Act by paying the principal tax and the interest and penalties will be waived. This is the last tax waiver and it will end on 30th June 2026.

URA has partnered with telecom companies to ease ways of paying taxes using the USSD codes *165*18# and *185*4*7# for taxpayers who are too busy to use banks.

As we continue on this journey of developing Uganda, I invite you to join me in reflecting on our progress and looking forward to the opportunities that lie ahead.

Thank you once again for your contributions to our nation's growth and development.

For God and My Country

John Rujoki Musinguzi,
Commissioner General

Editor's Note

ROBERT KALUMBA

**ASSISTANT COMMISSIONER,
PUBLIC & CORPORATE AFFAIRS, URA**

Dear Taxpayers,

As we step into the last quarter of the 2025/26 financial year, we would like to sincerely appreciate all taxpayers who have paid their taxes. Your resilience and commitment to fulfilling your tax obligations is commendable as it drives Uganda's journey toward self-economic reliance.

This journey toward fiscal self-reliance is not merely a story of spreadsheets and statistics; it is a narrative of strategic transformation, personal bravery, and a shift toward shared national responsibility. For too long, the relationship between the tax collector and the taxpayer was defined by suspicion, but there is a new era where trust and technology are bridging the gap.

At the frontline of this transformation are individuals like Chebet Emmy in Karamoja and Hudson Ngotowa in the Eastern Region, who represent the human face of revenue mobilization. Whether it is navigating 40°C heat and the threat of armed warriors in the north or surviving midnight stabbings during anti-smuggling ambushes, these officers demonstrate that protecting the national economy often requires immense physical and emotional courage. Their work is not just about collection, but about educating citizens on how tax revenue translates into essential social services and infrastructure.

However, the path to a broader tax base requires more than just enforcement; it requires empathy and clarity. The confusion between local trading licenses and national taxes remains a significant hurdle for many. By prioritizing the formalization of small and medium businesses, and offering tax waivers URA is actively working to bring the informal sector into the fold without crushing it under the weight of penalties.

The Tax waiver caters for the outstanding principal tax as of 30th June 2024 and a taxpayer to benefit needs to clear that outstanding tax by 30h June 2026. We urge all taxpayers with a tax liability to make use of this opportunity to have their penalties and interests as of 30th June 2024 cleared.

As the tax register expands to over 5 million taxpayers, the message is clear: sustainable growth is a symbiotic mission. It requires a transparent authority that simplifies its processes—from refunds to registration—and a citizenry that recognizes tax compliance as an investment in Uganda's future. Only by moving together can the nation achieve its goals of prosperity and self-determination.

We hope you enjoy reading!

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CHEBET EMMY: URA'S OFFICER IN GREATER KARAMOJA

By Dismas Nuwaine

Chebet Emmy is a passionate educator working to make a difference in a region where only about 23% of the population is fully educated, according to the 2024 Uganda Population and Housing Census.

For the past seven years, she has served the people of greater Karamoja, dedicating three of those years to Uganda Revenue Authority (URA) at the Moroto Domestic Taxes (DT) Office.

She carries the title of DT officer, graduating on merit, from her previous role as Short Term Employee (STE). Her role is multifaceted, often crossing all 9 districts in the subregion under the jurisdiction of Moroto DT - making tax assessments, educating taxpayers and the lot.

Karamoja is not 'typical' in any simple sense. It is often misunderstood and sometimes perceived as distant, hostile or reserved. While Chebet is not a Karimajong by ethnicity, her background prepared her to serve in this sheltered community.

"I was born in Chepskunya, Kween District but I grew up and studied in Amudat, all through secondary school on scholarship. Here, I was able to learn Karimajong language and their culture."

This exposure has worked to Chebet's advantage, endearing her to many people in the subregion, first as a project coordinator for several not-for-profits, and now as a tax officer after joining URA in 2022.

"Greeting people in their local language makes them feel good and breaks the ice even before we get into intricate tax issues, and this makes my engagements even easier," she says.

She adds, "You need to be down to earth, patient and intentional when handling Karimajongs. If you are good to them, they will be good to you. Many of them commit to their word."

Chebet's typical day.

At her station, Chebet spends most of her time out in the field. "If you don't go to the field, you can't collect anything," she says, emphasizing that most taxpayers in the region need guidance, which is often most effective when done face to face.

She clocks in at around 8:00 am, says a prayer, drinks a cup of tea, and gets her materials ready for the field. She is ready to go, but she has to wait. Timing is Important.

"Here, you can't leave too early," she explains. "You might run into the Karimajong warriors. They are usually armed and could be coming back from a night raid. We usually set off around 9:00 am."

One time, she might travel to Matany, the main town in Napak District, which lies quietly beyond a vast plateau, which, in the rainy season, is covered with a thick lush undergrowth that thrives on chocolate - dark soils.

Other times, she might go to Kotido, about 100 kilometers from Moroto, or Nabitaluk, roughly 158 kilometers away, across the rolling plains of Karamoja, passing scattered settlements and the open countryside.

"The journeys between districts are usually long, bumpy, and often tiring, as we travel along remote roads," she says.

Once on ground Chebet begins her multifaceted roles. She moves from shop to shop, checking records and following up on payment of the presumptive tax. Many people in the region are still learning to keep proper records, and they are registered under this tax head.

Like anywhere else in the country, she says, taxpayers often have questions. They may confuse license fees with URA taxes or ask why they need to pay taxes at all.

This is when her role as an educator comes out. "I explain how we calculate the exact amount they owe. I also show them the social services the government provides, services made possible through tax revenue," she says.

The Karamoja subregion has one of the most coordinated government efforts to improve people's livelihoods, infrastructure, services, and resilience.

While working, Chebet has to deal with what she calls the "very harsh" heat. During the dry season, temperatures can reach up to 40°C, drying out both the plants and the riverbeds.

"By the end of the day, walking in the sun makes your skin pale, your lips dry, and even eating can hurt. That's why we drink a lot of water," she says.

After visiting taxpayers throughout the day, Chebet and the team usually head back to Moroto around 3 pm - timed carefully to cover the long distances and to avoid the warriors who are often preparing to go out to the fields.

The heightened caution observed by Chebet and her team has precedent. Even though the government has stepped up disarmament efforts in the greater Karimojong area, recovering 1,279 since July 2021, according to a police report, people in the region still live with high levels of anxiety.

"Knowing that people have guns also has a toll on us. It's not uncommon for us to throw suspicious glances and watch our backs every now and then, and maybe this also affects the revenue collection efforts," said Chebet.

Nevertheless, Chebet says she has come to terms with the realities of her work. She takes great delight in serving her country in a region she now knows so well.

> "Doing what I do with an equally vibrant and united team at Moroto DT office, is equally a pleasure I take in high regard," Chebet Emmy

Customs Enforcement: A Balancing Act of Skill, Bravery and Tact

By Dismas Nuwaine

Hudson Ngotowa knows a lot about Customs enforcement in Uganda, which runs smart and highly coordinated anti-smuggling operations to protect the country's revenue interests.

His knowledge is greatest about Customs enforcement at Uganda's most important border region; the one with Kenya, whose port of Mombasa, serves as the country's main gateway for transit cargo - handling large volumes of both imports and exports according to data from the Kenyan ports Authority (KPA).

He holds the title of Customs Enforcement Officer – Eastern Region at URA. Stationed at Malaba, he works to catch smugglers and stop illicit trade along Uganda's 800 km border with Kenya, a region that has historically seen the highest levels of smuggling activity in the country.

His biggest seizures so far include a Prado (UAL 5827) carrying smuggled phones and a truck (UBK 900J) transporting illicit clothes. These interceptions alone saved Uganda's economy UGX 200 million and UGX 150 million, respectively - and that was just during his regular patrols.

Ngotowa's work is field intensive. "At any one moment there must be a team deployed in the field to monitor and supervise cross border trade, and double check clearance paper work," he said, noting that his team works on schedule.

"Sometimes I am deployed at night, other times during the day, and the weather, notwithstanding, we head out to do our work."

He notes that the schedule helps with predictability, such that all officers know when it's their turn to go to the field. "Also, it ensures that people are not deployed consecutively, allowing them time to rest before the next deployment."

Building Intelligence

Intelligence gathering is one of the most crucial aspects of customs enforcement, and Ngotowa has honed this skill for more than two years of hands-on experience.

"Most of the successful operations are intelligence led. In fact, one of our most key tasks is to continually recruit a wide array of informers within the local communities," he says.

These informers are intertwined in the community. They include former smugglers or people who have vast knowledge of how smuggling activities run in the community. "Sometimes the people we arrest become our most resourceful informants since they know their communities and the smuggling rackets in and out," he says.

All information from informants and whistle-blowers within URA is analysed and managed by the Informer Management Desk, a specialized unit within the Commissioner General's Office (CGO).

"The identities of the informants are never released for their own safety. This works to increase trust between them and the taxman," Ngotowa says, adding, "But also, their hard work is not only appreciated, but also compensated."

Enforcement: A job Riddled with Difficulty

Interception of smuggled goods is a risky business. Foiling operations worth billions of shillings at stake, makes ambushes and shootouts a real risk, since some of this illicit trade is organised by criminal syndicates and armed goons.

Ngotowa knows this too well. That's why he never moves to the field without protection. "We always move with two Uganda Peoples Defence Forces (UPDF) soldiers on our patrol vehicle," he says.

Last year, in Manafwa District, one such operation to catch a smuggler turned deadly on 8th May 2025, after suspected smugglers clashed with a joint security team, leaving a URA vehicle torched by a mob. Similar incidents have taken place in Arua and other parts of the country with far deadly outcomes.

Ngotowa has faced his fair share of dangerous encounters with smugglers, but nothing prepared him for one night in June 2024.

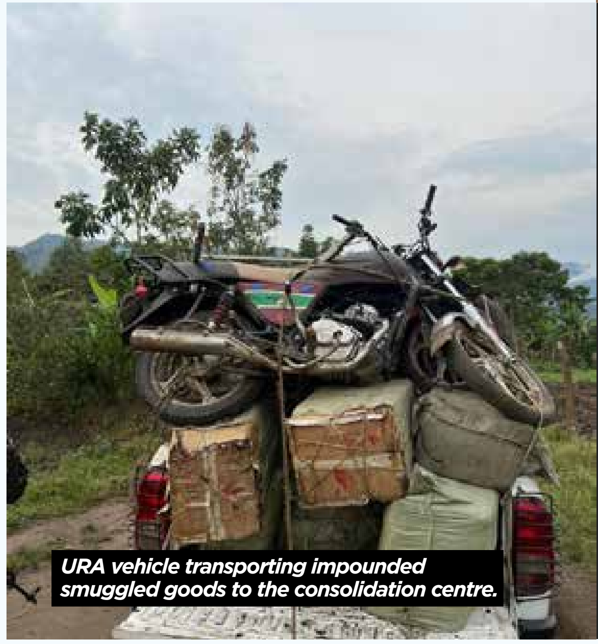
His team had received reliable intelligence about a car carrying contraband in Busia. They set up a quick ambush in the bushes along the route the smugglers were expected to take. It was 2:00 am - dark, quiet, and tense.

As part of the plan, a patrol vehicle acted as a decoy, driving past to make the smugglers believe no one had deployed yet. When the smugglers arrived, the team stopped the car and began questioning the occupants, demanding to search the cabins.

Suddenly, the occupants resisted. A scuffle broke out, and Ngotowa was stabbed in the hand. Despite the chaos and danger, the team managed to subdue the smugglers.

"In the end, the smugglers were charged according to the law. But that night reminded me just how dangerous enforcement work can be," he confessed.


A motorcycle with smuggled goods left behind by a smuggler during the chase


URA vehicle transporting impounded smuggled goods to the consolidation centre.

Smuggling. A Strain on Uganda's Economy

Smuggling undermines lawful trade and inflicts serious harm on the national economy. A 2023 Daily Monitor report highlights the scale of the problem, estimating that Uganda loses between UGX 2 trillion and UGX 6 trillion annually through illicit financial flows.

Official figures from URA further highlight the magnitude of the problem. An enforcement performance report shows that in the first half of the 2024/25 financial year, country-wide operations led to the recovery of UGX 48.19 billion.

This followed 10,809 seizures, of which 10,030 involved dutiable goods and 779 involved non-dutiable goods. Notably, 10.60 percent of the recoveries resulted from outright smuggling.

In response to the growing threat, URA has stepped up enforcement efforts across the country and also strengthened cross-border collaboration to fight smuggling networks that operate across national boundaries.

URA prioritises business formalisation for Women-led SMEs

By Itabaza Nsiimenta Sabiti

Aluma Muzamir, a URA officer sensitizing a trader

Women-led Micro, Small and Medium Enterprises (MSMEs) make a significant contribution to Uganda's economy, yet they do not operate at their full growth potential due to informality. The MSME sector accounts for 90% of the private sector, employs more than 2.5 million people, and contributes 80 per cent of manufactured output, equivalent to about 20 per cent of GDP (the Fourth National Development Plan (NDPIV), December 2024). However, operating informally often limits their ability to grow, access finance, or withstand economic shocks.

According to the National Entrepreneurs Index 2024, women own 50.3 per cent of MSMEs in Uganda, slightly more than their male counterparts. They are heavily represented in sectors such as wholesale and retail trade, accommodation and food services, agriculture and manufacturing. Despite this dominance, 61 per cent of businesses nationally are not registered formally, especially in rural areas where informality exceeds 70 per cent. This informality remains one of the biggest barriers to enterprise growth in Uganda.

For women entrepreneurs, the consequences of informality are even more pronounced. Informal operations reduce access to credit, weaken property and business rights, increase vulnerability to extortion, and limit participation in formal markets and policy spaces. Many women in the informal sector are also affected by lower levels of education, limited technological skills, mobility constraints and family responsibilities, which further increase their exposure to risk.

Hafsah Seguya Nabachwa, the Supervisor Regional Tax Out-Reach, explains that formalisation plays a vital role in business growth.

"Formalisation promotes access to finance and investment, allows them to participate in government tenders, and promotes growth through better management, compliance and record-keeping," she notes.

Operating informally often limits their ability to grow, access finance, or withstand economic shocks. Formalisation shifts businesses from survival mode to sustainable growth.

It also enables business owners to pay the right taxes, at the right time. Nationally, formal business registration provides the country with reliable data.

"We need to know how many businesses exist and plan for them in order to support disaster recovery. When businesses are known and have contributed, government is better positioned to support them to get back on their feet," she further elaborates.

For women-led MSMEs, these benefits shift businesses from survival mode to sustainable growth. For these reasons, Uganda Revenue Authority (URA) has prioritised business formalisation through the Taxpayer Register Expansion Programme (TREP).

In collaboration with Uganda Registration Services Bureau (URSB), Kampala Capital City Authority (KCCA) and the Ministry of Local Government, TREP simplifies registration by offering services through coordinated one-stop centres, reducing costs, delays and inefficiencies.

Sam Kanakulya of URA educating a taxpayer

The programme has also prioritised inclusivity as a way of bringing more women into the formalisation bracket.

"We are intentional when recruiting TREP officers," Nabachwa explains, adding, "In areas where English is not widely spoken, we ensure officers can communicate in local languages, so women and small business owners can still navigate the formalisation process with ease."

Despite these efforts, tax compliance remains a common concern, yet Nabachwa stresses that the system is designed to be fair.

"Allowable business expenses such as trading licences are deducted before tax is assessed and these businesses are only taxed when profit is realised," she says.

Beyond registration, women are encouraged to embrace digital tools. Cashless payments and digital record-keeping reduce risk, improve transparency and protect earnings.

As Uganda continues to champion women's economic empowerment, business formalisation stands out as a critical engine to sustainable growth. By placing women-led MSMEs at the centre of formalisation efforts, the country strengthens resilience, inclusion and builds a more equitable and sustainable economy for the future.

> **Formalisation promotes access to finance and investment, allows them to participate in government tenders, and promotes growth through better management, compliance and record-keeping.**
>
> Hafsah Seguya Nabachwa, the Supervisor Regional Tax Out-Reach

How AEO is supporting businesses in Uganda

By Douglas Olum

Cross-border trade has never been a walk in the park for most traders, especially due to the lack of trust resulting from unscrupulous characters always trying to smuggle goods from one country to another.

In Uganda, many importers have been crying for years about stringent processes that delay clearance of their goods and frustrates trade.

However, with the advent of the Authorised Economic Operator (AEO) program, the challenge of delays is becoming a thing of the past.

AEO members no longer experience anxious waiting at bonded warehouses. They do not incur costly offloading and reloading expenses at multiple checkpoints. Most importantly, they get their goods to the market within a short period of time.

Dharmendra Agarwal, the Team Leader at GEEPAS Uganda is one of the beneficiaries of this program. To Agarwal, this smooth routine once felt almost impossible.

"Before AEO, a container would take eight to 10 days after arrival," he recalls, adding "It would be offloaded, counted item-by-item, loaded again. You paid for storage, demurrage, labour. You wouldn't know when it would finally reach you."

GEEPAS, an international brand distributing affordable electronics in Uganda since 2020, joined the Authorised Economic Operator (AEO) program in 2022 after a recommendation from their logistics partner. The program, implemented by Uganda Revenue Authority (URA), is built on a simple but powerful idea: TRUST

Globally rooted in standards developed by the World Customs Organization after heightened security concerns in the early 2000s, the AEO program seeks to balance two priorities – supply chain security and trade facilitation.

In Uganda, the concept took shape in 2005 and officially rolled out in 2013 with just ten companies. Today, nearly 200 businesses wear the AEO badge.

At its heart, AEO is a partnership. Businesses that demonstrate high levels of compliance, sound internal controls and financial solvency are categorised as low risk. In return, URA offers expedited clearance and fewer physical inspections.

"AEO is about mutual trust," explains Peninah Kirungi, the Supervisor Green Channel and AEO at URA's Customs Department.

Before a company gets the AEO membership, Kirungi says, "You validate a company's systems, their recruitment processes, record-keeping, financial health, even their transport partners. Once satisfied, you facilitate them. But trust must be maintained."

For GEEPAS, the difference has been dramatic. Containers shipped through Mombasa now reach their Kampala warehouse in four to five days, cutting previous timelines by more than half. Goods move through the "green lane," meaning they are not subjected to routine stripping and verification at multiple points.

The impact goes beyond speed.
"With AEO, you can plan stock more accurately," Agarwal says. "You eliminate unnecessary costs. It improves cash flow and efficiency."

Across Uganda, similar stories are unfolding. Bonded warehouse operators under AEO can manage their facilities with less direct customs supervision, reporting electronically instead of waiting for officers to physically open and verify shipments. Compliant traders may also access benefits such as preferred treatment in tax processes and structured engagement platforms with regulators.

AEO Agarwal with GEEPAS employees at their shop in Kampala

> **If you are compliant, this programme is for you. It's efficient, it reduces cost, and it builds a real partnership with URA.**

AEO Agarwal at GEEPAS shop in Kampala

Yet the program's success did not come overnight. According to Kirungi, when URA first introduced the idea, many traders were sceptical. Some believed it was "too good to be true."

Uganda's general compliance levels raised doubts about whether businesses could truly be trusted with reduced scrutiny. But through years of sensitisation, consultations and pilot projects, confidence has grown.

Challenges
Coordination with other regulators remains a work in progress. Businesses sometimes face inspections from agencies like Uganda National Bureau of Standards (UNBS) that do not yet fully align their processes with AEO facilitation.

Even so, the direction is clear. By shifting from suspicion to structured trust, the AEO program is changing how trade flows into and out of Uganda.

For Agarwal, the message to fellow importers is simple: "If you are compliant, this programme is for you. It's efficient, it reduces cost, and it builds a real partnership with URA."

In an industry where time at the border can determine whether a business thrives or struggles, that partnership may be one of Uganda's most valuable trade assets.

Stakeholders (like KCCA and local governments) hold vital mandates and data that URA does not have, which is essential for identifying and locating business owners.

Myra Ochwo
Assistant Commissioner Tax Education

How Stakeholder Engagements are Powering Revenue Mobilisation

By Douglas Olum

Every morning when a Uganda Revenue Authority (URA) officer in the collection department wakes up, his/her goal is clear: to follow up on every tax promise and assessment, remind clients of their obligations, and ensure that there is compliance. These individual efforts are the necessary fuel that power URA towards its annual revenue mobilisation targets.

But as they do so, they also know that many times they have to work with stakeholders because URA's revenue mobilisation strive is not a solitary mission. It is a shared national responsibility; one that thrives on collaboration.

From local governments and regulatory agencies, to business associations, universities, ministries, departments and agencies (MDAs), and international partners, URA's web of relationships play a decisive role in broadening the tax base and strengthening compliance.

According to Myra Ochwo, the Assistant Commissioner Tax Education, most stakeholders that URA work with hold mandates and information that URA does not have. These include city authorities such as Kampala Capital City Authority (KCCA), and and other local governments that register and license businesses.

"Their support helps us validate information, and identify and locate business owners thus supporting our business," Ochwo reveals.

Describing the relationship as "symbiotic", Ochwo says each institution relies on the other to fulfil its legal obligations.

According to Ochwo, when coordination fails, the consequences are immediate. Taxpayers become confused and resistant.

"When we do not harmonize, we get an agitated audience because citizens often struggle to distinguish between license fees, income tax and other levies," she says, "As far as they are concerned, they see one person; they see government. Now, when they see different organs asking for different things at different times, it agitates them, and that will make our work hard".

To prevent such friction, URA invests in structured engagement such as sector-based stakeholder meetings, signing memorandums of understanding (MOUs) with some stakeholders, and high-level consultations between chief executives. These platforms help align strategies and minimise duplication.

Stakeholder engagement is equally critical in tax education. URA partners with civil society organisations and business associations because they are closer to the communities URA seeks to reach.

"When we leverage that partnership, it is easier for us to penetrate and engage these people," Ochwo explains. As a result, taxpayers better understand their rights and obligations and compliance improves.

This approach, according to Ochwo, also shapes digital reforms such as the Electronic Fiscal Receipting and Invoicing Solution (EFRIS). In some sectors, resistance emerged when engagement was limited. But where URA worked closely with associations, adoption improved significantly.

From such experiences, the lesson, Ochwo says, is clear: "You must understand your audience and then design a specific program that addresses that group."

Collaboration also extends to institutions such as National Identification and Registration Authority (NIRA) and Uganda Registration Services Bureau (URSB), whose systems simplify taxpayer registration and identification. Without these linkages, she warns, tax collection would face significant bottlenecks.

Therefore, as URA pushes toward ambitious revenue targets, the message is unmistakable: sustainable revenue mobilisation depends not only on enforcement and systems, but on partnerships built on trust, coordination and shared national purpose.

That is why Ochwo strongly believes that "There is strength in unity."

Using the Luganda adage, *"Agali awamu geegaluma ennyama,"* loosely translated as together you can achieve your goals, Ochwo says URA looks forward to a future where collaboration defines its operations and clients are only approached once, and registration and collection of taxes such as rental tax and property rate, among others, are done at the back end.

When we do not harmonize, we get an agitated audience because citizens often struggle to distinguish between license fees, income tax and other levies.

How the USSD Programme is easing Compliance among Taxpayers

By Douglas Olum

In a country where mobile phones far outnumber computers, Uganda Revenue Authority (URA) is turning simple handsets into powerful tools for tax compliance.

The introduction of the Unstructured Supplementary Data (USSD) program is quietly transforming how taxpayers interact with URA, bringing services closer to traders, riders, landlords and small business owners across the country.

"This program is a mobile payment channel that is used by mobile phone users to be able to make payments, remit money, check payment status and a few similar functions," says Solomon John Ddumba, the Supervisor Application Support in URA's Information, Technology and Innovation Department.

The program which was recently launched by URA, is accessible both on MTN and Airtel networks by simply dialling *165*18# and *185*4*7# respectively. Users can get Tax Identification Number (TIN) services, make payments such as rental tax, presumptive tax, income tax for boda-boda, income tax for motor vehicle, park user fees, and also search the status of their transactions.

For URA, whose mandate is revenue mobilisation, the innovation directly addresses one of the biggest barriers to compliance: ACCESSIBILITY

"This channel is designed to enable our taxpayers who are on the move, those who may not have the time or the convenience to sit on computers to fulfil their tax obligations," Ddumba explains.

In many hard-to-reach areas such as islands and border points, access to computers and stable internet remains limited. With the USSD in place, however, even a basic handset can become a tax payment tool.

"Even someone with a small button phone, what they call Kabiriti can be able to access our tax services via the USSD," he notes.

For informal sector players such as boda boda riders and rural traders, this simplicity is transformative.

"A rider who is not a Kampala-based rider, let's say somewhere in the village, should be able to pay his advance income tax by using USSD easily and while on the move," Ddumba says.

The thinking behind the system is rooted in the URA's digital strategy.

"One of the pillars is to bring an improved tax experience near the taxpayer. So, a channel like this one is key to help the taxpayer have a good experience," the IT expert explains.

According to Ddumba, early indicators already suggest the approach is working.

"There has been notable improvement in the revenue collection ever since this channel was launched," Ddumba reveals, adding that the adoption rate is "good and commendable, showing very promising results".

Though with all its promises, URA does not view the USSD as a replacement for existing systems.

"It's not a replacement for the other channels, it's just a complement," he clarifies. Rather than abandoning banks or online portals, taxpayers now have an additional, convenient option.

Looking ahead, Ddumba is optimistic that the future of the system is bright, with the chances of it generating a big improvement in both tax compliance and revenue collection.

With almost every Ugandan owning or accessing a mobile phone, the USSD channel could become one of URA's most influential tools in strengthening voluntary tax compliance.

OSBP: The Saviour, Cross-border Traders needed Most

By Douglas Olum

Intra-regional trade grew from USD 29.7 billion in 2024 to USD 38.2 billion in 2025 (a nearly 30% increase), partly due to clearance times dropping from 22 days to roughly four along key corridors.

It is a quarter past 9 o'clock in the morning and I am at the busy frontier of Busia where bicycles laden with food produce, women balancing luggage on their head and persons living with disability riding on wheel chairs laden with cartons of wheat flour, packs of used clothes, jerrycans of cooking oil, among other industrial produce packed in sacks, speedily weave past crowded trucks like a swarm of bees spinning and darting around their hive.

The day is still young, but everyone is trying to bring some goods to Uganda or take others to Kenya, and make some money.

This is not the Busia that Patrick Kenyatta Wanjala, a cross-border fish dealer and Chairperson of the Busia Cross Border Traders Association, remembers before the establishment of the Busia One Stop Border Post (OSBP).

When Wanjala ventured into this trade more than two decades ago, clearing goods between Uganda and Kenya was slow, frustrating and costly.

Traders first cleared on the Ugandan side, then repeated the entire process in Kenya.

"Before the construction of this one stop border, a person taking fish to Kenya would be harassed. They could take a lot of money from us and there was no way we could even complain," Wanjala recalls.

"Something that could take a few minutes or hours would take two to three days," Wanjala says, noting that their fish got spoiled due to such delays.

Today, consignments of fish can cross in less than 30 minutes. Ugandan and Kenyan officials sit side-by-side under one roof, systems interconnected, processes streamlined.

"When you talk to the URA and KRA officers of today, you also feel like you are talking to a human being," Wanjala says.

The transformation is part of a broader regional push led by the East African Community (EAC).

Speaking during International Customs Day celebrations at Busia, Deputy Secretary General for Customs, Trade and Monetary Affairs, Annette Mutaawe Ssemwemba, reflected on how far the region has come.

She recalled her early days in customs, when officers recorded each vehicle that crosses the border in a giant register to prevent diversion, and escorted them in convoys from the border to Kampala.

"Can you imagine where we have come from in terms of facilitating trade?" Ssemwemba asked.

Today, clearance times along key corridors have dramatically reduced from about 22 days to roughly four. This partially explains why intra-regional trade was able to grow from USD29.7 billion in 2024 to USD38.2 billion in 2025; nearly a 30 percent increase in just one year.

At Busia, that growth is visible in the small-scale traders who rely on the Simplified Trade Regime to move goods quickly with minimal paperwork.

"It is our intent that small businesses grow," Ssemwemba said. "A small business shouldn't remain small for its entire lifespan."

Wanjala agrees with this statement. He reveals that several trainings organised after the OSBP launch encouraged traders to formalize their businesses and use official customs channels instead of "panya" routes; a move that has seen many compliant traders grow rapidly.

While disparities in fees levied, particularly on the Kenyan side for products like maize, still push some to avoid formal systems, Wanjala believes that harmonized policies will close those gaps over time.

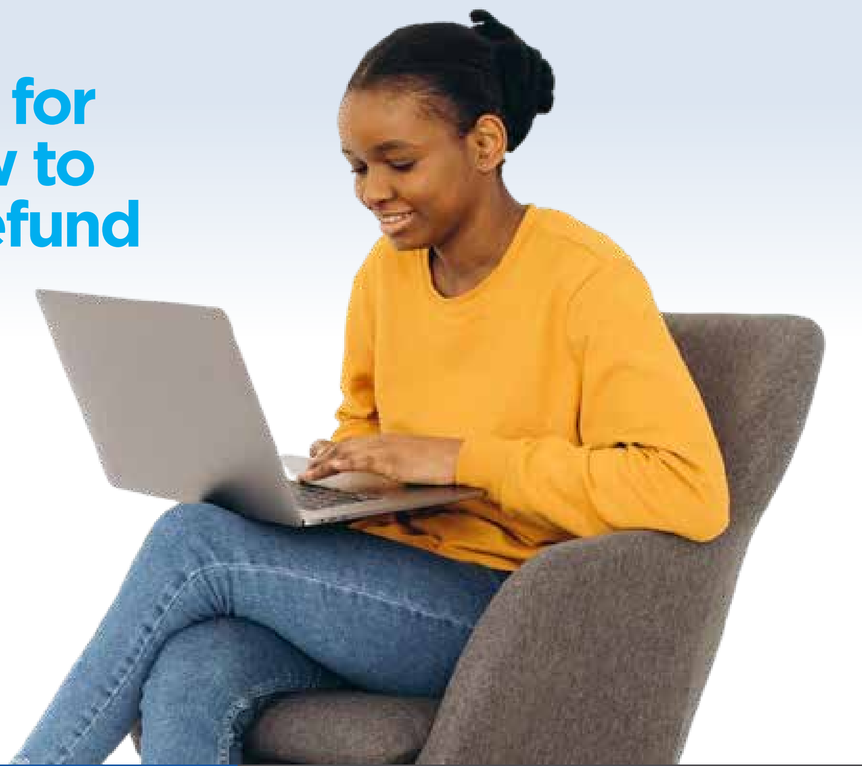
"I cannot say we have not gained because the system has eased the paper works and reduced payments," he says.

For him and thousands of traders in Busia, the One Stop Border Post is more than infrastructure. It is integration in practice, where coordination replaces duplication, trust replaces fear, and prosperity is slowly taking root.

A bicycle rider crossing the border carrying wheat" and "people using the One Stop Border Post

A Practical Guide for Taxpayers on how to claim for a Tax Refund

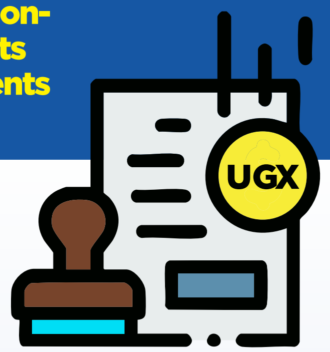
By Garry Fortunate Murungi



If you make a payment error, do not panic. Have you ever paid using the wrong PRN? Paid twice for the same service? Or paid for a service you never received? Payment errors happen. The good news is that Uganda Revenue Authority (URA) has a clear process to help taxpayers recover money paid in error, provided the claim is justified and properly documented.

Here is a simple, step by step guide to help you apply for your refund correctly.

1. ONTR Refund (Other Non-Tax Revenue – Payments to Ministries, Departments and Agencies)



Who should apply?
You qualify if you:

- Used a wrong or expired PRN
- Overpaid
- Paid for the wrong service
- Paid but did not receive the service

How to Apply

Step 1: Visit www.ura.go.ug and click "Get a Refund."

Step 2: Select "Payment made to Ministry, Department or Agency (MDA)"

Step 3: Enter Taxpayer Details

- Your name, district and location details auto-populates
- Enter PRN (13 digits)
- Mobile number (mandatory)
- Email address (mandatory)

Step 4: Provide Refund Details

- Clear and detailed reason for the refund
- Bank name (commercial bank only)
- Bank branch
- Account number, Account holder name (must match the applicant)

Step 5: Attach Required Documents
Upload: Wrong/Expired PRN, Correct PRN (if available), Bank payment slips, Confirmation letter from the MDA (if available)
After submission, you will receive an acknowledgement number to track your application.

Additional Required Attachments (Where Applicable)
National ID (individuals)
TIN or business registration (companies)
Birth certificate (minors)
Court documents (Judiciary cases)
Letter of Administration (deceased persons)
Confirmation letter from the respective MDA

2. NTR Refund (Driving Permit & Motor Vehicle Payments)

How to Apply

Step 1: Visit www.ura.go.ug Click "Get a Refund."

Step 2: Select either: Motor Vehicle OR Driving Permit

Step 3: Provide: Number plate (for motor vehicle), Permit number (for driving permit), PRN (13 digits), Refund amount, Location details, Mobile number & email

Step 4: Enter: Detailed reason for refund, Bank name and branch, Account number, Account holder name

Important Notice
Currently, attachments for NTR refunds cannot be uploaded on the portal. Taxpayers must submit copies to the nearest URA office OR Email documents to: services@ura.go.ug

Copies Required
For Driving Permit Refunds

1. Wrong & correct PRNs
2. Valid driving licence
3. NIN (mandatory)
4. Police letter (for duplicate permits)

For Motor Vehicle Refunds

1. Wrong & correct PRNs
2. Number plate details
3. NIN (individuals) or TIN (companies)
4. Transfer reference number
5. Bank account details

3. Stamp Duty Refund

Stamp duty refunds require cancellation before applying.

Step 1: Obtain Confirmation

- Get written confirmation from the relevant MDA that the service was not utilized.

Step 2: Cancel the Instrument

1. Visit the Stamp Duty Office or apply online for cancellation.
2. You will receive:
   - A Cancellation Notice
   - An Assessment Number

Step 3: Apply via URA Portal
Select:

- Refund Type: Stamp Duty
- Refund For: Use Assessment Number

Step 4: Provide Bank Details

- Bank name
- Branch
- Account number
- Account holder name

Copies Required

- Cancellation notice (with assessment number)
- Stamp duty certificate with PRN
- Bank account details
- Relevant transaction documents

Note: Documents must be submitted physically to URA or emailed to services@ura.go.ug

Tips for the taxpayers

- Always confirm your PRN before making payment
- Ensure the bank account name matches the applicant
- Give a clear and detailed explanation for your claim
- Keep copies of all payment documents
- Use an active phone number and email address

For further assistance, visit the nearest office of Uganda Revenue Authority.

Your money is recoverable, if you follow the right process.

Beyond the Label: Why DTS Compliance Matters

By Christopher Ogwang

In Uganda's dynamic manufacturing sector, success depends on fair competition. Illicit trade – through smuggling, counterfeits and untaxed goods – distorts the market, costing legitimate manufacturers revenue and growth while harming consumers, distributors, and stockists.

Introduced by Uganda Revenue Authority (URA) in 2019/20 financial year, the Digital Tax Stamps (DTS) system has become a critical tool for strengthening compliance and restoring market integrity. By enabling traceability from production to the consumer, DTS reduces unfair competition and delivers measurable economic benefits to compliant businesses.

Recent data highlights its impact. The 2024/25 Auditor General's Report shows domestic revenue collections grew by about 40%, rising from UGX 22.098 trillion to UGX 32.357 trillion – an increase of roughly UGX 10 trillion – driven largely by digital tax reforms, including DTS. Customs and excise revenues rose by 29%, reflecting improved compliance and reduced leakages in sectors such as beverages, cement, and tobacco.

Before widespread DTS adoption, compliant manufacturers effectively paid a "hidden tax" through lost sales and shrinking margins as smuggled and substandard goods flooded the market.

At a press briefing in Kampala in September 2024, Heet Raval, Sales and Marketing Manager at Simba Cement, noted, "There had been a lot of smuggling of cement at the Uganda border previously, but now Digital Tax Stamps are helping us identify what is genuine and if taxes are paid."

His remarks illustrate how DTS enables businesses to distinguish legitimate products and compete fairly.

According to Mark Oluka, a URA Officer, illicit operators often undercut prices, forcing compliant firms to reduce margins or lose customers.

He said, "DTS addresses this by making products traceable and deterring non-compliant trade. As a result, legitimate manufacturers can regain market share, improve economies of scale, lower unit costs, and strengthen distribution networks."

Research by the International Growth Centre (IGC) supports this trend, showing that after initial adjustment challenges, excise revenues from firms using DTS increased by 29.3% in the second-year post-implementation, driven by higher sales volumes and stronger compliance.

Beyond revenue gains, DTS enhances operational efficiency. Its track-and-trace technology provides real-time visibility of product movement. Automated tracking improves inventory accuracy and reduces administrative errors.

A secure digital record of stamped products simplifies tax preparation and audits, eliminating weeks spent reconciling paper records.

DTS offers built-in protection: consumers can verify product authenticity using the free Kakasa App on iOS and Android, confirming tax payment and compliance instantly. This shifts verification to a user-driven system and reduces reliance on costly anti-counterfeit campaigns.

Enforcement has intensified, with authorities destroying over 10,000 tons of counterfeit and non-compliant goods in 2023 alone, including beverages and cement, further protecting compliant businesses.

DTS is more than a stamp – it is an investment in Uganda's manufacturing future, safeguarding revenue, jobs, and consumer safety while ensuring fair competition.

> **A secure digital record of stamped products simplifies tax preparation and audits, eliminating weeks spent reconciling paper records.**

URA's big hit: Billions in Taxes recovered from Smugglers

By Priscilla Maloba

On a sweltering afternoon in Kampala, the mood inside the Uganda Revenue Authority (URA) Enforcement office was steady but reflective.

Statistics from the Enforcement Office for the financial year 2024/25 that ended June 2025 is proof of a year spent chasing smugglers that moved in trucks, boats, and sometimes on foot.

According to data shared by Grace Musooko, the supervisor planning in Customs Department, by the end of 2024/25 FY, 11,834 seizures had been recorded, penalties worth UGX4.7 billion recorded and taxes almost UGX6.6 billion recovered.

"In total, almost UGX11.3 billion was recovered in penalties and taxes that would otherwise have been lost. It was not just about revenue, it was about fairness for traders who followed the rules," Musooko says.

The Eastern region carried the heaviest weight of the fight, with 9,465 seizures and more than UGX6.6 billion recovered. Officers there barely had a quiet week, border routes were busy, and smugglers were persistent. Rice sacks concealed and trucks declared as carrying low-value items turned out to be loaded with textiles and garments, wheat flour, used clothes, and even mobile phones.

"Rice alone accounted for over 2,000 seizures. Textiles followed with nearly 800 cases. Wheat flour and garments were not far behind. Mobile phones, though fewer in number at 178 seizures, generated the highest recovery value of over UGX1.8 billion. Small, high-value items remained attractive to smugglers looking for quick returns," the data shows.

Other regions faced their own battles, for example central recorded 484 seizures, South Western registered 876, West Nile and East Nile registered 263 and 281 respectively. The Marine unit had only two cases, but officers knew that low numbers did not always mean low risk.

According to Musooko, what made the difference last financial year was strategy as the division conducted 15 intelligence-led focused operations.

"These were not random roadblocks; they were planned actions built on data, surveillance, and shared intelligence. Each operation yielded over UGX30 million in revenue from dutiable goods or fraud detection. It was targeted enforcement with less noise and more impact," he says.

He reveals that technology also strengthened the effort such as the adoption of Regional Electronic Cargo Tracking System (RECTS) which improved monitoring of transit cargo, helping detect diversion of cargo that once went unnoticed.

"Body-worn cameras added a layer of transparency and strengthened evidence collection during inspections. Weighbridge data and vehicle diagnostic tools exposed inconsistencies in cargo declarations. Police surveillance cameras helped track suspicious movements across routes known for illicit trade," he adds.

Musooko notes, "collaboration deepened through joint patrols with the Kenya Revenue Authority has tightened oversight along shared borders. Information sharing between agencies has reduced gaps that smugglers once exploited. It is harder to falsify vehicle details or reroute transit goods without detection."

He says that the challenge of porous border points continues to present opportunities for illegal crossings. Some routes are little more than footpaths known only to local transporters. Limited resources mean that officers have to prioritize high-risk consignments carefully. Meanwhile, smugglers adapt quickly, changing concealment methods and transport patterns.

"There are symbolic moments when intercepted prohibited

Rice was the most seized item (over 2,000 cases), while mobile phones generated the highest recovery value at over UGX 1.8 billion despite fewer seizures.

goods are destroyed. Watching entire consignments reduced to waste at the Nakasongola facility, sends a message that the system will not look away," he says.

Musooko notes that training staff in valuation, verification, and document checks, sharpens their ability to detect inconsistencies. As smuggling methods grow more sophisticated, so do the tools and skills needed to confront them.

"Looking ahead, the division plans to strengthen partnerships, invest further in technology, and continue building capacity. The fight against smuggling is not a single operation or a single year's effort. It is ongoing, shaped by vigilance and adaptation," Musooko clarifies.

For now, though, the figures tell a story of progress, behind every seizure is a team that stood watch, asked questions, inspected cargo, and refused to let illicit trade pass unchecked.

And as the financial year 2025/2026 progresses, the officers are doing it all again.

Strategic Location of URA Offices, Services Offered, and Their Contribution to Revenue Collection in Uganda

By Garry Fortunate Murungi

Introduction

Uganda Revenue Authority (URA) is a government agency mandated to assess, collect and account for tax and non-tax revenue on behalf of the Government of Uganda. To effectively perform this mandate, URA operates through a network of Domestic Taxes (DT) and Customs Offices strategically distributed across the country.

The location of these offices is guided by economic activity, trade flows, population distribution, and the need to provide accessible services to taxpayers. This deliberate positioning ensures efficient tax administration, improved compliance and strengthened revenue mobilization to support national development

Basis for Choosing the Location of URA Offices

URA applies several strategic considerations when establishing its service stations:

1. Economic Activity and Commercial Hubs

Offices are located in cities and towns with high levels of economic activity such as Kampala, Jinja, Mbarara, Mbale, Gulu, Arua, Hoima, Fort Portal and others. These areas host:

- Manufacturing industries
- Wholesale and retail trade
- Financial institutions
- Construction and service enterprises
- Large, medium and small taxpayers

Locating offices near economic centers allows URA to directly engage with key taxpayers who contribute significantly to domestic revenue.

2. Population Density and Business Concentration

Urban and semi-urban areas with dense populations often have large numbers of MSMEs and informal sector operators. Establishing DT offices in such areas supports:

- Wider taxpayer registration
- Formalization of informal businesses
- Easier access to tax services

This helps broaden the tax base.

The URA Masaka Offices

3. Regional Balance and Accessibility

URA decentralizes its offices to regional towns to ensure equitable service delivery across Uganda. Taxpayers in upcountry areas can access services without travelling long distances to Kampala. This improves voluntary compliance and reduces the cost of tax compliance.

4. Strategic Trade Routes and Border Points

Customs offices are positioned at major international entry and exit points such as:

- Malaba and Busia (Kenya border)
- Elegu and Oraba (South Sudan border)
- Chanika, Katuna and Mirama Hills (Rwanda border)
- Mutukula (Tanzania border)
- Bunagana, Mpondwe, Goli, and Vurra (DRC border)
- Entebbe International Airport and others
- These are high volume trade corridors where goods cross Uganda's borders, making them critical points for customs revenue collection and trade regulation.

5. Revenue Protection and Risk Management

URA establishes customs presence in areas prone to informal cross-border trade or smuggling to safeguard government revenue and ensure lawful trade.

Services Offered at URA Offices

1. Services at Domestic Tax (DT) Offices

DT offices administer taxes arising from Uganda's internal economic activities. Services include:

a) Taxpayer Registration

- Issuance of Tax Identification Numbers (TINs)
- Registration for VAT and other tax obligations

b) Filing and Processing of Returns

- Income Tax (individual and corporate)
- Pay As You Earn (PAYE)
- Value Added Tax (VAT)
- Withholding Tax
- Presumptive Tax
- Stamp Duty

c) Tax Payment and Account Management

- Processing payments
- Account reconciliation
- Arrears management

d) Taxpayer Education and Support

- Guidance on tax laws and procedures
- Support on digital systems such as EFRIS
- Outreach programs and compliance assistance

e) Dispute Resolution Services

- Handling objections and appeals
- Processing tax refunds

Services at Customs Offices

Customs offices manage trade related taxes and border control functions:

a) Assessment and Collection of Customs Revenue

- Import duties
- VAT on imports
- Excise duties where applicable
- Other trade levies

b) Cargo Clearance

- Processing import and export documentation
- Verifying compliance with customs regulations

c) Inspection, Valuation, and Classification

- Physical examination of goods
- Ensuring accurate valuation and classification

d) Transit Monitoring

- Tracking goods in transit through Uganda

e) Enforcement and Anti-Illicit Trade

- Combating smuggling
- Seizure of undeclared or illegal goods

f) Trade Facilitation

- Use of automated systems (e.g., ASYCUDA)
- Faster clearance processes to support legitimate trade

Bonded warehouses provide secure, customs-supervised storage for imported goods, allowing for duty suspension until release. These facilities enhance logistics by reducing border congestion, ensuring compliance, and preventing revenue leakage.

Bonded Warehouses
Bonded warehouses provide controlled storage of imported goods under customs supervision.

Services include:
- Secure storage of uncleared goods
- Duty suspension until goods are released
- Re-export handling
- Customs inspection and control
- Inventory monitoring

Importance:
- Reduces congestion at borders
- Supports trade facilitation
- Prevents revenue leakage
- Ensures accurate duty assessment when goods enter the local market.

Contribution of Strategic Locations to Revenue Collection

1. Expansion of the Tax Base
DT offices in regional and urban centers enable more individuals and businesses to register and comply with tax obligations.

2. Improved Voluntary Compliance
Proximity to services allows taxpayers to obtain guidance, file returns, and make payments easily, reducing non-compliance.

3. Reduced Revenue Leakage
Customs offices at borders detect under-declaration, smuggling, and tax evasion, protecting government revenue.

4. Growth in Trade-Related Revenue
Efficient customs processes encourage lawful trade and increase duty collections.

5. Enhanced Service Efficiency
Decentralized service points reduce congestion and improve turnaround time, fostering trust between URA and taxpayers.

Conclusion
The strategic placement of URA's Domestic Tax and Customs offices ensures that tax administration occurs where economic and trade activities are concentrated.

By bringing services closer to taxpayers and strengthening border control, URA improves compliance, broadens the tax base, reduces revenue loss, and enhances national revenue collection. These efforts are central to financing Uganda's development priorities and promoting a culture of tax compliance.

URA
Uganda Revenue Authority
DEVELOPING UGANDA TOGETHER

NON-INTRUSIVE INSPECTION (NII)

Key Benefits of NII

1. Eases and fastens examination of goods and cargo clearance process.
2. Easily detects contrabands and combats trade fraud such as concealments, mis-declarations and under declarations.
3. Maintains the international security chain thereby enhancing national security.
4. CBRN detectors are embedded to protect the environment from radiation.

Trading License Vs URA Taxes? Know the Difference

By Itabaza Nsiimenta Sabiti

Many Ugandan business owners think paying a trading license means they have paid tax. This is not true. While both payments are mandatory for many businesses, they serve different purposes, are collected by different authorities, and are governed by different laws.

According to Robert Wamala, the Supervisor Taxpayers Education in the Strategy and Risk Management Department at Uganda Revenue Authority (URA), the misunderstanding is largely caused by limited awareness.

“Many persons have not received adequate sensitization about the taxes and trading licenses. As URA, we need carry out more sensitizations on these two aspects and many other elementary issues in tax administration,” Wamala explains.

He further adds that the level of illiteracy in communities tends to make people confuse licenses with taxes, in addition to limited appreciation of the regulatory framework that establishes licenses and taxes.

What Is a Trading License?

A trading license is a mandatory legal permit issued by local authorities such as Kampala Capital City Authority (KCCA). It authorizes an individual or entity to conduct business by selling goods or services within a designated area.

Grounded in the Trade Licensing Act (Cap 101), a trading license is required for anyone operating within the licensing authority’s jurisdiction, except those specifically exempted under Section 8(2). These exemptions include traders operating within markets, farmers selling their own agricultural produce, and individuals selling handicrafts made in their homes among others.

The license is calendar-year based, payable before the commencement of business on 1st January and expiring on 31st December. More importantly, this license is payable whether or not a business makes a profit.

“It is an annual requirement, typically valid for 12 months, ensuring compliance with health, safety, and operational regulations,” Wamala says.

To acquire one, a business must formally apply to KCCA and other local governments, and meet conditions such as proper premises location, acceptable hygiene and building standards, and relevant personal specifications including medical fitness. Nationals must present identification, previous trading license receipts (for existing businesses), incorporation documents for new companies, and tenancy agreements. Non-nationals require clearance from the Ministry of Trade, Industry and Cooperatives.

> **Paying one does not cancel the obligation of the other, and embracing both is essential for sustainable business growth.**

Failure to pay can result in fines or imprisonment of up to six months.

What then, are URA Taxes?

Taxes, on the other hand, are collected by URA under laws passed by Parliament, including the Income Tax Act, the Value Added Tax Act, and the Excise Duty Act among others.

Unlike a trading license, which is paid simply for the right to operate, taxes are based on economic activity. “Income tax is paid after making profits,” Wamala clarifies. The type and amount of tax a business pays depends on its size, structure, and nature of trade. Some business owners, however, perceive the two payments as double taxation which tends to cause non-compliance.

Some of the types of taxes and fees collected by URA and Local Governments, respectively, include:

Taxes collected by URA	Levies collected by Local Government
• Presumptive/Small Business Income Tax	• Trading Licence fees
• Rental Income Tax	• Ground Rent
• PAYE	• Property Tax
• Advance Income Tax	• Fees like park fees, Market fees, Building Plan Fees, loading fees, among others.
• Corporation Tax	• Hotel Tax
• Customs Duties	• Local Service tax
• Withholding Tax	• Permits for livestock movements, forest products, and beer brewing or liquor.
• Value Added Tax (VAT)	• Royalties
• Local Excise Duty (LED)	• Fines and Penalties
• Non-Tax Revenue i.e. driving permits, passport fees	

The Risks of Non-Compliance

Failing to meet tax obligations can be costly. Late or non-filing of returns attracts a penalty of UGX 200,000 per month or 2% of the tax due, whichever is higher. Late payment leads to compounded interest because taxes become a debt to the Government of Uganda.

Failure to register for taxes can result in a penalty of double the tax payable during the period of non-registration or UGX 1 million, whichever is higher.

Knowingly using a false Tax Identification Number (TIN) can attract fines of up to UGX 3 million or imprisonment of up to six years. Non-compliant businesses may also face agency notices to banks, denial of tax refunds, and assessments based on industry averages, which may not accurately reflect their actual performance.

“Government business and tenders are only given to businesses that are compliant and have been issued with a tax clearance certificate,” Wamala emphasizes. Therefore, non-compliance may cause a business to miss out on opportunities for sustainable growth.

The Benefits of Compliance

Compliance, however, comes with tangible rewards. Businesses that are fully compliant avoid penalties and interest, which can eat into profits. They gain access to government contracts, and credible suppliers. “Being compliant encourages cash flows since one can benefit from exemptions and quick access to tax refunds. It also reduces the inconveniences created when URA initiates legal action or issues agency notices,” Wamala further notes.

Understanding the difference between a trading license and URA taxes is not just about legal technicalities. While the two concepts are different, they complement each other for the benefit of the business. A trading license regulates where and how a business operates and taxes contribute to national development based on business income and transactions.

For Uganda’s business community, clarity is key. Paying one does not cancel the obligation of the other, and embracing both is essential for sustainable business growth.

URA Rolls Out New Measures to Modernise Bonded Warehouse Operators

By Dismas Nuwaine

Uganda Revenue Authority (URA) has rolled out enhanced enforcement measures to improve the management and operational integrity of licensed customs bonded warehouses across the country.

In a public notice issued on February 19th, 2026, URA directed all bonded warehouse operators to immediately comply with new enforcement guidelines, which according to the Commissioner General, John R. Musinguzi are aimed at strengthening accountability and compliance in warehouse operations.

"All licensed bonded warehouse operators must move immediately to comply with the new requirements as we act decisively to modernise warehousing, safeguard revenue and eliminate grey areas in Customs operations," he said.

Under the new rules, all bonded warehouses must introduce controlled access systems. Every person entering or leaving the premises must have their identity and purpose recorded, and present valid identification.

"In addition, all staff and visitors are required to wear reflector jackets at all times while inside warehouse premises," said Musinguzi, urging that their personal safety cannot be overlooked.

Warehouse operators must also tighten staff identification measures. Loaders and casual workers must wear distinct uniforms, carry unique identification numbers, and be registered with updated records that include photographs and National Identification Numbers (NINs).

URA emphasized that all goods stored in bonded warehouses remain under Customs control. Warehouse keepers are required to produce goods whenever requested by customs officers.

"Any loss, substitution, or unaccounted-for goods will be treated as an offence under Section 67 of the East African Community Customs Management Act (EACCMA)," Musinguzi said, adding that offenders risk penalties, payment of duties, and possible cancellation of their warehouse licenses.

The taxman further directed operators to maintain adequate and functional facilities to support customs operations. This includes proper storage, examination areas, and accurate record-keeping systems, in line with Section 64 of the EACCMA.

Compliance will be monitored through inspections and Key Performance Indicators (KPIs).

URA said the results will guide the renewal of bonded warehouse licenses for 2027 and the years that follow. Failure to comply will attract enforcement action, including penalties and automatic license cancellation.

Bonded warehouses are secure storage places where imported goods are kept under customs control until taxes are paid or the goods are re-exported. Uganda has about 100 Licensed bonded warehouses operating under customs control.

The new measures are not without precedent. Over the years, the taxman has consistently tightened the management of bonded warehouses to strengthen compliance, enhance accountability and protect government revenue.

URA introduced the Bonded Warehouse Management System (BWMS) to digitize inventory control and enhance real-time monitoring of goods under customs control, reducing manual errors and opportunities for abuse.

"These measures show that the current enforcement of guidelines is not abrupt or isolated, but part of a deliberate, long-standing effort to modernize bonded warehouse operations for the benefit of both the owners and the country," noted Musinguzi.

Tax as an Expense: Small Business Compliance Hack

By Mercy Okorom


A URA officer showing taxpayers how to use the USSD code

There is a common perception that Ugandans agree on, 'that Indians really know how to plan for their taxes' and it is also a common perception that Ugandans tend to shy away from the tax body.

Small businesses in Uganda are obligated to pay one of the easiest and simplified tax, presumptive tax, yet despite its simplicity, it is one of the most challenging taxes to collect.

It is the mandate of URA to continuously make tax more and more simple for her clients, in all categories including the smallest income earners. This is one of the major reasons presumptive tax was established.

According to the Income Tax Act, CAP 340, Schedule 3, all businesses that make gross income between UGX 10 million and UGX 150 million fall under small business categories and are obligated to pay presumptive tax.

Roy Busobozi, a tax enthusiast, in his article, "**Presumptive Tax in Uganda: A Guide for SME Owners,"** on LinkedIn, highlighted how presumptive tax is meant to simplify tax for small businesses.

"Small and medium-sized enterprises (SMEs) are not mandated to maintain detailed financial records under the presumptive tax regime, unlike the standard tax regime. This simplification greatly facilitates tax compliance, reducing the need to hire accountants or consultants, and allowing the saved resources to be reinvested for growth and sustainability." Busobozi wrote.

What does it take to plan for tax?

Tax planning in simple terms can be understood as the proactive ways of being compliant in paying taxes. On a larger scale, this involves professionals such as tax consultants, accountants, and even financial planners. On a small scale however, it may be as simple as payment of a normal monthly expense such as electricity, rubbish collection fees, rent for the business.

Solomon Kimbugwe, the URA Supervisor Tax Education Content explained that government put in place presumptive tax to act as a preparatory ground for growing businesses to develop the culture of paying tax, and promote fairness in taxation.

While big businesses have to pay accountants, consultants and advisors, small businesses don't have to pay any professional to help them plan. This is because of how simplified the payment of the tax is made.

Why then aren't businesses still paying?

Adono Rebecca, a make-up artist and general goods business woman in Lira City who has been paying presumptive for the last three years, stated that she tends to forget to pay her taxes, and only remembers when the tax officers reach her premise.

"I remember to pay taxes when tax officers come. It's challenging but easier when u pay earlier before the tax collectors check in," she said.

Another taxpayer, Harriet Ochieng, who owns a perfumes shop in Kireka stated that she receives little to no support or guidance from the officers. Ochieng who imports perfumes under the consolidated cargo in small scale and sells it together with other locally sourced goods stated that she was not sure of the categories of the taxes she pays.

"I am not sure if it's the business tax or the annual tax that is invoiced at the end of the year. And the customs tax when good are imported," Ochieng said.

Common challenges

Kimbugwe explained that one of the major reasons for the non-compliance in the presumptive tax regime is the information gap. This, he said, can be attributed to the common mentality of small businesses who state that presumptive tax is unfair.

"It's a fallacy for people to think small businesses are being over charged. Yet in reality the tax charged is less than 1% of their gross turnover," Kimbugwe said.

He emphasized that URA must continue doing more to educate small businesses and make them appreciate the tax laws.

Possible solutions.

Adono stated that it would be helpful if they received alerts in form of sms' before the officers come to remind them and allow them some time to pay.

Ochieng on the other hand explained that she plans for the taxes as an expense. This is because she cannot predict her sales and does not want to be inconvenienced by closure of her shop.

On the side of the URA, Kimbugwe stated that the taxman needs to consolidate her practices with the business practices of the small business owners. This he said can be achieved by understanding the informal book keeping practices of the businessmen and finding a way of making taxes part and parcel of their plans.

"We need to put in place a cultural shift, so that business owners realize that tax is inevitable, as an expense, so that it becomes part of their day to day planning," he noted.

> "One of the major reasons for the non-compliance in the presumptive tax regime is the information gap. This can be attributed to the common mentality of small businesses who state that presumptive tax is unfair"
>
> Solomon Kimbugwe, URA Supervisor Tax Education Content

The URA official further emphasized that small businesses have systems in place that they use to plan for rent, wages, profits but did not include taxes in their plans.

It is therefore crucial for the taxpayer to ensure that taxes are prioritized equally as other expenses to help improve on compliance of presumptive taxes.

Rytter Muzira, the Manager Public Relations and Comms representing the Commissioner General at the Women Conference in Arua

Women, Central to Uganda's Economic Architecture

Media Desk

Women are central to Uganda's economic architecture as they significantly operate in agriculture, cross border trade, manufacturing, retail, and services. Their contribution to domestic revenue is measurable. Their contribution to household stability and community resilience is even greater.

Many women are operating vibrant businesses, yet a number remain outside structured registration systems or without disciplined record keeping. That limits access to finance, weakens legal protection, and restricts participation in larger value chains.

Yet a substantial number of women owned businesses remain informal or semi-formal which limits access to structured credit, restricts participation in formal supply chains, and weakens legal recourse in commercial disputes.

If we are serious about accelerating access to justice for women and girls, we must reduce informality.

At the Uganda Revenue Authority, we are taking deliberate steps to make compliance simpler, more predictable, and more accessible, particularly for small and medium enterprises. We are strengthening digital systems, expanding taxpayer education, decentralizing services, and reducing administrative friction.

We held four regional engagements in March 2026 in Arua, Lira, Masaka and Soroti Cities to reflect URA's commitment to meet women where they operate and to respond to the realities of trade and local enterprise. When a woman formalizes her business and keeps her tax affairs in order, she gains more than a tax identification number. She gains legitimacy, access to structured finance, a standing in commercial relationships and legal recognition. In effect, she strengthens her economic agency.

URA theme this year, "Beyond Her Tax Returns: Comply and Thrive," reinforces this position.

The Women Conference in Lira

The Women Conference in Soroti

Julian Sabiti, Manager Stakeholder Relations at the Soroti Women Conference

The Women Conference in Masaka

The women attending a Conference at Tropical Suites in Arua

URA, Church Re-affirm Partnership in Nation Building

The Bishop of Sebei Diocese, Rt Rev Paul Kiptoo Masaba, has pledged to work with the Uganda Revenue Authority (URA) to promote tax awareness and compliance among Christians.

Bishop Masaba made the commitment during a courtesy visit to the URA Commissioner General, John R. Musinguzi, at the URA headquarters in Nakawa, Kampala. Musinguzi has pointed out that faith leaders have a unique position of influence and trust within communities, making them consequential partners in the struggle to liberate Uganda from economic dependence.

URA, UNOOC, TOTAL Clarify Tax Laws ahead of First oil Production

URA Commissioner General John R. Musinguzi has engaged TotalEnergies EP Uganda (TEPU) and CNOOC Uganda Limited (CUL) in a move to tighten coordination, maintain a structured dialogue and joint working groups to ensure tax laws are interpreted and applied clearly and consistently across the entire oil value chain.

Musinguzi Calls for Inland Port as URA, MOFPED Refine DRMS Strategy

URA Commissioner General John R. Musinguzi has backed plans for a central inland port, describing it as a major step to streamline cargo management.

He made his remarks recently, as URA Management Executive Committee (MEC) members and officials from the Ministry of Finance Planning and Economic Development (MOFPED) convened at Mestil Hotel to discuss, inform and refine the yet-to-be-rolled out Domestic Revenue Mobilization Strategy (DRMS) for FY 2025/2026 – FY 20-29-2030.

CG attends the AEOI Breakfast meeting at Mestil Hotel where he urged taxpayers earning income from across the globe to take the opportunity of the Voluntary Disclosure Program and come out and declare their different sources of income to avoid unnecessary disputes and audits.

CG engages a team from the African Development Bank and both explored areas of strategic collaboration under the Bank's five-year Africa strategy.

CG meets Bankers and applauded them for their role in the development of the country.

CG hosts a team from the His Majesty Revenue and Customs (HMRC) and commended them for recommending URA to join the Automatic Exchange of Information (AEOI) program.

STAKEHOLDER ENGAGEMENTS

CG meets KACITA leadership and discuss operational concerns related to customs procedures.

CG hosts VIVO Energy leaders and commended them for their cooperation and payment of taxes.

Uganda Revenue Authority
DEVELOPING UGANDA TOGETHER

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