**FISHING SECTOR**

**What is fishing, fishmonger?**

Fishing is the practice of catching wild fish for food, recreation, trade, or their products. Methods used include hooking, trapping, and gathering.

A fishmonger is someone who sells raw fish and seafood.

**Scope of fishing sector in Uganda**

In Uganda, fishing is most widely done on a large scale in the Ssese Islands, a group of 84 islands. The biggest and most active of these is Bugala Island in Kalangala District, and Koome Island in Mukono District. Fishing is the principal economic activity on these islands.

Fish is one of the high value commodities that contribute to economic growth in Uganda. It contributes 3% to National GDP and 12% to the Agriculture Sector GDP. Fisheries include; Capture fisheries, which harvest wild stock, culture fisheries, which manage stock (including open ocean and offshore aquaculture) and marine and freshwater fish processing

**What are the Key Tax Obligations for Fishers?**

* Registration for taxes
* Timely return filing
* Timely payment of tax

**How do I register my fishing business?**

All businesses in the fishing sector in Uganda are required to be registered with;

* Uganda Registration Services Bureau (URSB) for Company registration
* Uganda Revenue Authority (URA) for taxes
* National Environment Management Authority (NEMA) for issuance of environmental licenses.

**Please note:**

Upon registration, fishing companies are required to comply with the requirements of statutory bodies like;

* Uganda Investment Authority (UIA)

**What do I need to register for taxes?**

Click here for details on requirements for registration

**How do I register for taxes?**

* You’re required to visit the URA portal on [www.ura.go.ug](http://www.ura.go.ug)
* Click here to register as an individual
* Click here to register as a non-individual

In case you cannot register online, visit the nearest URA office for assistance or call the toll-free line ***0800117000/0800217000*** or WhatsApp: ***077214000***

**What are my rights and obligations as a taxpayer?**

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| **My rights as a taxpayer** | **My obligations as a taxpayer** |
| Right to equity and fair treatment before the law. | Ensure that you voluntarily register with Uganda Revenue Authority as a taxpayer. |
| Tax laws and procedures shall be applied consistently to you | File correct tax returns, customs entries or any forms relating to taxes and other revenue. |
| All your tax affairs shall be handled with impartiality. | Pay the correct tax at the right time and place as required by the relevant laws. |
| You and your agent(s) shall be presumed honest until proven otherwise. | Be honest when dealing with URA. |
| Your tax affairs shall be kept secret and tax information in our possession shall be used in accordance with the law. | In handling your tax matters, you and or your appointed agent(s) shall be expected to deal and cooperate only with the Authority’s authorized staff. |
| You and your authorized agent(s) shall be provided with clear, precise and timely information. | Quote your Tax Identiﬁcation Number (TIN) for all dealings with URA. |
| You shall always pay the correct tax. | Do not involve yourself in any form of tax evasion and other illegal practices. |
| You will receive courteous and professional services at all times | When you are importing or exporting cargo, employ services of a licensed customs agent to complete customs entries and related clearance formalities. |
| You will receive timely, clear and accurate responses to your enquiries, complaints and requests | Make full disclosure of information and correct declaration of all transactions at all times. |
| You will be availed with reasons for any decision taken. | Let URA know if you need an interpreter. |
| You shall be sensitized about your tax obligations | Beware of and comply with customs quarantine, wildlife, currency and passenger concession. |
| Your tax objections shall be attended to in accordance with the relevant laws & procedures. | When you are travelling, ensure that you have accurately completed all the necessary forms before you reach the arrival/departure processing point. |
| You shall be facilitated to exercise your right (s) of appeal both within the organization and to an independent tax tribunal in accordance with the law. | Declare your goods on arrival and have them ready for inspection |
| You shall be given prior notice whenever your premise(s) are to be subjected to routine inspection or if an audit is to be conducted. | Treat URA staff fairly and with respect |

**What are the tax types applicable to the fishing sector?**

### Small Business/ Presumptive tax

This is imposed on fishers whose annual turnover exceeds UGX 10 million and below UGX 150 million.

**Schedule for the computation of “presumptive” income tax for small businesses**

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| **Gross turnover per annum** | **With records** | **Without records** |
| Not exceeding UGX 10 million | NIL | NIL |
| Exceeding UGX 10 million but does not exceed UGX 30 million | 0.4% of annual turnover in excess of 10 million | UGX 80,000 |
| Exceeding UGX 30 million but does not exceed UGX 50 million | UGX 80,000 plus 0.5% of  annual turnover in excess of  UGX 30 million | UGX 200,000 |
| Exceeding UGX 50 million but does not exceed UGX 80 million | UGX 180,000 plus 0.6% of  annual turnover in excess of  UGX 50 million | UGX 400,000 |

**Non- individual income tax**

The income tax rate for a company is 30% of the entity’s chargeable income (gross income less allowable deductions).

**Individual income tax**

The income tax rate for individuals depends on the income bracket in which the individual falls.

**Rate of tax for Resident individuals**

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| **ANNUAL CHARGEABLE INCOME (CY**) **IN UGX** | **RATE OF TAX** |
| 0 to 2,820,000 | Nil |
| 2,820,000 to 4,020,000 | (CY – 2,820,000UGX) x 10% |
| 4,020,000 to 4,920,000 | (CY – 4,020,000UGX) x 20% + 120,000UGX |
| 4,920,000 to 120,000,000 | (CY – 4,920,000UGX) x 30% + 300,000UGX |
| Above 120,000,000 | [(CY – 4,920,000UGX) x 30% + 300,000UGX] + [(CY – 120,000,000UGX) x 10%] |

# **Rate of tax for Non-Resident individuals**

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| **ANNUAL CHARGEABLE INCOME (CY**) **IN UGX** | **RATE OF TAX** |
| 0 to 4,020,000 | CY x 10% |
| 4,020,000 to 4,920,000 | (CY – 4,020,000UGX) x 20% + 402,000UGX |
| 4,920,000 to 120,000,000 | (CY – 4,920,000UGX) x 30% + 582,000UGX |
| Above 120,000,000 | [(CY – 4,920,000UGX) x 30% + 582,000UGX] +[(CY – 120,000,000UGX) x 10%] |

**Value Added Tax (VAT)**

VAT is a consumption tax charged at a rate of 18% on all supplies made by taxable persons i.e. persons registered or required to register for VAT purposes. The threshold for VAT registration is an annual turnover of over 150 million, or 37.5 million in the first 3 consecutive months.

Click here to register for VAT

**Please note**

All VAT registered taxpayers are obliged to register for EFRIS and issue e-invoices

Click here for information on how to register for EFRIS

**LOCAL EXCISE DUTY**

This is a tax that is imposed on specified imported or locally manufactured goods, and services.

Click here for the applicable excise duty rates

**WITHHOLDING TAX**

Withholding tax (WHT) is income tax that is withheld at source by one person (withholding agent) upon making payment to another person (payee).

**Please note**

The tax withheld is credited/ reduced on the tax payable in the final income tax return.

Click here for information on Withholding tax.

**Pay As You Earn (PAYE)**

Any person dealing in transport business and has workers earning a monthly salary more than 235,000 per month is required to register for Pay as You Earn (PAYE), withhold and remit tax to URA.

Click here for the PAYE rates

**How do I file returns for my fishing business?**

Click here for information on how to file your returns.

**How do I pay taxes to URA?**

After filing a return, you’re required to pay taxes due using available payment platforms e.g. banks, mobile money, VISA, Mastercard etc.

**Please note:** the due date for payment of tax is the same as that of return filing.

Click here to register a payment

**Are fishers entitled to any tax incentives?**

The following are some tax incentives that can be provided to the fishing sector in Uganda:

1. Tax holidays: The government can offer tax holidays to new fishing companies or investors for a specified period to encourage entry into the industry. During the tax holiday, the companies can reinvest their profits into the business, which can promote growth and development.

2. Investment allowances: The government can provide investment allowances to fishing companies to encourage investment in new equipment and infrastructure. This allowance can help fishing companies to modernize their operations, improve their productivity, and increase their competitiveness.

3. Reduced corporate tax rates: The government can reduce the corporate income tax rate for fishing companies to encourage profitability, investment, and job creation. This can also attract more foreign investors to invest in the fishing sector.

4. VAT exemptions: The government can exempt fishing equipment and inputs like boats, nets, and fishing lines from value-added tax (VAT) to reduce the cost of fishing operations. This can encourage fishermen to adopt modern fishing techniques and improve their efficiency.

5. Tax credits: The government can provide tax credits to fishing companies that invest in sustainability and environmental protection measures. This can encourage fishing companies to adopt sustainable fishing practices that can help protect aquatic biodiversity.

In conclusion, tax incentives can play a critical role in promoting investment, innovation, and growth in the fishing sector in Uganda. The government can provide tax holidays, investment allowances, reduced corporate tax rates, VAT exemptions, and tax credits to encourage investment and modernization in the industry while ensuring environmental sustainability. However, the government must carefully balance the incentives and ensure that they do not result in excessive tax expenditure, tax evasion, or environmental degradation.

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|  | Fish, Crustaceans and Molluscs, fresh (dead or live) chilled or frozen caught and landed  by canoes or vessels registered and based in a Partner State | * Exempted from   all taxes under the fifth  schedule of the East African  Community Customs Management Act, 2004. |