



The Media fraternity,

Senior Management members present,

The staff of URA present,

Ladies and Gentleman,

Welcome to this press conference, where we will present our performance report for the concluded financial year 2022/23. As a tax administration agency, we are grateful to all staff of URA, the taxpayers who have complied with their tax obligations, all stakeholders our Political leaders, Civil Society, Development Partners, the Media and our Supervisors from the Ministry of Finance, Planning & Economic Development. Most importantly, we thank God.

We are now in the second month of the new financial year 2023/24, and we remain dedicated to delivering excellent service to our esteemed taxpayers.

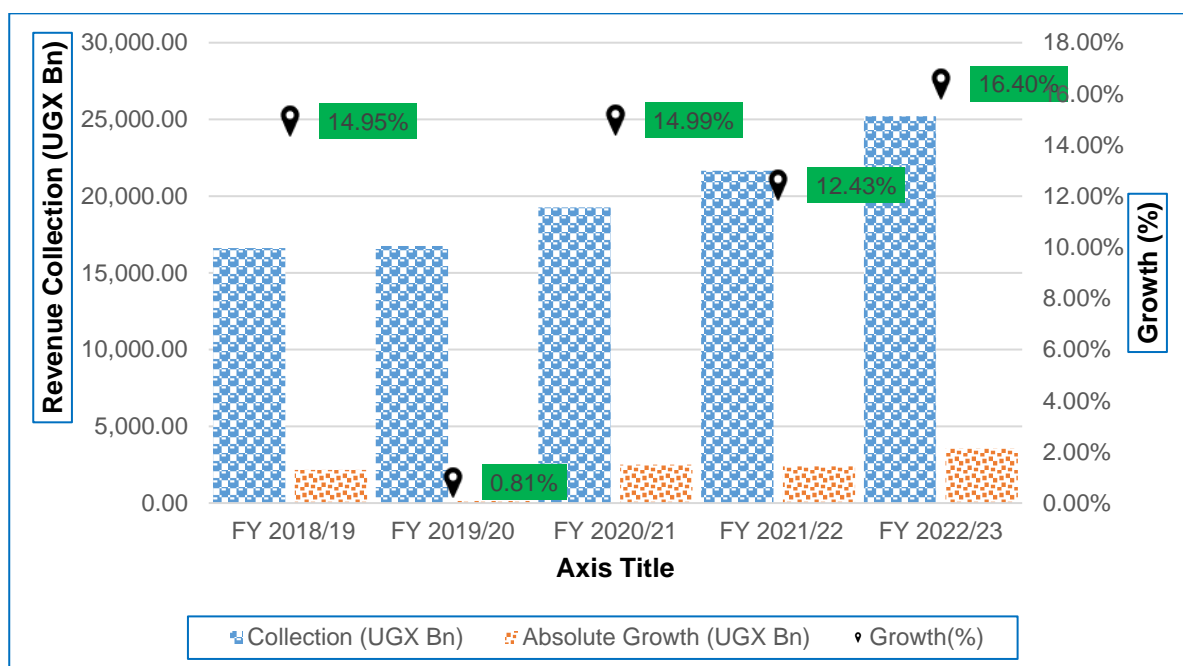
Our achievements reflect the strong sense of patriotism and loyalty of our citizens, whose efforts we will proudly share in this press conference. Your valuable contributions have empowered the government to provide vital social services to our people.

In this press brief, I will explain the factors that led to our outstanding revenue collection performance in the past year and discuss the administrative and policy measures that we implemented during FY 2022/23. I will also share the strategies of meeting the target for this financial year and how each one of you can be a part of this journey to our economic independence.

Performance Overview

In the FY 2022/23, URA had a net revenue target of **UGX 25,151.57 billion**. However, we surpassed this goal and collected UGX **25,209.05 billion**. This represents a remarkable **100.23 per cent** performance with a surplus of **UGX 57.48 billion**. The year recorded a significant revenue growth of 16.40 per cent (UGX 3,551.04 billion) compared to the previous financial year, thanks to the stable and resilient economic performance, enhanced administrative measures, and the cooperation of patriotic taxpayers.

Figure 1: Annual Trend Analysis of Net Revenue Performance

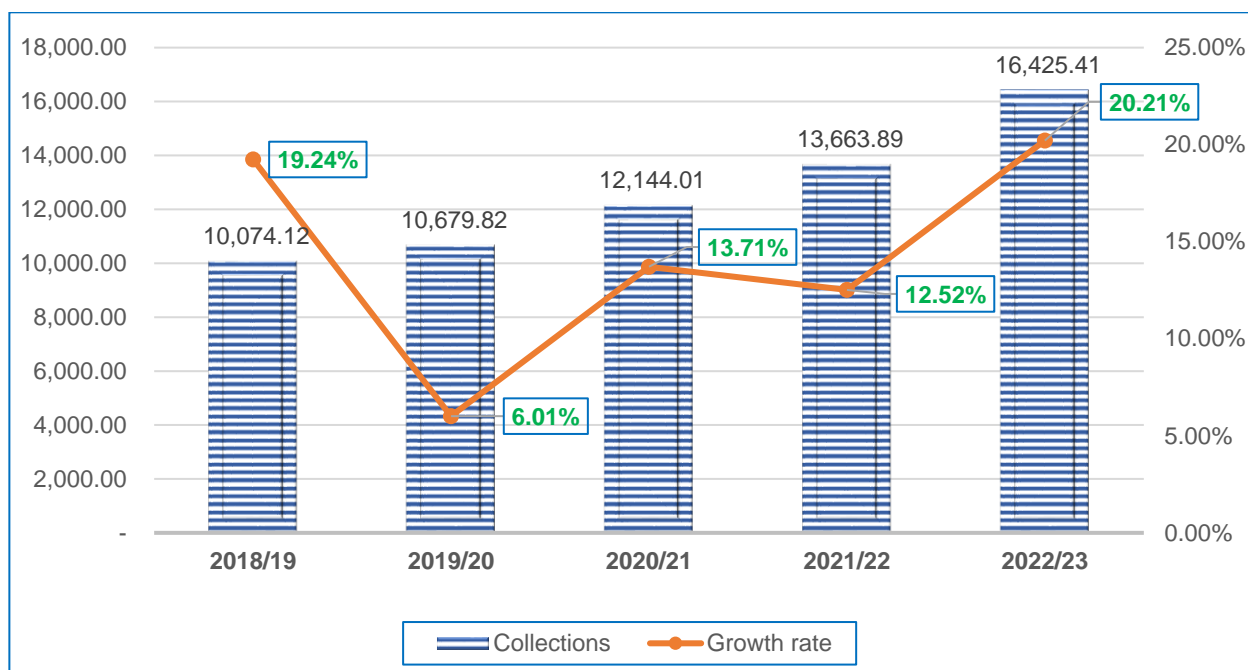


Over the past five years, there has been a consistent increase in net revenue collections. However, in the fiscal year 2019/20, growth was slower due to the impact of COVID-19. But the most recent data shows that the economy has performed better than expected, with a 5.3% growth in real terms during FY2022/23, compared to 4.6% growth in FY2021/22, according to the latest GDP figures.

Domestic tax revenue collection:

In the fiscal year of 2022/23, the total revenue collected was UGX 16,425.41 billion, surpassing the target of UGX 16,188.51 billion by 101.46 per cent and resulting in a surplus of UGX 236.89 billion. This represents a growth of UGX 2,761.52 billion (20.21 per cent) compared to the previous fiscal year. Direct domestic taxes collected exceeded the target with a surplus of UGX 724.62 billion, while Non-tax revenue, including stamp duty and embossing fees, generated a surplus of UGX 65.81 billion. However, indirect domestic taxes fell short of the target, with a deficit of UGX 553.54 billion.

Trend Analysis for domestic taxes collection: July-June



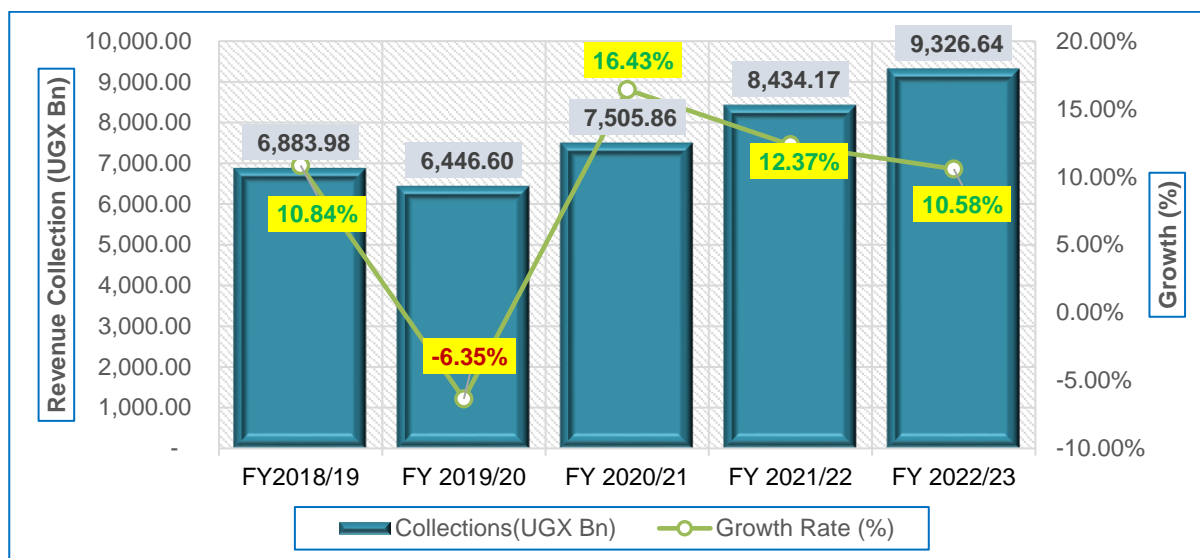
Source: URA Databases

International trade tax collections:

In terms of international tax collections, a total of UGX 9,326.64 billion was collected, which is slightly below the target of UGX 9,462.70 billion. This still shows a decent performance of 98.56 per cent. There was a notable increase in revenue growth of UGX 892.47 billion (10.68 per cent) compared to the previous fiscal year. However, the collections fell short of the target by UGX 136.05 billion.

Import duty registered a surplus of (UGX 275 17 billion), as did temporary road licenses with a surplus of (UGX 12.66 billion), and export levy with a surplus of (UGX 3.75 billion). However, several tax categories incurred shortfalls: VAT on imports fell short by (UGX 161.57 billion), petroleum duty by (UGX 152.89 billion), excise duty by (UGX 55.35 billion), withholding tax by (UGX 23.79 billion), infrastructure levy by (UGX 19.10 billion), and surcharge by (UGX 14.93 billion).

Trends Analysis for international trade taxes for July to June



Source: URA Databases

Reasons for Revenue Performance in FY 2022/23

Continued and sustained economic growth; The direct domestic taxes of UGX 724.62 in excess of the target, thanks to a steady and consistent economic growth of 5.3%. This growth was achieved through increased job creation and constructive return on investment.

Enhanced administrative measures; In order to improve administrative procedures, a number of measures were implemented. These included increasing operational hours, improving arrears management, engaging with taxpayers to encourage compliance, utilising mobile offices, increasing awareness through sensitisation efforts, using alternative dispute resolution, implementing compliance initiatives such as audits and vetting, using information to inform decision-making, conducting tax investigations, implementing a new performance management approach, and using technology in custom processes. These initiatives resulted in a significant growth rate of 16.40 per cent in FY 2022/23.

ADMINISTRATIVE ACHIEVEMENTS in FY 2022/23

In the fiscal year 2022/23, several strategies were put in place to encourage taxpayers to comply with regulations, expand the tax base, and facilitate revenue collection. These initiatives included:

Expansion of Tax Base; In the fiscal year 2022/23, the number of taxpayers registered increased by 882,286, indicating a growth of 33.70%. By the end of the fiscal year, the total number of taxpayers on the register was 3,500,294. Among them, 194,143 were non-individuals, while 3,306,151 were individual taxpayers. The growth is attributed to the success of the Tax Registration Expansion Program (TREP), which used intensive fieldwork and data-driven registrations to achieve these results.

Enforcement Interventions; Throughout the fiscal year 2022/23, customs enforcement operations were carried out across the country, resulting in the recovery of a total of UGX 132.77 billion through 14,187 seizures. The majority of these recoveries were attributed to various offenses, including under-declaration at 42.61 per cent, mis-description/false documentation at 11.70 per cent, undervaluation at 4.54 per cent, outright smuggling at 7.11 per cent, misclassification at 1.12 per cent, concealment at 0.60 per cent, and other offenses at 32.96 per cent.

Arrears management;

Recoveries during the fiscal year 2022/23 totalled UGX 1991.39 billion, with government commitments being fulfilled to the tune of UGX 713.47 billion. The total recoveries for non-government arrears were UGX 1,277.92 billion.

Litigation & Debt Recovery

In the fiscal year of 2022/23, a total of UGX 130.50 billion was recovered, surpassing the target of UGX 80.00 billion by 163.13 per cent. Additionally, the litigation success rate for the same period was 85.33 per cent. As for litigation, a summary is provided of the judgments and rulings, settled cases, and convictions obtained during the review period.

Summary of Litigation cases during the FY 2022/23

Case status	Number of cases
Cases ruled in favour of URA	164
• Civil	102
• Convictions	58
• Dismissals	4
Cases ruled in favour of taxpayers	33
• Civil	29

• Acquittals	4
Withdrawals (in favour of URA)	28
Split Decisions	6
Settlements/ Consents	

Tax Investigation compliance initiatives; In the fiscal year 2022/23, several measures were taken to improve compliance. These measures involved the use of intelligence, investigations, information sharing, scientific analysis, and forensic document examination. The goal is to discourage tax fraud and systematic non-compliance while also identifying revenue enhancement opportunities. As a result of these investigations, recoverable revenue totalling UGX 174.64 billion was identified.

Analysis of investigation cases during the FY2022/23

Area	Number of cases	Revenue identified (UGX Bn)
Tax Crime Investigations	105	152.54
Financial Crime Investigations	1	5.87
Prosecution Cases	45	9.00
Science Investigations	16	7.23
Total	167	174.64

Implementation of EFRIS & DTS: Thanks to the implementation of the Digital Tax Solution/Stamps (DTS) and increased enforcement activities, the Uganda Revenue Authority (URA) has successfully onboarded new taxpayers and improved their declarations. The DTS register currently has 894 clients, and URA is conducting more inspections to bring in more clients. This is expected to result in more Local Excise Duty (LED) registration, leading to better declarations.

Another initiative that has helped improve taxpayer declarations and VAT compliance is the Electronic Fiscal Receipting and Invoicing Solution (EFRIS). Its use is now mandatory among taxpayers, and it has enabled URA to cross-reference taxpayer declarations and take corrective action when anomalies are discovered.

Fighting Corruption

Outlook for FY 2022/23: The target for revenue collection in the fiscal year 2023/24 has been set at UGX 29,218.98 billion, which is a noteworthy increase of UGX 4,067.41 billion (16.17 per cent) compared to the previous year. However, we are optimistic that this target can be achieved given the expected economic growth of 5.5-6.0 per cent and the revenue growth achieved in the previous year. To ensure that we meet this target, we have devised a comprehensive plan that includes measures such as strengthening tax administration and compliance, engaging with stakeholders, providing extensive education, improving staff accountability through performance management, implementing digital stamps and EFRIS, enhancing the use of data analytics, artificial intelligence, and risk management to identify audit cases, and revenue leakages, using alternative dispute resolution, improving staff capacity and productivity, strengthening science investigations, and managing borders effectively. With these initiatives in place, we are confident that we can achieve our goals and contribute to the growth and development of our economy.

New Policy measures:

- ✓ The Tax Procedures Code 40 (D) aimed at Arrears recovery, it waives interests and penalty on payment of principal tax.
- ✓ Automatic Exchange of Information(AEO) bill -2023-gives us mutual administration in tax matters.
- ✓ Voluntary Disclosure: Voluntary disclosure is a process where the taxpayer discloses information (tax liabilities, misstatements or omissions in their tax declarations) to Uganda Revenue Authority (URA) without being prompted by any action or threat of action by URA.

Conclusion:

We are delighted to express our enthusiasm to take on the challenge of achieving our annual revenue target this year, which will require a collaborative effort. We are implementing some promising strategies and remain dedicated to investing in top-notch systems and partnerships to ensure exceptional service delivery.

We would like to extend our sincere gratitude to all our clients, partners, and especially those who have been compliant taxpayers. Your contributions have been incredibly valuable, and we look forward to achieving even greater heights together this year.

For God and my Country

John R. Musinguzi
COMMISSIONER GENERAL