The Theme of the Business Forum is: “Developing the Private Sector is Developing Uganda”.
The Purpose is to promote Trade, Investment and Tourism between Uganda and Nordic Countries.
Topic: “The Role of URA in the development of Private sector in Uganda”.
Presenter: Katungwensi John Tinka Manager South Western Region (DT) 17th – 19th September 2013
Copenhagen Sweden.
PRESENTATION OUTLINE.

- Introduction
  - Brief about Uganda Revenue Authority (URA)
  - The structure of Ugandan Tax System,
  - The contribution of URA in budget financing of Uganda
- Tax administrative measures
- Tax exemptions and allowable deductions enshrined in Tax statutes
- Tax dispute settlement.
BRIEF ABOUT URA

- URA was set up in 1991 by Act of Parliament (URA Act 1996) as a central body for the assessment and collection of specified tax revenue, to administer and enforce laws relating to such Revenue and to account for all revenue to which those laws apply.

- URA’s Vision: To be model for best practice and Innovation in revenue services.

- URA Mission Statement: To provide excellent revenue services with purpose and passion.

- URA Core Values: Excellence, Integrity, Teamwork and Respect.
**Structure of the Ugandan Tax System**

**Executive**
- President assents to Parliament’s bills

**Parliament**
- Enacts Laws that guides URA
- Approves policy

**Ministry of Finance, Planning and Economic Development**
- Represents the Executive arm in Tax administration
- Drafts government Tax policies.
- Funds operations of URA

**URA Board Administration**
- Advises the Minister on Revenue Implications, tax administration and aspects of policy changes relating to all the Taxes.

**Customs;**
- Import duty
- VAT on Imports
- WHT on Imports
- Trade regulations

**Domestic Taxes;**
- VAT
- Income tax
- Rental tax
- Excise duty
CONTRIBUTION OF TAX REVENUE TO NATIONAL BUDGET FUNDING.

- 2012/13 net collections were UGX.7,149.48 billion and the approved Gov’t Resource envelope UGX.10,482.3 billion making a contribution of 68.2%

- 2013/14 expected Revenue collection is UGX.8,534.51 billion representing 81% of the resource envelope. This is intended to spur the growth of private sector & to further develop Infrastructure such as Roads and power plants as listed in National Development Plan.

Revenue collection for 2012/2013:
- Tax sources: 32.4%
- Other sources: 68.6%

Revenue expected for 2013/2014:
- Expected tax revenue: 81%
- Expected other sources: 19%
In 2005, URA underwent a major restructuring exercise which transformed its processes, systems and people in the journey towards corporate excellence.

URA’s overall Corporate goal is to increase Government Revenue through managing Compliance while the goal of Compliance project for new corporate plan (2010-2014) is to enhance Voluntary Compliance through excellent client service delivery based on professional workforce and appropriate technology.

Some of the measures include;

- Interfacing and sharing of information by Revenue Authorities in the Region using the Regional Authorities Digital data exchange system (Radex)
Measures continued.

- Implementation of Integrated Tax Administration System (Etax) that provides online services to the taxpayer on 24 hour basis.
- The system is used for:
  - Registration of taxpayers, filing of returns, assessments and payment of Taxes.
  - It enables the taxpayers to lodge their applications online through the web portal (http://ura.go.ug) from any part of the globe as long as they are connected on internet.
PREPARATIONS FOR THE SINGLE CUSTOMS TERRITORY

This is a press statement by Commissioners’ General of Kenya, Uganda and Rwanda Revenue Authorities. In the spirit of the East African integration, Kenya Revenue Authority (KRA), Uganda Revenue Authority (URA) and Rwanda Revenue Authority (RRA) have begun preparations for implementation of the Single Customs Territory (SCT).

READ MORE

VISION AND MISSION

Mission
To provide excellent revenue services with Purpose and Passion
On URA Web portal there is information not limited to:

- URA structure
- Tax laws and all procedures
- How to register, pay and file tax returns
- URA performance reports
- Circulars and notifications
- URA contacts
- List of Taxpayers exempted from WHT.
- List of Bilateral Investment treaties and Avoidance of Double Taxation treaties,
- ETC
The Implementation of the Authorized Economic Operator (AEO) Scheme

AEO was derived from the World Customs Organization framework document called SAFE (Security and Facility in a global environment). It enhances trade facilitation through pre-arrival clearance of cargo and priority treatment which saves time.

The Launch of the AEO
MEASURES CONTINUED.

- Roll out of **Integrated border management system**. This has been done through one stop border points on five crossing points between Uganda, Kenya, Rwanda, Tanzania and South Sudan.
- Roll out of 24/7 hour operations at the main border points of Malaba, Busia and Katuna points as well as Entebbe International Airport.
- SMS feedbacks to clients on the customs clearance progress.
- Integration of Customs and Domestic tax systems through etax.
MEASURES CONTINUED.

- The Taxpayers’ Charter which spells out the rights and obligations of the taxpayer. It also guides URA in upholding these rights and facilitates a taxpayer to meet his or her obligations.

- URA Client Service standards:
  - Sensitizations (seminars, clinics, Radio and TV talk shows)
  - Stakeholder annual appreciations’ days.
  - Stakeholder hand outs
  - Communication on change in Tax law
  - Time to resolve conflicts
  - etc
A NEW DESIGN OF AN INTEGRATED BORDER
ASYCUDA WORLD IMPLEMENTATION

- It is the latest ASYUDA software in the Global market and is built on the experiences of ASYCUDA++
- It is a web based software; customs and trader transactions are handled via internet.
- The major aim of the system is to streamline customs procedures and enhance systems controls while eliminating the need for human interventions during operations
OTHER MEASURES CONTINUED

- Segmentation of Taxpayers into Large, Medium, Small and micro in order to meet their unique needs.
- Payment of Tax in installments in case of financial constraints
- Creation of a liaison office in Uganda Investment Authority to help investors in tax matters,
TAX EXEMPTIONS AND ALLOWABLE DEDUCTIONS.

- Under the Income Tax Act, VAT ACT and East African Management ACT there are several Tax exemptions and allowable Deductions for specific sectors and maximum tax rates are 17% and 30% for VAT and Income tax.
- Duty free and VAT deferment for Plant and Machinery
- Specific tax incentives in Hotels
- Duty exemptions for specialized Tourism Vehicles
- Duty exemptions for personal effects and motor vehicle for investors and expatriates coming to Uganda
- Exempt income from Agricultural loan.
- Unlimited carry forward losses for income tax purposes.
Capital allowances are calculated for the year of income and are granted as a deduction when the capital asset is put to use.

- Costs of intangible assets - actual cost
- Initial allowance - 50% & 75% according to location
- Initial allowance for buildings - 20%
- Startup costs - 25% for four years
- Industrial building - 5% straight line depreciation allowance
- Deductions on mineral exploration expenditure - 20% for five years
- Farm works deductions - 20% for five years
TAX EXEMPTIONS CONTINUED.

- Exempt supplies under VAT ACT are not limited to:
  - Supply of Financial services
  - Supply of unimproved land
  - Supply of Educational Services
  - Supply of Insurance Services
  - Supply of Veterinary, medical, dental and nursing services
  - Supply of passenger transportation services other than Tour and operators
  - Supply of betting, lotteries and games of chance
EXEMPT SUPPLIES CONTINUED.

✓ Supply of social welfare services.
✓ Supply of petroleum products subject to excise duty.
✓ Supply of power generated by solar energy.
✓ Supply of new computers, desktop printers and computer parts and accessories.
✓ Supply of software and software licenses.
✓ Supply of Machinery used for processing of agricultural or diary products.
✓ Supply of specialized vehicles, plant and machinery, feasibility studies, engineering designs and consultancy services and civil works related to Hydro electric power, roads and bridges construction, public water works, agriculture, education and health sectors.
Zero rated supplies.

- Supply of goods or services where the goods or services are exported from Uganda as part of goods or services exported.
- The supply of international transport for passengers and the tickets for their transport.
- Supply of machinery, tools and implements suitable for use only in Agriculture.
- etc
OBJECTIONS AND APPEALS PROCESS

Taxpayer objects

URA Commissioner General

Tax appeals Tribunal

High court
CONCLUSION - UGANDA IS IDEAL

Pearl of Africa

Resource rich economy

2nd in attracting FDI in East Africa

Ranked 12th in Africa in ‘Doing Business’
THANK YOU SO MUCH.