

Uganda

## Stamp Duty Act, 2014

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# Uganda

## Stamp Duty Act, 2014

### Act 13 of 2014

Published in [Uganda Gazette no. 61](#) on 24 October 2014  
**Assented to on 19 October 2014**

**Commenced on 1 July 2014**

*[Up to date as at 30 September 2020]*

*[Amended by [Stamp Duty \(Amendment\) Act, 2016 \(Act 15 of 2016\)](#) on 1 July 2016]*

*[Amended by [Stamp Duty \(Amendment\) Act, 2018 \(Act 6 of 2018\)](#) on 1 July 2018]*

*[Amended by [Stamp Duty \(Amendment\) Act, 2019 \(Act 10 of 2019\)](#) on 1 July 2019]*

**An Act to consolidate and amend the law relating to stamp duty and to provide for related matters.**

BE IT ENACTED by Parliament as follows:

### 1. Commencement

This Act shall be deemed to have come into force on 1st July 2014, except items 8 and 62(b) of Schedule 2, which shall come into force on publication of this Act.

## Part I – Interpretation

### 2. Interpretation

In this Act, unless the context otherwise requires—

“**banker**” includes a bank and any person acting as a banker under the Financial Institutions Act, 2004;

“**bill of exchange**” means a bill of exchange as defined by the Bills of Exchange Act;

“**bill of exchange payable on demand**” includes—

- (a) an order for the payment of any sum of money by a bill of exchange or promissory note, or for the delivery of any bill of exchange or promissory note in satisfaction of any sum of money, or for the payment of any sum of money out of any particular fund which may or may not be available, or upon any condition or contingency which may or may not be performed or happen;
- (b) an order for the payment of any sum of money; and
- (c) a letter of credit;

“**bill of lading**” includes a “through bill of lading” but does not include a mate’s receipt;

“**bond**” includes—

- (a) an instrument by which a person obliges himself or herself to pay money to another, on condition that the obligation shall be void if a specified act is performed, or is not performed, as the case may be;
- (b) an instrument attested by a witness and not payable to order or bearer, by which a person obliges himself or herself to pay money to another; and
- (c) an attested instrument by which a person obliges himself or herself to deliver grain or other agricultural produce to another;

“**chargeable**” means an instrument chargeable under this Act or any other law in force in Uganda when the instrument was executed or, where several persons executed the instrument at different times, first executed;

“**cheque**” means a bill of exchange drawn on a specified banker and payable on demand;

“**citizen**” means—

- (a) a natural person who is a citizen of a Partner State of East African Community;
- (b) a company or a body of persons incorporated under the laws of a Partner State of the East African Community in which at least fifty-one percent of the shares are held by a person who is a citizen of a Partner State of East African Community;

*[definition of “citizen” inserted by section 2 of Act 10 of 2019]*

“**Commissioner**” means the Commissioner General appointed under the Uganda Revenue Authority Act;

“**conveyance**” includes a conveyance on sale and every instrument by which movable or immovable property is transferred during the lifetime of the person transferring and which is not otherwise specifically provided for by this Act;

“**conveyance on sale**” includes every instrument and every decree or order of a court by which any property, or any estate or interest in any property, upon its sale is transferred to or vested in a purchaser, or any other person on behalf of the purchaser or by the direction of the purchaser;

“**currency point**” has the value assigned to it in Schedule 1;

“**debenture**” has the meaning assigned to it in the Companies Act;

“**deed**” includes an instrument which confers a right or passes an interest or gives a title or authority;

“**duly stamped**” as applied to an instrument, means—

- (a) that the instrument bears an impressed stamp of the proper amount and that the stamp has been affixed or used in accordance with the law for the time being in force in Uganda;
- (b) stamped in any manner prescribed by the Commissioner;

“**executed**” and “**execution**”, used with reference to instruments, mean “**signed**” and “**signature**” respectively;

“**impressed stamp**” includes—

- (a) labels affixed and impressed by the officer;
- (b) stamps embossed or engraved on stamped paper; and
- (c) stamps of any other manner prescribed by the Commissioner;

“**instrument**” includes a document by which a right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded;

“**instrument of partition**” means an instrument by which co-owners of any property divide or agree to divide the property in severalty and includes a final order for effecting a partition passed by any court and an award by an arbitrator directing a partition;

“**lease**” has the meaning assigned to it under the Registration of Titles Act;

“**marketable security**” means a security capable of being sold on a stock market;

“**mate’s receipt**” means a document signed by an officer of a vessel evidencing receipt of a document of a shipment on board the vessel not being a document of title and issued as an interim measure until a proper bill of lading can be issued;

“**mortgage deed**” includes an instrument by which, for the purpose of securing money advanced, or to be advanced, by way of loan, or an existing or future debt, or the performance of an engagement, one person transfers, or creates, to, or in favour of, another, a right over or in respect of specified property;

“**officer**” means a person whose right or duty it is to require the performance of, to perform, the acts referred to in this Act;

“**policy of insurance**” includes—

- (a) an instrument by which one person, in consideration of a premium, engages to indemnify another person against loss, damage or liability arising from an unknown or contingent event; or
- (b) a life policy, and a policy insuring a person against accident or sickness, and any other personal insurance;

“**policy of sea insurance**” or “sea policy”—

- (a) means any insurance made upon a ship or vessel, or upon the machinery, tackle or furniture of a ship or vessel, or upon goods, merchandise or property of any description on board of a ship or vessel, or upon the freight of, or any other interest which may be lawfully insured in, or relating to, a ship or vessel; and
- (b) includes any insurance of goods, merchandise or property for transit which includes, not only a sea risk within the meaning of subparagraph (a), but also any other risk incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance;
- (c) where any person, in consideration of any sum of money paid or to be paid for additional freight or otherwise, agrees to take upon himself or herself any risk attending goods, merchandise or property of any description while on board of any ship or vessel, or engages to indemnify the owner of any such goods, merchandise or property from any risk, loss or damage, the agreement or engagement shall be deemed to be a contract for sea insurance;

“**power of attorney**” includes an instrument empowering a specified person to act for and in the name of the person executing it;

“**promissory note**” has the meaning assigned to it in the Bills of Exchange Act;

“**receipt**” includes a note, memorandum or writing whether the note, memorandum or writing is or is not signed with the name of a person—

- (a) by which any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received;
- (b) by which any other movable property is acknowledged to have been received in satisfaction of a debt;
- (c) by which a debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged; or
- (d) which signifies or imports the acknowledgement;

“**Revenue Authority**” means the Uganda Revenue Authority established under the Uganda Revenue Authority Act;

“**settlement**” means a non-testamentary disposition in writing of movable or immovable property made—

- (a) in consideration of marriage;
- (b) for the purpose of distributing property of the settlor among his or her family or those for whom he or she desires to provide, or for the purpose of providing for some person dependent on him or her; or
- (c) for any religious or charitable purpose, and includes an agreement in writing to make such a disposition, and where any such disposition has not been made in writing any instrument recording, whether by way of declaration of trust or otherwise, the terms of any such disposition;

“**tribunal**” means the Tax Appeals Tribunal established under the Tax Appeals Tribunal Act.

## Part II – Stamp duty

### Liability of instruments to duty

### 3. Instruments chargeable with duty

- (1) Subject to this Act, the following instruments shall be chargeable with duty in accordance with Schedule 2 —
  - (a) every instrument mentioned in Schedule 2 which, not having been previously executed by a person, is executed in Uganda and relates to property situated, or to a matter or thing done or to be done, in Uganda;
  - (b) a bill of exchange, cheque or promissory note drawn or made outside Uganda and accepted or paid, or presented for acceptance or payment, or endorsed, transferred or otherwise negotiated, in Uganda; and
  - (c) every instrument, other than a bill of exchange, cheque or promissory note, mentioned in Schedule 2, which, not having been previously executed by any person, is executed outside Uganda, relates to property situated, or to a matter or thing done or to be done, in Uganda and is received in Uganda.
- (2) Notwithstanding subsection (1) duty is not chargeable in respect of an instrument executed by, or on behalf of, or in favour of, the Government in any case where, but for this exemption, the Government would be liable to pay the duty chargeable in respect of the instrument.
- (3) Notwithstanding subsection (1) duty is not chargeable in respect of an instrument executed by, or on behalf of, or in favor of institutions that are listed in the First Schedule of the Income Tax Act and organizations listed in the First Schedule of the Value Added Tax Act, in any case where but for this exemption, the institution or organization would be liable to pay the duty chargeable in respect of the instrument.

### 4. Several instruments used in single transaction of sale, mortgage or settlement

- (1) Where, in the case of a sale, mortgage or settlement, several instruments are employed for completing the transaction—
  - (a) the principal instrument only shall be chargeable with the duty prescribed in Schedule 2 to this Act for that conveyance, mortgage or settlement, and
  - (b) each of the other instruments shall be chargeable with a duty specified in Schedule 2.
- (2) Notwithstanding subsection (1) a power of attorney empowering a person to execute or to register a sale, mortgage or settlement shall be chargeable with the duty prescribed in Schedule 2 for the power of attorney.
- (3) The parties may determine for themselves which of the instruments for the purposes of subsection (1), shall be considered the principal instruments but only if the duty chargeable on the instrument determined shall be the highest duty which would be chargeable in respect of any of the instruments employed.
- (4) An instrument modifying the terms of a mortgage in respect of the reduction of the principal or raising or reducing the rate of interest or varying the terms of repayment of the principal shall be charged duty as an agreement.

### 5. Instruments relating to several distinct matters

An instrument comprising or relating to several distinct matters shall be chargeable with the total amount of the duties with which the separate instruments, each comprising or relating to one of such matters, would be chargeable under this Act.

### 6. Instruments coming within several descriptions in Schedule 2

- (1) Subject to [section 4](#), an instrument so framed as to come within two or more of the descriptions in Schedule 2 to this Act shall, where the duties chargeable under those descriptions are different, be

chargeable only with the highest of the duties.

- (2) Notwithstanding subsection (1), this Act shall not render chargeable with the duty prescribed in Schedule 2 in respect of a counterpart or duplicate of an instrument in respect of which the proper duty has been paid.

### **7. Marine insurance contract to be expressed in marine policy**

A contract for marine insurance shall not be valid unless it is expressed in a marine policy in accordance with the law relating to marine insurance.

### **8. Persons carrying on insurance business to file returns**

- (1) A person carrying on the business of insurance shall file monthly returns with the Commissioner of all sums received in respect of premiums and stamp duty paid on the policies of insurance.
- (2) On the basis of the monthly returns filed under subsection (1) the Commissioner shall ascertain that the person has paid the proper duty.
- (3) Where a person fails to deliver the returns under this section the person shall pay simple interest of 2 percent of the duty payable for every month during which the failure continues.

### **9. Stamp duty on capital of companies**

- (1) Where a company is to be incorporated in Uganda with limited liability, or where the nominal share capital of a company incorporated in Uganda is to be increased, there shall be delivered as the case may be to the registrar of companies—
  - (a) a statement of the amount which is to form the nominal share capital of the company to be incorporated; or
  - (b) a statement of the increase of the nominal share capital which may embody the notice of increased capital required by the Companies Act.
- (2) The statements referred to in subsection (1) shall be charged with duty as specified in Schedule 2 to this Act.
- (3) The statement of the amount of any increase of nominal capital which is required to be delivered under subsection (1)(b)—
  - (a) shall be delivered to the registrar of companies within thirty days after the passing of the resolution authorising the increase; and
  - (b) in default of delivery, the duty, with simple interest on the duty at the rate of 2 percent per year from the passing of the resolution, shall be recoverable summarily as a civil debt from the company.

### **Duty by whom payable**

### **10. Expense of providing stamp**

The expense of providing the proper stamp shall be as set out in Schedule 3.

### **Stamps and the mode of using them**

### **11. Duties, how to be paid**

Except as expressly provided in this Act, all duties with which any instruments are chargeable shall be paid, and the payment shall be evidenced in a manner the Minister may prescribe.

## 12. Denoting duty

Where the duty with which an instrument is chargeable, or its exemption from duty, depends upon the duty actually paid in respect of another instrument, the payment of the last-mentioned duty shall, if application is made in writing to the Commissioner for that purpose, and on production of both the instruments, be denoted upon the first-mentioned instrument by endorsement in the prescribed form by the Commissioner.

## 13. Provisions relating to duplicates and counterparts

The duty on a counterpart of duplicates on an instrument other than a lease shall not be taken as paid or exemption granted, unless duty has been paid or exemption granted in respect of the original instrument.

### Time of stamping documents

## 14. Instruments executed in Uganda

An instrument chargeable with duty which is executed by a person in Uganda shall be stamped within forty five days of execution.

## 15. Instruments executed outside Uganda

- (1) An instrument chargeable with duty which is wholly executed outside Uganda shall be stamped within thirty days of being received in Uganda.
- (2) Notwithstanding subsection (1) a promissory note or bill of exchange payable on demand or at not more than thirty days from sight or date shall be stamped within seven days of being received in Uganda.

## 16. Bills and notes drawn outside Uganda

- (1) The first holder in Uganda of a bill of exchange or promissory note drawn or made outside Uganda shall, before he or she presents it for acceptance or payment, or endorses, transfers or otherwise negotiates it in Uganda, affix to it the proper stamp and cancel the stamp in the manner prescribed under this Act.
- (2) Notwithstanding subsection (1), if at the time the bill of exchange, or note comes into the hands of a holder in Uganda—
  - (a) the proper stamp is affixed to it and cancelled in the manner prescribed; and
  - (b) the holder has no reason to believe that the stamp was affixed or cancelled otherwise than by the person and at the time required by this Act,
  - (c) the stamp shall, so far as relates to that holder, be taken to have been duly affixed and cancelled.
- (3) Subsection (2) shall does not relieve a person from a penalty incurred by him or her for omitting to affix or cancel a stamp.

### Valuations for duty

## 17. Conversion of amount expressed in foreign currencies

Where an instrument is chargeable with duty in respect of any money expressed in a currency other than that of Uganda, the duty shall be calculated on the value of the money in the currency of Uganda according to the Bank of Uganda exchange rate applying between the currency and the Uganda Shilling on the date of execution of the instrument.

## 18. Stock and marketable securities, how to be valued

- (1) Where an instrument is chargeable with duty in respect of any stock or of any marketable or other

security, the duty shall be calculated on the value of the stock or security according to the average price or the value of the stock or security on the date of the instrument.

- (2) Notwithstanding subsection (1), where the consideration for a conveyance or transfer of property is stock or any marketable or other security and in the opinion of the Commissioner the consideration is inadequate, having regard to the value of the stock or security calculated as provided in subsection (1), duty shall be charged on the value of the property to be conveyed or transferred.

### **19. Effect of statement of rate of exchange or average price**

Where an instrument contains a statement of the current rate of exchange, or average price, as the case may require, and is stamped in accordance with the statement, it shall, so far as regards the subject matter of the statement, be presumed, until the contrary is proved, to be duly stamped.

### **20. Instruments reserving interest**

Where interest is expressly made payable by the terms of an instrument, the instrument shall not be chargeable with duty higher than that with which it would have been chargeable had no mention of interest been made in the instrument.

### **21. Certain instruments connected with mortgages of marketable securities to be chargeable as agreements**

- (1) Where an instrument, other than a promissory note or bill of exchange—
  - (a) is given upon the occasion of the deposit of a marketable security by way of security for money advanced or to be advanced by way of loan, or for an existing or future debt; or
  - (b) makes redeemable or qualifies a duly stamped transfer intended as a security, of a marketable security,

it shall be chargeable with duty as if it were an agreement or memorandum of an agreement chargeable with duty under Schedule 2 to this Act.

- (2) A release or discharge of a instrument shall be chargeable with the same duty as that of the instrument.

### **22. How transfer in consideration of debt or subject to future payment to be charged**

- (1) Where property is transferred to a person in consideration, wholly or in part, of any debt due to the person, or subject either certainly or contingently to the payment or transfer of any money or stock, whether being or constituting a charge or incumbrance upon the property or not, the debt, money or stock is to be taken as the whole or part, as the case may be, of the consideration in respect of which the transfer is chargeable with duty.
- (2) Subsection (1) does not apply to a certificate of sale mentioned in Schedule 2.
- (3) In the case of a sale of property subject to a mortgage or other incumbrance, any unpaid mortgage money or money charged, together with the interest, if any, due on the encumbrance, shall be taken to be part of the consideration for the sale.
- (4) Where property subject to a mortgage is transferred to the mortgagee, the mortgagee shall be entitled to deduct from the duty payable on the transfer the amount of any duty already paid in respect of the mortgage.

### **23. Valuation in case of annuity**

Where an instrument is executed to secure the payment of an annuity or other sum payable periodically, or where the consideration for a conveyance is an annuity or other sum payable periodically, the amount secured by

the instrument or the consideration for the conveyance, as the case may be, shall, for the purposes of this Act, be considered to be—

- (a) where the sum is payable for a definite period so that the total amount to be paid can be previously ascertained, such total amount;
- (b) where the sum is payable in perpetuity or for an indefinite time not terminable with any life in being at the date of the instrument or conveyance, the total amount which, according to the terms of the instrument or conveyance, will or may be payable during the period of twenty years calculated from the date on which the first payment becomes due; and
- (c) where the sum is payable for an indefinite time terminable with any life in being at the date of the instrument or conveyance, the maximum amount which will or may be payable as described in paragraph (b) during the period of twelve years calculated from the date on which the first payment becomes due.

#### **24. Facts affecting duty to be set forth in instrument**

- (1) The consideration, if any, and all other facts and circumstances affecting the chargeability of an instrument with duty, or the amount of the duty with which it is chargeable, shall be set out in the instrument.
- (2) The Commissioner may require a person executing or a person employed or concerned in the preparation of an instrument to give evidence on oath or by affidavit that the facts and circumstances in the instrument are fully and truthfully set out and for that purpose the Commissioner may administer an oath.
- (3) A person who, with intent to defraud the Government—
  - (a) executes an instrument in which all the facts and circumstances required by this section to be set out in the instrument are not fully and truly set out;
  - (b) being employed or concerned in or about the preparation of any instrument, neglects or omits fully and truly to set out all the facts and circumstances; or
  - (c) does any other act calculated to deprive the Government of any duty or penalty under this Act, commits an offence is liable on conviction to a fine not exceeding one hundred currency.

#### **25. Direction as to duty in case of certain conveyances**

- (1) Where any property has been contracted to be sold for one consideration for the whole, and is conveyed to the purchaser in separate parts by different instruments, the consideration shall be apportioned in a manner as the parties think fit.
- (2) A distinct consideration for each separate part is set out in the conveyance relating to each part, and each conveyance shall be chargeable with duty in respect of the distinct consideration set out.
- (3) Where property contracted—
  - (a) to be purchased for one consideration for the whole by two or more persons jointly; or
  - (b) by any person for himself or herself and others, or wholly for others, is conveyed in parts by separate instruments to the persons by or for whom the property was purchased, for distinct parts of the consideration, the conveyance of each separate part shall be chargeable with duty in respect of the distinct part of the consideration specified in the instrument.
- (4) Where a person—
  - (a) having contracted for the purchase of any property but not having obtained a conveyance of the property, contracts to sell it to any other person, and
  - (b) the property is in consequence conveyed immediately to the sub purchaser, the conveyance shall be chargeable with duty in respect of the consideration for the sale by the original purchaser to the

subpurchaser.

- (5) Where a person contracts for the purchase of property but not having obtained a conveyance of the property, contracts to sell the whole, or any part of it, to any other person and the property is in consequence conveyed by the original seller to different persons in parts, the conveyance of each part sold to a sub-purchaser shall be chargeable with duty in respect only of the consideration paid by that sub-purchaser without regard to the amount or value of the original consideration.
- (6) The conveyance of the residue, if any, of the property to the original purchaser shall be chargeable with duty in respect only of the excess of the original consideration over the aggregate of the considerations paid by the sub-purchasers.
- (7) Where a sub-purchaser takes an actual conveyance of the interest of the person immediately selling to him or her, which is chargeable with duty in respect of the consideration paid by him or her and is duly stamped accordingly, any conveyance to be made afterwards to him or her of the same property by the original seller shall be chargeable with a duty equal to that which would be chargeable on a conveyance for the consideration obtained by the original seller.

## 26. Reconstruction or amalgamation of companies

- (1) Where, in connection with a reconstruction of a company or the amalgamation of companies it is shown to the satisfaction of the Commissioner that there exists the conditions mentioned in subsection (4), subject to this section—
  - (a) the nominal share capital of the transferee company, or the amount by which the capital of the transferee company has been increased, as the case may be, shall, for the purpose of computing the stamp duty chargeable in respect of that capital, be treated as being reduced by either—
    - (i) an amount equal to the amount of the share capital of the existing company, or, in the case of the acquisition of a part of an undertaking, equal to that proportion of the share capital as the value of that part of the undertaking bears to the whole value of the undertaking; or
    - (ii) the amount to be credited as paid up on the shares to be issued as such consideration and on the shares, if any, to be issued to creditors of the existing company in consideration of the release of debts due or accruing due to them from the existing company or of the assignment of the debts to the transferee company, whichever amount is the less; and
  - (b) stamp duty in Schedule 2 to this Act shall not be chargeable on any instrument made for the purposes of or in connection with the transfer of the undertaking or shares, or on an instrument made for the purpose of or in connection with the assignment to the transferee company of a debts, secured or unsecured, of the existing company, nor shall a such duty be chargeable on an instrument vesting, or relating to the vesting of, the undertaking or shares in the transferee company.
- (2) An instrument under subsection (1) shall not be considered to be duly stamped unless—
  - (a) it is stamped with the duty to which it would but for this section be liable; and
  - (b) in the case of an instrument made for the purposes of or in connection with a transfer to a company within the meaning of the Companies Act, paragraph (b) of subsection (1) shall not apply unless the instrument is either executed within twelve months from the date of the registration of the transferee company or the date of the resolution for the increase of the nominal share capital of the transferee company, as the case may be; or made for the purpose of effecting a conveyance or transfer in pursuance of an agreement which has been filed, or particulars of which have been filed, with the registrar of companies within the period of twelve months.
- (3) Subsection (2) shall not, except in the case of a debt due to a bank or to trade creditor, apply to a debt which was incurred less than two years before the proper time for making a claim for exemption under this section.

- (4) The conditions referred to in subsection (1) are—
- (a) that a company with a limited liability is to be registered, or that a company has been incorporated by an Act of Parliament of Uganda, or the nominal share capital of a company has been increased;
  - (b) that the company, in this section referred to as “the transferee company”, is to be registered or has been incorporated or has increased its capital with a view to the acquisition either of the undertaking of, or of not less than ninety percent of the issued share capital of, any particular existing company;
  - (c) that the consideration for the acquisition, except that part of it as consists in the transfer to or discharge by the transferee company of liabilities of the existing company, consists of not less than ninety percent where an undertaking is to be acquired, in the issue of shares in the transferee company to the existing company or to holders of shares in the existing company; or where shares are to be acquired, in the issue of shares in the transferee company to the holders of shares in the existing company in exchange for the shares held by them in the existing company.
- (5) For the purposes of a claim for exemption under subsection (1) (b), a company which has, in connection with a scheme of reconstruction or amalgamation, issued any unissued share capital shall be treated as if it had increased its nominal share capital.
- (6) A company shall not be considered to be a particular existing company within the meaning of this section unless—
- (a) it is provided by the memorandum of association of, or Act of Parliament of Uganda incorporating the transferee company that one of the objects for which the company is established is the acquisition of the undertaking of, or shares in, the existing company, or
  - (b) unless it appears from the resolution, Act of Parliament or other authority for the increase of the capital of the transferee company that the increase is authorised for the purpose of acquiring the undertaking of, or shares in, the existing company.
- (7) In a case where the undertakings of or shares in two or more companies are to be acquired, the amount of the reduction to be allowed under this section in respect of the stamp duty chargeable in respect of the nominal share capital or the increase of the capital of a company shall be computed separately in relation to each of those companies.
- (8) In this section, unless the context otherwise requires—
- (a) references to the undertaking of an existing company include references to a part of the undertaking of an existing company; and
  - (b) “shares” includes stock.

## 27. Transfers between associated companies

- (1) Stamp duty under Schedule 2 shall not be chargeable on an instrument to which this section applies.
- (2) This section applies to an instrument in respect of which it is shown to the satisfaction of the Commissioner—
- (a) that the effect of the instrument is to convey or transfer a beneficial interest in property from one company with limited liability, in this section called “the transferor”, to another company, in this section called “the transferee”;
  - (b) that either—
    - (i) one of the companies is the beneficial owner of not less than 90 percent of the issued share capital of the other company; or
    - (ii) not less than 90 percent of the issued share capital of each of the companies is in the beneficial ownership of a third company with limited liability; and

- (c) that the instrument was not executed in furtherance of or in connection with an arrangement under which—
  - (i) the consideration for the conveyance or transfer was to be provided directly or indirectly by a person other than a company which at the time of the execution of the instrument was associated with either the transferor or the transferee; or
  - (ii) the beneficial interest in the property was previously conveyed or transferred directly or indirectly by such a person.

## **28. Transfers during the life time of the person transferring**

- (1) A conveyance or transfer operating as a voluntary disposition during the life time of the person transferring shall be chargeable with the stamp duty as if it were a conveyance or transfer on sale with the substitution in each case of the value of the property conveyed or transferred for the amount or value of the consideration for the sale.
- (2) Where an instrument is chargeable with duty both as a conveyance or transfer under this section and as a settlement under Schedule 2, the instrument shall be charged with duty as a conveyance or transfer under this section but not as a settlement.
- (3) A conveyance or transfer, not being a disposition made in favour of a purchaser or incumbrancer or other person in good faith and for valuable consideration, shall for the purpose of this section be taken to be a conveyance or transfer operating as a voluntary disposition during the life time of the person transferring.

## **Part III – Determination as to stamps**

### **29. Determination as to proper stamp**

- (1) Where an instrument, whether executed or not and whether previously stamped or not, is brought to the officer, and the person bringing it applies to have the opinion of that officer as to the duty, if any, with which it is chargeable and pays the prescribed fee the officer shall determine the duty, if any, with which, in his or her judgment, the instrument is chargeable.
- (2) For the purposes of subsection (1), the officer may require to be furnished with an abstract of the instrument an affidavit or other evidence as he or she may consider necessary to prove that all the facts and circumstances affecting the chargeability of the instrument with duty, or the amount of the duty with which it is chargeable, are fully and truly set out in it.
- (3) An officer may refuse to proceed upon an application until the abstract and evidence have been furnished.
- (4) Any evidence furnished under this section shall not be used against a person in any civil proceeding, except in an inquiry as to the duty with which the instrument to which it relates is chargeable, and every person by whom any such evidence is furnished shall, on payment of the full duty with which the instrument to which it relates is chargeable, be relieved from any penalty which he or she may have incurred under this Act by reason of the omission to state truly in the instrument any of the facts or circumstances required.

### **30. Certificate by Uganda Revenue Authority**

- (1) Where an instrument brought to the officer under [section 28](#) is, in opinion of the officer, one of a description chargeable with duty, and—
  - (a) that officer determines that the duty is already fully stamped; or
  - (b) the duty determined by that officer under [section 28](#) or such sum as, with the duty already paid in respect of the instrument, is equal to the duty determined, has been paid, that officer shall certify by endorsement on the instrument that the full duty, stating the amount, with which it is chargeable has been paid.

- (2) Where the instrument is in opinion of the officer not chargeable with duty the officer shall certify in the manner provided in subsection (1) that the instrument is not chargeable to duty.
- (3) An instrument upon which an endorsement has been made under this section—
  - (a) shall be taken to be duly stamped or not chargeable with duty, as the case may be, and,
  - (b) if chargeable with duty, shall be receivable in evidence or otherwise, and may be acted upon and registered as if it had been originally duly stamped.
- (4) This section does not authorise the Commissioner to endorse—
  - (a) an instrument executed or first executed in Uganda and brought to the Commissioner after the expiration of one month from the date of its execution or first execution, as the case may be;
  - (b) an instrument executed or first executed outside Uganda and brought to him or her after the expiration of three months after it has been first received in Uganda; or
  - (c) an instrument chargeable with the duty or under or any bill of exchange or promissory note, when brought to him or her, after the drawing or execution, not duly stamped.

## **Part IV – Instruments not duly stamped**

### **31. Examination and impounding of instruments**

- (1) A person—
  - (a) who by law or consent of the parties has authority to receive evidence; and
  - (b) a person in charge of a public office, except a police officer, before whom an instrument chargeable, in his or her opinion, with duty, is produced or comes in the performance of his or her functions, shall, if it appears to that person that the instrument is not duly stamped, impound it.
- (2) A person mentioned in subsection (1) shall examine every instrument produced or coming before him or her, in order to ascertain whether it is stamped with a stamp of the value and description required by law when the instrument was executed or first executed.
- (3) This section shall not—
  - (a) be taken to require a judge or magistrate of a criminal court to examine or impound, if he or she does not think fit so to do, any instrument coming before him or her in the course of any proceeding; or
  - (b) be taken to require a magistrate or justice of the peace to examine or impound a document coming before him or her in the course of taking an affidavit or exercising or performing a of the other powers or duties of a notary public or commissioner for oaths.
- (4) In the case of a judge of the High Court, the duty of examining and impounding an instrument under this section may be delegated to an officer appointed by the court for the purpose.
- (5) For the purposes of this section, in case of doubt, the Minister may determine what offices shall be taken to be public offices, and who shall be taken to be persons in charge of public offices.

### **32. Instruments not duly stamped inadmissible in evidence**

- (1) An instrument chargeable with duty shall not—
  - (a) be admitted in evidence for any purpose by a person who has by law or consent of the parties authority to receive evidence; or
  - (b) be acted upon, registered or authenticated by a person, or by a public officer, unless the instrument is duly stamped.

- (2) An instrument other than a cheque, or a bill of exchange, presented for acceptance, accepted or payable outside Uganda, or a promissory note, shall subject to all just exceptions be admitted in evidence on payment of the duty with which the instrument is chargeable, or, in the case of an instrument insufficiently stamped, of the amount required to make up the duty, together with the prescribed penalty but—
- (a) where a person from whom a stamped receipt could have been demanded has given an unstamped receipt, and that receipt, if stamped, would be admissible in evidence against him or her, then the receipt shall be admitted in evidence against him or her on payment of the prescribed penalty by the person tendering it;
  - (b) where a contract or agreement of any kind is effected by correspondence consisting of two or more letters and any of the letters bears the proper stamp, the contract or agreement shall be taken to be duly stamped;
  - (c) this section shall not prevent the admission of an instrument in evidence in any proceeding in a criminal court;
  - (d) this section shall not prevent the admission of an instrument in any court when the instrument has been executed by or on behalf of the Government, or where it bears the authentic certificate of the Uganda Revenue Authority as provided by this Act.

### **33. Where admission of instrument not to be questioned**

Where an instrument has been admitted in evidence, the admission shall not, except as otherwise provided in this Act, be called in question at any stage of the same suit or proceeding on the ground that the instrument has not been duly stamped.

### **34. Instruments impounded, how dealt with**

- (1) When the person impounding an instrument under this Act has by law or consent of the parties—
- (a) authority to receive evidence and admits the instrument in evidence upon payment of the duty with which the instrument is chargeable; or
  - (b) in the case of an instrument insufficiently stamped, of the amount required to make up such duty together with the prescribed penalty, that person shall send to the Commissioner an authenticated copy of the instrument, together with a certificate in writing, stating the amount of duty and penalty levied in respect of the instrument, and shall send the amount to the Commissioner, or to the person appointed by him or her for the purpose.
- (2) In every other case, the person impounding an instrument shall send it in original to the Commissioner.

### **35. Commissioner's power to stamp instruments impounded**

- (1) Where the Commissioner impounds an instrument under this Act or receives an instrument sent to him or her, not being an instrument chargeable with a duty, or a bill of exchange or promissory note, he or she shall adopt the following procedure—
- (a) if the Commissioner is of opinion that the instrument is duly stamped, or is not chargeable with duty, he or she shall certify by endorsement on it that it is duly stamped, or that it is not chargeable to duty; or
  - (b) if the Commissioner is of opinion that the instrument is chargeable with duty and is not duly stamped, he or she shall require the payment of the proper duty or the amount required to make up that duty, together with the prescribed penalty.
- (2) Notwithstanding subsection (1) where an instrument has been impounded only because it has been written in contravention of a provision of this Act, the Commissioner may, remit the whole penalty

prescribed by this Act.

- (3) A certificate under this section is for the purposes of this Act, conclusive evidence of the matters stated in the certificate.

### **36. Instruments unduly stamped by accident**

Where an instrument chargeable with duty is not duly stamped, or a bill of exchange or promissory note, is produced by a person of his or her own motion before the Commissioner within one year from the date of its execution or first execution, and that person brings to the notice of the Commissioner the fact that the instrument is not duly stamped and offers to pay to the Commissioner the amount of the proper duty, or the amount required to make up that duty, and the Commissioner is satisfied that the omission duly to stamp the instrument has been occasioned by accident, mistake or urgent necessity, he or she may waive the penalty due.

### **37. Endorsement of instruments on which duty has been paid**

- (1) Where the duty and penalty, if any, leviable in respect of an instrument has been paid under this Act, the person admitting the instrument in evidence or the Commissioner—
  - (a) shall certify by endorsement on the instrument that the proper duty or, as the case may be the penalty, stating the amount of each, has or have been levied in respect of the instrument; and
  - (b) the name and residence of the person making payment.
- (2) An instrument endorsed under subsection (1)—
  - (a) shall be admissible in evidence, and may be registered and acted upon and authenticated as if it had been duly stamped, and
  - (b) shall be delivered on his or her application to the person from whose possession it came into the hands of the officer impounding it, or as that person may direct.
- (3) Notwithstanding anything in this section an instrument which has not been admitted in evidence shall not be upon payment of duty shall be delivered before the expiration of one month from the date of its impounding, or if the Uganda Revenue Authority has certified that its further detention is necessary and has not cancelled the certificate.

### **38. Prosecution for offence under this Act**

- (1) The taking of proceedings or the payment of a penalty under this Act in respect of an instrument shall not bar the prosecution of a person who appears to have committed an offence under this Act in respect of the instrument.
- (2) Notwithstanding subsection (1), a prosecution shall not be instituted in the case of an instrument in respect of which a penalty has been paid, unless it appears to the Commissioner that the offence was committed with an intention of evading payment of the proper duty.

### **39. Persons paying duty or penalty may recover it in certain cases**

- (1) Where a duty or penalty has been paid under this Act by a person in respect of an instrument, and, by agreement or any other enactment in force at the time the instrument was executed, some other person was bound to bear the expense of providing the proper stamp for the instrument, the first-mentioned person shall be entitled to recover from that other person the amount of the duty or penalty paid.
- (2) For the purpose of that recovery a certificate granted in respect of the instrument under this Act shall be conclusive evidence of the matters certified in it.
- (3) A person may claim a refund of duty paid in error on an instrument which is not dutiable within one year after the date the duty was paid.

- (4) The amount referred to in subsection (1) may, if the court thinks fit, be included in an order as to costs in any suit or proceeding to which the persons are parties and in which the instrument has been tendered in evidence but if the court does not include the amount in the order, no further proceedings for the recovery of the amount shall be maintainable.

#### **40. Power of Commissioner to refund penalty or excess duty in certain cases**

- (1) A person may apply to the Commissioner for a refund of stamp duty paid in excess of the proper duty payable on an instrument.
- (2) An application for a refund under this section shall be made to the Commissioner within three months from the date of the payment of the stamp duty.
- (3) Where, in the opinion of the Commissioner, stamp duty in excess of that which is legally chargeable has been charged and paid the Commissioner may—
- (a) apply the excess in reduction of any other tax due from the person;
  - (b) apply the balance of the excess, if any, in reduction of any outstanding of the person to pay any other taxes not in dispute; and
  - (c) refund the remainder, if any, to the person.
- (4) The Commissioner shall, within thirty days of making a decision under this section, serve the person applying for a refund a notice in writing of the decision.
- (5) A person dissatisfied with a decision of the Commissioner under this section may challenge the decision under the objection and appeals procedure set out in this Act.

#### **41. Non liability for loss of instruments**

- (1) Where an instrument sent to the Commissioner under this Act is lost, destroyed or damaged during transmission, the person sending it shall not be liable for the loss, destruction or damage.
- (2) Where an instrument is about to be sent, the person from whose possession it came into the hands of the person impounding it, may require a copy of the instrument to be made at the expense of the first mentioned person and authenticated by the person impounding the instrument.

### **Part V – Allowances for spoiled stamps in certain cases**

#### **42. Allowance for spoiled stamps**

The Commissioner may, on application in the prescribed form make allowance for stamps spoiled in the following cases—

- (a) the stamp on any paper inadvertently and undersigned spoiled, obliterated or by error in writing or any other means rendered unfit for the purpose intended before a instrument written on the paper is executed by any person;
- (b) the stamp on a document which is written out wholly or in part, but which is not signed or executed by a party to the document;
- (c) in the case of bills of exchange, cheques or promissory notes—
  - (i) the stamp on a bill of exchange or cheque signed by or on behalf of the drawer which has not been accepted or made use of in a manner or delivered out of the drawer's hands for any purpose other than by way of tender for acceptance, if the paper on which that stamp is impressed does not bear a signature intended as or for the acceptance of a bill of exchange or cheque to be afterwards written on it afterwards;
  - (ii) the stamp on a promissory note signed by or on behalf of the maker which has not been made use of

in any manner or delivered out of the maker's hands;

- (iii) the stamp used or intended to be used for a bill of exchange, cheque or promissory note signed by, or on behalf of, its drawer, but which from any omission or error has been spoiled or rendered useless, although in the case of a bill of exchange or cheque, it may have been presented for acceptance or accepted or endorsed, or, being a promissory note, may have been delivered to the payee, if another completed and duly stamped bill of exchange, cheque or promissory note is produced identical in every particular, except in the correction of the omission or error, with the spoiled bill, cheque or note;
- (d) the stamp used for an instrument, executed by a party to it, which—
  - (i) is afterwards found to be void;
  - (ii) is afterwards found unfit by reason of an error or mistake in it, or the purpose originally intended;
  - (iii) by reason of the death of a person by whom it is necessary that it should be executed without having executed it, or of the refusal of the person to execute it, cannot be completed so as to effect the intended transaction in the form proposed;
  - (iv) for want of its execution by some material party, and his or her inability or refusal to sign it, is in fact incomplete and insufficient for the purpose for which it was intended;
  - (v) by reason of the refusal of a person to act under the instrument, or to advance any money intended to be secured by it, or by the refusal or not of any office granted by it, totally fails for the intended purpose;
  - (vi) becomes useless in consequence of the transaction intended to be effected by it being effected by some other instrument between the same parties and bearing a stamp of not less value;
  - (vii) is deficient in value and the transaction intended to be effected by the has been effected by some other instrument between the same parties and bearing a stamp of not less value; or
  - (viii) is inadvertently and undesignedly spoiled, and in instead of which another instrument made between the same parties and for the same purpose is executed and duly stamped, if in the case of an executed instrument, no legal proceeding has been commenced in which the instrument could or would have been given or offered in evidence, and if the instrument is given up to be cancelled.

### **43. Allowance in case of printed forms no longer required by corporations**

The Commissioner may make allowance for stamped papers used for printed forms of instruments by a banker or by an incorporated company or other body corporate, if for any sufficient reason the forms have ceased to be required by the banker, company or body corporate, if the Commissioner is satisfied that the duty in respect of the stamped papers has been duly paid.

### **44. Allowance for misused stamps**

Where—

- (a) a person has inadvertently used for an instrument chargeable with duty a stamp of a description other than that prescribed for the instrument by this Act, or a stamp of greater value than was necessary, or has inadvertently used a stamp for an instrument not chargeable with duty; or
- (b) a stamp used for an instrument is inadvertently rendered useless because that instrument is written in contravention of this Act, the Commissioner may, on application made within six months after the date of the instrument, or, if it is not dated, within six months after its execution by the person by whom it was first or alone executed, and upon the instrument, if chargeable with duty, being restamped with the proper duty, cancel and allow as spoiled the stamp misused or rendered useless.

### **45. Allowance for spoiled or misused stamps, how to be made**

Where allowance is made for spoiled or misused stamps, the Commissioner may give in place of the spoiled or misused stamp other stamps of the same description and value or if Commissioner thinks fit, stamps of any other description to the same amount in value or at his or her discretion, the same value in money.

#### **46. Allowance on renewal of certain debentures**

- (1) Where a duly stamped debenture is renewed by the issue of a new debenture in the same terms, the Commissioner shall, upon application made within one month after the renewal, repay to the person issuing the debenture the value of the stamp on the original or on the new debenture, whichever is the less if the original debenture is produced before the Commissioner and cancelled by him or her in the manner determined by the Commissioner.
- (2) A debenture shall be taken to be renewed in the same terms within the meaning of this section notwithstanding the following changes—
  - (a) the issue of two or more debentures in place of one original debenture where the total amount secured is the same;
  - (b) the issue of one debenture in place of two or more original debentures, where the total amount secured is the same;
  - (c) the substitution of the name of the holder at the time of renewal for the name of the original holder; or
  - (d) the alteration of the rate of interest or the dates of payment of the debenture.

### **Part VI – Objections and appeals**

#### **47. Objection to decision**

- (1) Where a person liable to pay duty is dissatisfied with a decision made under this Act, that person may, within forty-five days after service of the notice of the decision, lodge with the Commissioner an objection to the decision.
- (2) An objection to a decision shall be in writing and state precisely the grounds upon which it is made.
- (3) Where a person fails to lodge an application within the period stated in subsection (1), the Commissioner may, upon application in writing by the person liable to pay duty, extend the time for lodging an objection.
- (4) An application under subsection (3) shall only be granted where the Commissioner is satisfied that the failure of the person to lodge an application was due to absence from Uganda, sickness or other reasonable cause.
- (5) Where the Commissioner refuses to grant an extension of time under subsection (3), the person liable to pay duty may, within thirty days after service of notice of the decision, apply to the tribunal for a review of the decision
- (6) After consideration of the objection to the decision, the Commissioner may allow the objection in whole or in part and amend the decision accordingly, or disallow the objection.
- (7) The decision of the Commissioner under subsection (6) shall be referred to as an “objection decision”.
- (8) Where an objection decision has not been made by the Commissioner within thirty days after the person lodged the objection with the Commissioner, the person may, by notice in writing to the Commissioner, elect to treat the Commissioner as having made a decision to allow the objection.
- (9) A person shall be taken to have served the Commissioner with the notice of the election under subsection (8) on the date the notice of the person’s election is lodged with the Commissioner.

#### **48. Appeal to the tribunal**

- (1) A person dissatisfied with an objection decision may, within thirty days after being served with notice of the objection decision, lodge an application with the tribunal for review of the objection decision and shall serve a copy of the application on the Commissioner.
- (2) An appeal lodged under subsection (1) shall be conducted in accordance with the Tax Appeals Tribunal Act.
- (3) A person shall, before lodging an application with the tribunal, pay to the Commissioner, thirty percent of the duty in dispute or that part of the duty assessed not in dispute, whichever is the greater.

#### **49. Appeal to the High Court**

- (1) A party who is dissatisfied with the decision of the tribunal may, within thirty days after being notified of the decision, lodge a notice of appeal with the Registrar of the High Court and the party appealing shall serve a copy of the notice of appeal on the other party to the proceedings before the tribunal.
- (2) An appeal to the High Court shall be made on a question of law only and the notice of the appeal shall state the question or questions of law that are to be raised on the appeal.
- (3) An appeal under subsection (1) to the High Court shall be made by lodging a notice of appeal with the registrar of the High Court within forty-five days after service of notice of the objection decision.
- (4) A person who has lodged a notice of appeal with the registrar of the High Court shall, within five working days after doing so, serve a copy of the notice of appeal on the Commissioner.

#### **50. Appeal to the Court of Appeal**

A party to a proceeding before the High Court who is dissatisfied with the decision of the High Court may, with leave of the Court of Appeal, appeal against the decision to the Court of Appeal.

#### **51. Burden of proof**

The burden of proof in a review of an objection decision is on the person liable to pay duty, on the balance of probabilities as to the extent to which the objection decision made by the Commissioner is excessive or erroneous, whichever is the case in dispute.

#### **52. Duty as a debt due to the Government**

- (1) Duty, when it becomes due and payable is a debt to the Government of Uganda and is payable to the Commissioner in the manner and at the place prescribed.
- (2) Duty that has not been paid when it is due and payable may be sued for and recovered in a court of competent jurisdiction by the Commissioner acting in the Commissioner's official name, subject to the general directions of the Attorney-General.
- (3) In a suit under this section, the production of a certificate signed by the Commissioner stating the name and address of the person liable and the amount of duty due and payable by the person shall be sufficient evidence of the amount of duty due and payable by that person.

#### **53. Recovery of duty from other persons**

- (1) Where a person fails to pay duty on the date on which the duty is payable, and the duty is not the subject of a dispute the Commissioner may, by notice in writing, require a person who—
  - (a) owes money to the person liable to pay duty;
  - (b) holds, money for, or on account of, the person liable to pay duty;
  - (c) holds money on account of some other person for payment to the person liable to pay duty; or

- (d) has authority from some other person to pay money to the person liable to pay duty, to pay that money to the Commissioner on the date stated in the notice, up to the amount of the duty due.
- (2) The date stated in the notice under subsection (1) must not be a date before the money becomes due to the person liable to pay duty, or is held on behalf of the person liable to pay duty.
- (3) At the same time that notice is served under subsection (1), the Commissioner shall also serve a copy of the notice on the person liable to pay duty.
- (4) Where a person served with a notice under subsection (1) is unable to comply with the notice by reason of lack of moneys owing to, or held for, the person liable to duty, the person shall, as soon as is practicable and in any case before the payment date stated in the notice, notify the Commissioner in writing setting out the reasons for the inability to comply.
- (5) Where a notice is served on the Commissioner under subsection (4), the Commissioner may, by notice in writing accept the notification and cancel or amend the notice issued under subsection (1) or reject the notification.
- (6) A person who makes a payment in accordance with a notice under subsection (1) is taken to have acted under the authority of the person liable to pay duty and of all other persons concerned and is indemnified in respect of the payment against all proceedings, civil or criminal, and all processes, judicial or extrajudicial, notwithstanding any provisions to the contrary in any written law, contract, or agreement.
- (7) An amount due under this section is treated for all purposes of this Act as if it were duty due.

#### **54. Collection of duty by distraint**

- (1) The Commissioner may recover any unpaid duty by distress proceedings against the movable property of a person liable to pay duty, in this section referred to as the “person liable”.
- (2) In accordance with subsection (1), the Commissioner shall issue an order in writing specifying the person against whose property the proceedings are authorised, the location of the property and the duty liability to which the proceedings relate, and may require a police officer to be present while distress is being executed.
- (3) For the purposes of executing distress under subsection (1), the Commissioner may, at any time, enter any house or premises described in the order authorising the distress proceedings.
- (4) The property upon which distress is levied under this section, other than perishable goods, shall be kept for not more than fourteen days either at the premises where the distress was levied or at any other place that the Commissioner may consider appropriate, at the cost of the person liable.
- (5) Where the person liable does not pay the duty due, together with the costs of the distress—
  - (a) in the case of perishable goods, within a period that the Commissioner considers reasonable having regard to the condition of the goods; or
  - (b) in any other case, within fourteen days after the distress is levied,
 the property detained may be sold by public auction or otherwise dealt with in any other manner as the Commissioner may direct.
- (6) The proceeds of a disposal under subsection (5) shall be applied by the auctioneer or seller towards the cost of taking, keeping and selling the property detained upon, and towards the payment of the duty due.
- (7) The remainder of the proceeds under subsection (5), if any, shall be given to the person liable.
- (8) This section shall not preclude the Commissioner from proceeding with respect to the balance owed if the proceeds of the distress are not sufficient to meet the costs of the distress and the duty due.
- (9) All costs incurred by the Commissioner in respect of any distress may be recovered by the Commissioner from the person liable, and the provisions of this Act relating to the collection and recovery of duty shall

apply as if the costs were duty due under this Act.

## 55. Duties of receivers

- (1) A receiver shall, in writing, notify the Commissioner within fourteen days of being appointed to the position of receiver or of taking possession of an asset in Uganda, whichever occurs first.
- (2) The Commissioner may, in writing, notify a receiver of the amount which appears to the Commissioner to be sufficient to provide for any duty which is or will become payable by the person whose assets are in the possession of the receiver.
- (3) A receiver shall not part with an asset in Uganda which is held by the receiver in the capacity as receiver without the prior written permission of the Commissioner.
- (4) A receiver—
  - (a) shall set aside, out of the proceeds of sale of an asset, the amount notified by the Commissioner under subsection (2), or such lesser amount as is subsequently agreed on by the Commissioner;
  - (b) is liable to the extent of the amount set aside for the duty of the person who owned the asset; and
  - (c) may pay any debt that has priority over the duty referred to in this section notwithstanding any provision of this section.
- (5) Where the receiver fails to comply with this section, the receiver is personally liable for the amount required to be set aside.
- (6) In this section, “receiver” includes a person who, in respect to an asset in Uganda, is—
  - (a) a liquidator of a company;
  - (b) a receiver appointed out of court or by a court;
  - (c) a trustee for a bankrupt;
  - (d) a mortgagee in possession;
  - (e) an executor of a deceased’s estate; or
  - (f) any other person conducting the business of a person legally incapacitated.

## 56. Security on property for unpaid duty

- (1) Where a person who is the owner of land or buildings situated in Uganda fails to pay duty, the Commissioner may, by notice in writing, notify the person of the intention to apply to the Commissioner for Land Registration that that land or buildings be the subject of security for the duty as specified in the notice.
- (2) Where, within 30 days after the date of service of the notice under subsection (1), a person on whom a notice has been served fails to make payment of the whole of the amount of the duty specified in the notice, the Commissioner may, by notice in writing, in this section referred to as a “notice of direction”, direct the Commissioner for land registration that the land or buildings of the person, to the extent of the interest of the person in the land or buildings, be the subject of security for unpaid duty in the amount specified in the notice.
- (3) Where a notice of direction is served on the Commissioner for Land Registration under subsection (2), the Commissioner for Land Registration shall, without fee, register the direction as if it were an instrument or mortgage over, or charge on, the land or buildings.
- (4) Upon registration of the direction under subsection (3), the registration shall, subject to any prior mortgage or charge, operate as a legal mortgage over or charge on the land or building to secure the amount of the unpaid duty.

- (5) Upon receipt of the whole of the amount of duty secured under subsection (4), the Commissioner shall serve notice on the Commissioner for Land Registration cancelling the direction made under subsection (2) and the Commissioner for Land Registration shall, without fee, record the cancellation and thereupon the direction shall cease to exist.

## **Part VII – Criminal offences and procedure**

### **57. Penalty for executing instrument not duly stamped**

- (1) A person who—
- (a) draws, makes, issues, endorses or transfers or signs, otherwise than as a witness, or presents for acceptance or payment, or accepts, pays or receives payment of, or in any manner negotiates a bill of exchange, cheque or promissory note without it being duly stamped;
  - (b) executes or signs, otherwise than as a witness, any other instrument chargeable with duty without it being duly stamped; or
  - (c) votes or attempts to vote under a proxy not duly stamped, commits an offence and is liable to a fine not exceeding one hundred currency points or imprisonment not exceeding six months or both.
- (2) Where a share warrant is issued without being duly stamped, the company issuing it, and also every person who, at the time when it is issued, is the managing director or secretary or other principal officer of the company, commits an offence and is liable on conviction to a fine not exceeding one hundred currency points.

### **58. Penalty for failure to cancel adhesive stamp**

A person required to cancel an adhesive stamp who fails to cancel the stamp in the manner prescribed commits an offence and is liable to a fine not exceeding one hundred currency points or imprisonment not exceeding six months or both.

### **59. Penalty for not making out policy, or making one not duly stamped**

- (1) A person who—
- (a) receives, or takes credit for, a premium or consideration for a contract of insurance and does not, within one month after receiving, or taking credit for, the premium or consideration, make out and execute a duly stamped policy of insurance; or
  - (b) makes, executes or delivers out a policy which is not duly stamped, or pays or allows in account, or agrees to pay or allow in account, any money upon, or in respect of, that policy,
- commits an offence and is liable to a fine not exceeding one hundred currency points or imprisonment not exceeding six months or both.
- (2) Subsection (1) shall not apply to policies of insurance against accident in respect of which an agreement for the composition of stamp duty has been entered into under this Act.

### **60. Penalty for not drawing full number of bills or marine policies purporting to be in sets**

A person who draws or executes a policy of marine insurance purporting to be drawn or executed in a set of two or more, and not at the same time drawing or executing on paper duly stamped the whole number of policies of which that policy purports the set to consist, commits an offence and is liable to a fine not exceeding one hundred currency points or imprisonment not exceeding six months or both.

### **61. Penalty for postdating bills, and for other devices to defraud the Government of**

**revenue**

A person who with intent to defraud the Government of duty, draws, makes or issues a bill of exchange or promissory note, bearing a date subsequent to that on which the bill or note is actually drawn or made and knowing that the bill or note has been so postdated, endorses, transfers, presents for acceptance or payment, or accepts, pays or receives payment of, the bill or note, or in any manner negotiates it or with the like intent, practices or is concerned in any act, contrivance or device not specially provided for by this Act or any other law, commits an offence and is liable to a fine not exceeding one hundred currency points or imprisonment not exceeding six months or both.

**62. Offences in relation to stamps**

A person—

- (a) appointed to sell stamps who contravenes any provision of this Act;
- (b) not authorised to sell stamps who sell stamps;
- (c) authorised to sell stamps who sells unauthorised stamps;
- (d) who forges a stamp,

commits an offence and is liable to a fine not exceeding one hundred currency points or imprisonment not exceeding six months or both.

**Part VIII – Miscellaneous****63. Books to be open to inspection**

A person who has in his or her custody any registers, books, records, papers, documents or proceedings, the inspection of which may tend to secure any duty or to prove or lead to the discovery of any fraud or omission in relation to any duty, shall at all reasonable times permit a person authorised in writing by the Commissioner to inspect for such purpose the registers, books, papers, documents and proceedings, and to take such notes and extracts as he or she may deem necessary, without fee or charge.

**64. Power of Minister to amend Schedules**

- (1) The Minister may, with the approval of Cabinet, by statutory instrument, amend Schedule 1.
- (2) An instrument made under subsection (1) shall as soon as practicable after publication in the *Gazette* be laid before Parliament and Parliament may within twenty one sitting days by resolution annul the instrument.

**65. Regulations**

- (1) The Minister may, by statutory instrument, make regulations generally to give effect to this Act.
- (2) Without limiting the general effect of subsection (1), the Minister may make regulations relating to—
  - (a) the supply and sale of stamps and stamped papers;
  - (b) the persons authorised to sell stamps and all matters relating to the sale of stamps;
  - (c) the reduction, remission or compounding duties
  - (d) the manner of using stamps on instruments chargeable with the duty including the description of stamps which may be used, the number of stamps which may be used, the size of the paper on which the stamps are written;
  - (e) the admission in evidence of improperly stamped instruments;

- (f) the issue of stamps certificates including the manner of delegating the authority to issue those certificates;
  - (g) the form and manner of making returns.
- (3) Regulations made under this section may—
- (a) prescribe for the contravention of any of the regulations a fine not exceeding one hundred currency points;
  - (b) prescribe a higher penalty for a second or a subsequent contravention;
  - (c) prescribe an extra penalty for any day for which the contravention continues;
  - (d) require that anything used in connection with the contravention shall be ordered by the court to be forfeited to the state.

## 66. Repeal and savings

- (1) The Stamps Act, [Cap. 342](#) is repealed.
- (2) A statutory instrument made under the repealed Act and in force at the commencement of this Act shall continue in force until repealed under this Act.
- (3) This Act shall not affect the duties chargeable under any other law for the time being in force relating to court fees.
- (4) Until regulations are made under this Act to the contrary, any stamps which might lawfully be used immediately before the commencement of this Act for the payment of duties with which instruments were charged may be used for the purposes of this Act.

### Schedule 1 (Section 1)

One currency point is equivalent to twenty thousand shillings.

### Schedule 2 (Section 2)

#### Stamp duty on instruments

Description of instrument	Stamp duty
1. ACKNOWLEDGEMENT of a debt exceeding shs 100,000	NIL
2. (a) ADMINISTRATION BOND	15,000/=
(b) CUSTOMS BONDS - of the total value	0.05%
3. ADOPTION DEED	15,000/=
4. AFFIDAVIT including an affirmation or declaration	15,000/=
5. AGREEMENT OR MEMORANDUM of an agreement	15,000/=
6. AGREEMENT relating to deposit of title—deeds, pawn pledge-of the total value	1%
7. APPOINTMENT IN EXECUTION of a power, whether of trustees or of property	15,000/=
8. APPRAISEMENT OR VALUATION made otherwise than under an order of court-of the total value <i>[Date of commencement of item 8: 24 October 2014]</i>	NIL

9. APPRENTICESHIP DEED	15,000/=
10. ARTICLES OF ASSOCIATION OF A COMPANY	15,000/=
11. ASSENT TO BEQUEST WHETHER UNDER HAND OR SEAL	15,000/=
12. AWARD by arbitrator or umpire	15,000/=
13. BILL OF EXCHANGE not being a bond, bank note or currency note	15,000/=
14. BILL OF LADING (including a thorough bill of lading)	NIL
15. BILL OF SALE	15,000/=
16. BOND (not being a debenture)	15,000/=
17. CANCELLATION—instrument of	15,000/=
18. CAPITAL DUTY	0.5%
(a) on nominal share capital or any increase of it of any company incorporated in Uganda with limited liability— of the total value	NIL
(b) on increase of share capital of any company when the increase is a condition precedent for disbursement of loan funds for a development project	NIL
(c) on becoming public through the operation of the stock exchange	
19. CAVEAT (under the Registration of Titles Act or any other law relating to the registration of title to land)	15,000/=
20. CERTIFICATE OF SALE (in respect of each property put up as a separate lot and sold)	15,000/=
21. CHARTER PARTY (instrument for charter hire or vessel or part of it)	15,000/=
22. CHEQUE	NIL
23. COMPOSITION DEED (instrument of conveyance of property by a debtor for the benefit of his creditors)—of the total value	1%
24. CONVEYANCE (not being transfer)—of the total value	15,000/=
25. COPY OF EXTRACT 5,000/=	
26. COUNTERFEIT OR DUPLICATE of an instrument chargeable with duty and in respect of which the property duty has been paid	15,000/=
27. DEBENTURE—whether a mortgage debenture or not, being of a marketable security-of the total value	0.5%
28. DEED	15,000/=
29. DIVORCE—(any instrument by which any person effects the dissolution of marriage)	15,000/=
30. EQUITABLE MORTGAGE—of the total value	0.5%
31. EXCHANGE OF PROPERTY—of the total value	2%
32. EXTRACT	15,000/=
33. FURTHER CHARGE—any instrument imposing a further charge on mortgaged property—of the total value	0.5%
34. GIFT— Instrument of not being a settlement or will or transfer—of the total value	1%
35. HIRE PURCHASE AGREEMENT—of the total value	1%

36. Bank guarantees, insurance performance bonds, indemnity bonds and similar debt instruments <i>[item 36 substituted by section 3(a) of Act 10 of 2019]</i>	100,000/=
37. INSTRUMENT - for a loan not exceeding Uganda shillings three million	NIL
38. LEASE—of the total value	1%
39. LETTER OF CREDIT—an instrument by which one person authorises another to give credit to the person in whose favour it is drawn	15,000/=
40. LETTER OF LICENCE—any agreement between a debtor and his creditors that the latter shall for a specified time, suspend their claims and allow the debtor to carry on business at his own discretion	15,000/=
41. MEMORANDUM OF ASSOCIATION OF A COMPANY	15,000/=
42. (a) Mortgage deed- of the total value A MORTGAGOR who gives a power of attorney to collect rents or a lease of the property mortgaged is deemed to give possession within the meaning of this item. (b) Where a collateral or auxiliary or additional or substituted security is given by way of further assurance where the principal or primary security is duly stamped	0.5% 15,000/=
43. MORTGAGE OF A CROP—including any instrument endorsement, note, attestation, certificate or entry not being PROTEST OF A BILL OF NOTE, made or signed by a Notary Public in the execution of the duties of his office or by other person lawfully acting as a Notary Public	15,000/=
44. NOTARIAL ACT—made or signed by a Notary Public in the Execution of the duties of his office, or by any other person lawfully acting as a Notary Public	15,000/=
45. NOTE OR MEMORANDUM—sent by a broker or agent to his principal intimating the purchase or sale on account such principal of any goods stock or marketable security	15,000/=
46. PARTITION	15,000/=
47. (a) PARTNERSHIP (b) DISSOLUTION OF PARTNERSHIP	15,000/= 15,000/=
48. (a) POLICY OF INSURANCE (b) LIFE INSURANCE (c) <i>[paragraph (c) repealed by section 3(b) of Act 10 of 2019]</i>	35,000/= NIL 50,000
49. POWER OF ATTORNEY	15,000/=
50. PROMISSORY NOTE	15,000/=
51. PROTEST OF BILL OR NOTE—any declaration in writing made by a Notary Public, attesting the dishonour of a bill of exchange or promissory note	15,000/=
52. RECEIPT—as defined by section 2 for any money or other property the amount of value exceeds Shs. 50,000/=	15,000/=
53. RECONVEYANCE OF MORTGAGED PROPERTY—of the total value	15,000/=
54. RELEASE—Any instrument not being such a release as is provided for by section 26(2) by which a person renounces a claim upon another person or against any specified property	15,000/=

55. RESPONDENTIA BOND—any instrument securing a loan on the cargo laden on board a ship and making repayment contingent on the arrival of the cargo at the port of	15,000/=
56. SECURITY BOND OR MORTGAGE DEED—executed by way of security for the due execution of an office, or to account for money or other property received by virtue thereof or executed by a surety to secure the due performance of a contract—of the total value	1%
57. SETTLEMENT (a) INSTRUMENT OF—(including a deed of dower) (b) REVOCATION OF -	15,000/= 15,000/=
58. SHARE WARRANTS—to bearer issued under the Companies Act—of the total value	1%
59. SHIPPING ORDER—for or relating to the conveyance of goods on board any vessel	15,000/=
60. SOLEMN OR STATUTORY DECLARATION	15,000/=
60A. STRATEGIC INVESTMENT PROJECTS The stamp duty chargeable in respect of an instrument executed by, or on behalf of a company or Government for the sole purpose of implementing the following strategic investment projects—	Nil
(a) developers of an industrial park or free zone whose investment capital is at least fifty million United States Dollars—	Nil
(i) debenture; whether a mortgage debenture or not, being of a marketable security- of the total value;	Nil
(ii) further charge; any instrument imposing a further charge on a mortgaged property- of the total value;	Nil
(iii) lease of land- of the total value	Nil
(iv) increase of share capital;	Nil
(v) transfer of land;	Nil
(vi) an agreement to provide services on conducting a feasibility study or developing a design for construction;	Nil
(b) an operator within an industrial park or free zone or an operator of a single factory or other business outside the industrial park who meets the following requirements—	Nil
(i) a minimum investment capital of ten million United States Dollars in the case of a foreigner or one million United States Dollars in the case of a citizen; <i>[subparagraph (i) substituted by section 3(d) of Act 10 of 2019]</i>	Nil Nil
(ii) carries on business in agro processing, food processing, medical appliances, building materials, light industry, automobile manufacturing and assembly, household appliances, furniture, logistics and warehousing, information technology or commercial farming;	Nil Nil
(iii) seventy percent of the raw materials used are sourced locally, subject to their availability;	Nil

(iv) directly employs a minimum of one hundred citizens; and	Nil
(v) provides for substitution of thirty percent of the value of imported products—	Nil
(aa) debenture; whether a mortgage debenture or not, being of a marketable security – of the total value;	Nil
(bb) further charge; any instrument imposing a further charge on a mortgaged property- of the total value;	Nil
(cc) lease of land–of the total value;	
(dd) increase of share capital;	
(ee) transfer of land;	
(c) hotel or tourism facility whose investment capital is eight million United States Dollars with a room capacity exceeding one hundred guests—	
(i) debenture; whether a mortgage debenture or not, being of a marketable security–of the total value;	
(ii) further charge; any instrument imposing a further charge on a mortgaged property-of the total value;	
(iii) lease of land-of the total value (iv) increase of share capital;	
(v) transfer of land;	
(vi) an agreement to provide services on conducting a feasibility study or developing a design for construction;	
(d) hospital facility developer whose investment capital is at least five million United States Dollars and who develops a hospital at the level of a national referral hospital with capacity to provide specialised medical care—	
(i) debenture; whether a mortgage debenture or not, being of a marketable security–of the total value	
(ii) further charge; any instrument imposing a further charge on a mortgaged property-of the total value;	
(iii) lease of land-of the total value;	
(iv) increase of share capital;	
(v) transfer of land;	
(vi) an agreement to provide services on conducting a feasibility study or developing a design for construction.	

(e) technical or vocational institute operator whose investment capital is at least ten million United States Dollars in the case of a foreigner or one million United States Dollars in the case of a citizen—	
(i) debenture; whether a mortgage debenture or not, being of a marketable security-of total value;	
(ii) further charge; any instrument imposing a further charge on a mortgaged property-of total value;	
(iii) lease of land-of total value;	
(iv) increase of share capital;	
(v) transfer of land;	
(vi) an agreement to provide services on conducting a feasibility study or developing a design for construction. <i>[paragraph (e) inserted by section 3(f) of Act 10 of 2019]</i> <i>[item 60A inserted by section 2(b) of Act 6 of 2018 and amended by section 3 of Act 10 of 2019]</i>	
61. SURRENDER OF LEASE	15,000/=
62. TRANSFER—	1.5%
(a) of the total value	0.5%
(b) transfer of shares in an incorporated company listed on the stock exchange, arising from the trading of those shares on the stock exchange <i>[Date of commencement of item 62(b): 24 October 2014]</i>	NIL
(c) of assets to special purpose vehicles for the purpose of issuing asset backed securities	
63. TRUST—concerning any property made by any writing not being a will	15,000/=
64. Any other instrument not specifically mentioned	15,000/=

*[Schedule 2 amended by section 2 of Act 15 of 2016, by section 2 of Act 6 of 2018 and by section 3 of Act 10 of 2019]*

### Schedule 3 (Section 9)

#### Expense of providing the proper stamp

1. In the absence of an agreement to the contrary, the expense of providing the proper stamp shall be borne, in the case of an instrument described in that Schedules, by the person drawing, making or executing the instrument.
2. Without prejudice to paragraph (1), the expense of providing the proper stamp shall be borne—
  - (a) in the case of a policy of insurance other than a fire insurance, by the person effecting the insurance;
  - (b) in the case of a policy of fire insurance, by the person effecting the insurance;
  - (c) in the case of a conveyance, including a reconveyance of mortgaged property, by the grantee;
  - (d) in the case of a lease or agreement to lease, by the lessee or intended lessee;
  - (e) in the case of a counterpart of a lease, by the lessor;

- (f) in the case of an instrument of exchange, by the parties in equal shares;
- (g) in the case of a certificate of sale, by the purchaser of the property to which the certificate relates;
- (h) in the case of an instrument of partition, by the parties to it in proportion to their respective shares in the whole property partitioned, or, when the partition is made in execution of an order passed by a civil court or arbitrator, in such proportion as the court or arbitrator directs;
- (i) in the case of a transfer of shares in an incorporated company or other body corporate, by the purchaser or transferee;
- (j) in the case of a transfer of debentures, being marketable securities, whether the debenture is liable to duty or not, by the purchaser or transferee; and
- (k) in the case of a transfer of any interest secured by bond, mortgage, deed or policy of insurance, by the purchaser or transferee.