

PARLIAMENT OF THE REPUBLIC OF UGANDA

**REPORT OF THE JOINT COMMITTEE OF THE COMMITTEES ON
DEFENCE AND INTERNAL AFFAIRS; AND PHYSICAL INFRASTRUCTURE
ON INVESTIGATIONS ON THE IMPLEMENTATION OF THE INTELLIGENT
TRANSPORT MONITORING SYSTEM BY M/S JOINT STOCK COMPANY
GLOBAL SECURITY**

**OFFICE OF THE CLERK TO PARLIAMENT
PARLIAMENTARY BUILDINGS
KAMPALA-UGANDA**

MAY, 2023

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LIST OF ACRONYMS

CAPEX	Capital Expenditure
GoU	Government of Uganda
ISO	Internal Security Organisation
ITMS	Intelligent Transport Monitoring System
JSC	Joint Stock Company
KCCA	Kampala Capital City Authority
MoWT	Ministry of Works and Transport
NEC	National Enterprise Corporation
NITA	National Information Technology Authority
PMT	Project Management Team
PPP	Public Private Partnership
ROI	Return on Investment
UNRA	Uganda Revenue Authority
UPDF	Uganda People's Defence Forces
URA	Uganda Revenue Authority
UTL	Uganda Telecom Limited

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1 INTRODUCTION

During the Plenary Sitting of 30th November 2021, Hon. Achieng Sarah Opendi, Woman MP, Tororo District, moved a Motion for a resolution of Parliament to urge the government to examine the implementation of the Agreement for the implementation of the Intelligent Transport Monitoring System with M/S Joint Stock Company Global Security to address public concerns.

She stated that on 23rd July 2021, the government entered into an agreement under the Public Private Partnership arrangement with the M/S Joint Stock Company Global Security for the implementation of the Intelligent Transport Monitoring System aimed at enhancing crime management through detection, identification and recognition of all vehicles and motorcycles operating in the country, among other benefits.

She further stated that the government would install the Intelligent Transport Monitoring System (ITMS) in all public and private vehicles and motorcycles. She was concerned that installing the monitoring and tracking system would create an additional cost, which the vehicles' owners would incur in addition to the already high cost of acquiring vehicles. Additionally, she indicated that intrusion into people's right to Privacy was likely.

In her prayers, she urged the government to judiciously examine the implementation of the Intelligent Monitoring System to ensure protection, preservation of people's freedom and value for money in this whole process.

The Rt. Hon. Speaker referred the Motion to a joint Committee comprising the Committees on Defence and Internal Affairs and Physical Infrastructure for further scrutiny and report back to Parliament.

2 BACKGROUND

Following the gruesome killings committed by criminals around the country moving in unidentified vehicles and motorcycles in 2018, H.E., the President of the Republic of Uganda addressed Parliament and presented ten measures that the government was going to undertake to fight the escalating crime among which included smart number plates and a Smart Tracking System for motor vehicles and motorcycles countrywide. He requested for Parliament's support in these endeavors. Subsequently, GoU identified the ITMS project to develop the implementation of a Smart Tracking System in Uganda that will improve crime management, security, traffic management and revenue collection.

The ITMS is an intelligent safe city system based on software that stores information about vehicles and owners, analyses traffic flow through special equipment and checks vehicles' legitimacy.

The project's overall goal is to improve security and reduce crime committed against innocent Ugandans by criminals, who have made it a habit of shooting people and getting away, mainly on motorcycles.

Subsequently, the Government of Uganda, represented by the Ministry of Security and the Ministry of Works and Transport, entered an Agreement with a Russian company Messrs Joint Stock Company Global Security, on 23rd July 2021 to set up an Intelligent Transport Monitoring System (ITMS).

The Presidency is coordinating the project specifically under the docket for security, working together with relevant Security Agencies, and the office commenced preparatory arrangements to implement the directive above.

3 TERMS OF REFERENCE

The Joint Committee considered the petition under the following Terms of

Reference;

- I D Gk3 J K
- i. To establish whether implementing the ITMS protects and preserves people's right to Privacy
 - ii. To establish whether value for money will be achieved during the implementation of the ITMS project.
 - iii. To establish whether a demonstration of the effectiveness of the project by installing the ITMS on government vehicles, motorcycles, and passenger service vehicles, including taxis, before roll out was done.
 - iv. To establish whether Government would meet all costs required for installing the ITMS in all vehicles.
 - v. To carry out an exhaustive investigation into the existence and operations of MS/Joint Stock Company Global Security
 - vi. Any matters incidental thereto.

4 METHODOLOGY

The Committee;

a) Held meetings with the following;

- i. The Minister and officials of the Ministry for Security
- ii. The Minister and officials from the Ministry of Transport and Works
- iii. Hon. Sarah Opendi, Woman MP Tororo District, the mover of the motion.
- iv. The ITMS Project Management Team (PMT) composed of nominees from the President's office, Ministries of Finance, Security, Works, NITA Uganda, UTL, Uganda Police, UPDF, NEC, ISO and Attorney General's office.
- v. Representatives of MS/Joint Stock Company Global Security

b) Reviewed the following documents;

- i. The Constitution of the Republic of Uganda 1995
- ii. The Public Finance Management Act 2015
- iii. The Public-Private Partnerships Act 2015
- iv. Memorandum Of Understanding between the Government of Uganda and Joint Stock Company Global Security

- v. Agreement between the government of Uganda and Joint Stock Company Global Security
- vi. The Technical specifications report by PMT
- vii. The Financial Model by PMT
- viii. Correspondence with the Attorney General
- ix. Articles of Association of Ms Joint Stock Company Global Security and Ms Virtus Global Security Company

5 ITMS PROJECT IMPLEMENTATION OVERVIEW

5.1 Specific objectives of ITMS;

The specific objectives of the project are:-

- Crime management through detection, tracking, identification and recognition of all vehicles and motorcycles operating in the country;
- Provide additional benefits like improved revenue collection (by URA), improved traffic management (by Uganda Police Force), and enhanced process of registration of vehicles/motorcycles.

5.2 Steps taken by the government

Considering the Security sensitivity and the multi-sectoral approach required towards the implementation of the ITMS, Government undertook the following steps summarised in Table 1 below

Table 1: Chronology of ITMS project events

Date	Event	Comments
22 nd March 2019	GoU, represented by the Hon. Minister for Security and the Attorney General, entered an MoU with M/s. Joint Stock Company Global Security	To undertake a feasibility study on creating the ITMS
September 2019	Completion of Technical feasibility study pursuant to the MoU	The final technical feasibility report that covered the problem statement, proposed solutions, goals and objectives; the implementing agencies, and the

21st July 2021 Solicitor General clears the Agreement

technical/engineering requirements, among others

In a letter, ref. ADM 7/197/01 dated 21st July 2021, the Solicitor General cleared the Agreement. The Hon. Attorney General reinforced this position in his letter ref: AG/2021/3765 dated 4th May 2022

July 2021 Cabinet approval under Minute Extract 129 (CT 2021)

Section 33(3) of the PPP Act 2015 requires Cabinet approval where a Contractor has been procured directly, especially in conditions where competition is not feasible, e.g under Security considerations. Accordingly, Cabinet approved the implementation of the ITMS

23rd July 2021 GoU, represented by the Office of the President, Ministry of Works and Transport and M/s Joint Stock Global Security, agree to implement the ITMS Although signed in July 2021,

The ITMS Agreement eventually became effective on 20th June 2022 upon the Parties approving the Financial Model in line with Art 4 1 of the ITMS Agreement.

7th December 2021 The Permanent Secretary, Office of the President, appoints a PMT team

Article 11.1 of the ITMS Agreement provides that: "Immediately upon the execution of this Agreement, the Employer shall constitute a Project Management Team (PMT) whose mandate shall be to oversee the development of the Project by the Contractor and to work closely with the Contractor concerning all the technical, legal and financial aspects of the Project"

Source: MoU between GoU with M/s. Joint Stock Company Global Security and stakeholder submissions

6 PROGRESS OF THE PROJECT;

The Project Management Team (PMT) has so far carried out the following:

i. Drafted Regulations for the new vehicle registration plates.

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- ii. The Ministry of Works and Transport, with the support of the consultant, prepared the User Specifications for the Motor Vehicle Registration model to be used by ITMS.
 - iii. Finalised the Project Implementation Schedule.
 - iv. Reviewed the transition plan from the existing Number Plates to the new security-enhanced Number Plates.
 - v. Finalised and recommended to the government for approval of the Financial Model of the project investment at the cost of **USD 257,033,822.93**.

7 THE FINANCIAL MODEL.

The financial model (*Appendix 1*) cost drivers and assumptions include the following.

- i. Total investment is estimated at USD 257.034 million, funded wholly by private equity.
- ii. The proposed infrastructure will support existing Police surveillance infrastructure where available. However, new calibration will be required to synchronise the equipment at the contractor's cost, e.g., Cameras.
- iii. The primary sources of revenue from the investment are traffic violation fines, motor vehicle and motor cycle registration, replacement of Onboard Devices, Vehicle monitoring fees and driver's license registration.
- iv. The key drivers of the investment costs are CAPEX (USD 234,909,916.05) and OPEX (USD 22,123,906.88).
- v. The return on investment (ROI) is calculated at 38.99% over ten years.
- vi. The projected Net Profit Margin (Net Income Ratio) is 15.61% over the project period.
- vii. The revenue to GOU over the ten years is projected at USD 247.09 million.

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8 FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

The Committee's inquiry elicited findings, observations and recommendations in light of the terms of reference as demonstrated below.

8.1 Tor 1: To establish whether implementing the ITMS protects and preserves people's right to Privacy.

The Committee found that Privacy is a fundamental human right enshrined in numerous international human rights instruments and the Constitution of Uganda. It is central to protecting human dignity and forms the basis of any democratic society. The Committee understands that the petitioner's concerns are premised on the fact that a foreign firm will manage the ITMS architecture and, by extension, the data collected. Because the system is inherently vulnerable to state surveillance due to the State's deploying increasingly sophisticated and coercive means to prevent crime, the likelihood of subjecting citizens to surveillance disruption is imminent.

Whereas the petitioner's concern reflected the fear that installing the monitoring and tracking system would result in the intrusion into people's right to Privacy, the Committee found that the ITMS contract is well clothed within the Law.

Article 27 (2) of the Constitution of the Republic of Uganda provides thus:

"No person shall be subjected to interference with the privacy of that person's home, correspondence, communication or other property."

However, the right provided for in Article 27(2) of the Constitution is subject to general limitations provided for in Article 43 of the Constitution.

Article 43 of the Constitution provides thus-

- i. The right to Privacy is among the rights under which the State ~~can~~ interfere, as Article 43 of the Constitution provides. Such a right

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is not absolute, and the State is clothed with powers to interfere where necessary for the public interest within what is acceptable and demonstrably justifiable. The gruesome killings by hit-and-run gun-wielding motorcyclists recorded in Uganda pause a great danger to public security if undeterred.

- ii. The Data Protection and Privacy Act, 2019 under Section 7(2) (b) (ii) and (iii) allows the State to collect personal data for national security and; prevention, detection, and investigation of an offence or breach of the Law to interfere with your Privacy. Section 20 of the same Act obliges the data collector (ITMS) to ensure the integrity of personal data in their possession by adopting appropriate and reasonable measures to prevent the loss or unlawful/unauthorised access to data collected by the system.

- iii. Article 7.1 of the ITMS Agreement provides that *'The Parties shall ensure that Personal Data is collected, processed and stored in accordance with the Data Protection and Privacy Act, 2019. No party shall use any personal data collected, processed or stored for purposes other than for the objects of this Agreement.* Therefore, the ITMS is mindful of the Data protection and privacy Laws of the Country.

Recommendation;

The Committee, therefore, recommends that;

- i. **Government should take the initiative to sensitise citizens about their rights to Privacy..**
- ii. **The Government should sensitise the public on the benefits of the ITMS system in crime management.**

8.2 Tor 2; To establish whether value for money will be achieved during the implementation of the ITMS project.

The Committee is mindful that in the Constitution of the Republic of Uganda under Article 163 (3) (b) and Section 21, the Auditor General is mandated to carry out value-for-money audits regarding any project involving public funds

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The Committee established that the total investment of the ITMS project would amount to USD 257,033,822.93, and the investor would entirely bear the cost. However, the Committee observes that the investor intends to recover this cost through fines and fees provided in the financial model. ~~REVIEW~~

It is noteworthy that for such projects to be undertaken by the government, comprehensive due diligence on the contractor should be conducted to critically review and evaluate their capacity to minimize significant loss after the contract has been closed. The Minister of Security informed the Committee that the Project Management Team undertook due diligence on the Company, and the team gave assurances of value for money in its due diligence report. However, the Committee finds it prudent that for Parliament to pronounce itself on the matter, the Committee should be allowed an opportunity to benchmark on some of the projects already implemented by the M/s JSC Global Security to assess its capacity to deliver on the contract and for government ensure value for money.

Recommendation.

The Committee recommends that;

- i. During the implementation of the ITMS project, the Auditor General regularly conducts value-for-money audits on the project to establish whether the total project costs reported are;
 - Reflective of the actual costs for the project,
 - Prudently incurred following the project implementation design, and
 - Reflective of value for money.
- ii. Upon adopting this report, the Committee be allowed an opportunity to undertake a benchmark/due diligence on the already implemented projects by the M/s JSC Global Security to assess its capacity to deliver on the contract for government to ensure value for money.

8.2.1 *The financial model for the intelligent transport monitoring system.*

The Committee established that the Agreement on the Intelligent Transport Monitoring System (ITMS) between GoU and Joint Stock Company Global Security, under Article 4, set out the conditions precedent to the Agreement's effectiveness, among which was the Financial Model for the ITMS project. The Committee's scrutiny of the Financial Model revealed the following;

8.2.1.1 *The cost structure of the investment.*

The Committee established that from the model, the total investment by the private investor would amount to USD 257,033,822.93. This will cater for initial capital investments for acquiring cameras, speed radars, smart registration plates, electronic devices, control room and software. The government will provide the land on which the facility's headquarters will be set up. No financial investments or guarantees will be required from GoU. Only policy support and integration with existing security infrastructure and legislative support will be expected as support from GoU. The model further reveals that the operational phase will include the following over the contractual period of ten years.

- i. Expected revenue of approximately USD 974 million from speeding violations, traffic fines and penalties, sale of digital registration plate fees
- ii. Operation expenses of approximately USD 106 million include system maintenance costs, wages and general administration budget,
- iii. Heavy expenditure on capex and infrastructure cumulatively of approximately USD 540 million. The capex key drivers will be electronic devices, speed radars and other related equipment and infrastructure.
- iv. The return on investment over the ten years is at 38.99%, implying a 3.9% return per annum on a linear basis.

8.2.1.2 *The utilisation of funds at source*

According to Article 9.5 of the Agreement, all payments, i.e., fines charged for violation of traffic laws, shall be made quarterly. The Government of Uganda shall make such payment within no more than two months from the date of issuing the invoice by the Contractor. The fines envisaged by the Contractor and also stated in the Financial Model are statutory fines provided for under the Road Fund Act. These are collected from persons who violate the laws

regulating traffic and road safety and therefore are supposed to be remitted to the Consolidated Fund under Section 30 (1) of the Public Finance Management Act, 2015. Section 30 (1) of the Public Finance Management Act states thus:-

All revenues or other money raised or received for the purpose of the Government, shall be paid into and shall form part of the Consolidated Fund except the revenue specified in Section 29 (2)(b) and (3).

Observation.

The Committee observes that the monies collected from fines form part of the consolidated fund under NTR. Parliament must appropriate these funds per Article 154 of the Constitution of the Republic of Uganda.

Recommendation.

The Committee, therefore, recommends that all fines collected under the Agreement form part of the Consolidated Fund and be appropriated by Parliament as required by Law.

8.2 1 3 Tax Incentives:

The financial model indicates that the tax incentives will affect the import duty on the inputs of the contract. While assessing the model, the foreign investor's inputs will largely be imported raw materials such as tracking chips and cameras that are not locally manufactured. The choice of a 10-year project period for the private foreign company seems to tie in with the duration of tax incentives. It implies that the choice of 10 years was informed by the desire of the private company to enjoy the statutory ten-year tax incentive and exit. Therefore, the Committee's underlying assumption is that all computations of charges are based on making the company profitable before the end of the tax incentive regime. After ten years, the Contractor will exit without paying import duty over the project period.

Recommendations.

The Committee recommends that the Minister in Charge of Finance, Planning and Economic Development should not issue a tax incentive of more than four years to the Contractor whose payback period is ten

years. The tax incentive should tie within the first four years of investment, after which the statutory taxes should apply.

8.2.1.4 Financial Model specifications

The model is silent on public investment regarding land acquisition to install ITMS infrastructure and additional traffic lights that may be necessary to install sensors and actuators for easy tracking. This is because some areas in the country do not have a single traffic light, yet criminals may pass through such points.

Recommendations.

The model should include the initial Government investment in the acquisition of land and other assets necessary for the implementation of the project.

8.3 Tor 3; To establish whether a demonstration of the effectiveness of the project by installing the ITMS on government vehicles, motorcycles, and passenger service vehicles, including taxis, before roll out was done.

The Committee found that the PMT visited the MoWT/UNRA regional stations and Police command centres from February 2nd – 8th, 2022, to establish space requirements. The team adopted a general report during the meeting on 18th Feb 2022. The Minister of Security informed the Committee that the Contractor had piloted the installation of the trackers in different vehicles. This exercise began on February 2nd 2022, and installed the trackers as follows:

- 08 Cars (Privately owned vehicles)
- 04 buses each plying each region
- 03 Taxis (Minibuses)
- 05 motorcycles (Boda boda)

Additionally, UTL had provided 21 test sim cards to the service provider for installation in the trackers. All vehicles used during the exercise to

establish space requirements in the regional centres were installed with trackers to establish UTL network coverage nationwide. This was a work in progress of UTL to identify the network dark spots during the piloting phase.

Further, two traffic junctions were identified in KCCA for piloting at Makerere Hill Road and Fairway Hotel Yusuf Lule Road complex junction. The Contractor supplied pilot Number Plate Recognition (NPR) and Surveillance cameras and linking them to the national command and data center at UPDF headquarters to analyse vehicle, driver and human behaviours at different junctions. Makerere Hill was installed with eight cameras, mainly for traffic violation analytics and surveillance. Others were piloted on the Northern bypass for vehicle identification and traffic violation analytics. A facial recognition and traffic density camera had been placed in Kisekka Market for analytics.

Observation.

The Committee observes that

- i. The system will be implemented in phases starting with the capital city and rolled out across the country over a three-year period. This covers 238 boundaries and over 83 major road intersections. The new registration plates will start with the replacement of government plates plus first-time registration.
- ii. The service provider, in conjunction with GoU, will operate the system over the ten-year period, which upon expiry, the project will be handed over to the government at no additional cost.
- iii. Piloting the ITMS will help build confidence in the project by demonstrating how it will create a centralised transport monitoring system for all motor vehicles and motorcycles in Uganda. Based on the tracking device installed on all motor vehicles and motorcycles synchronised with the digital number plates enhanced with security features as suitable mechanisms, identifying criminal elements in public will be simplified.

iv. By the time of drafting this report, the Committee had not received a report on the pilot study from the Ministry.

Recommendations.

The Committee, therefore, recommends that the Ministry of Works and Ministry of Security implement the ITMS project based on the findings and recommendations of the pilot study report.

8.4 Tor 4; To establish whether Government would meet all costs required for installing the ITMS in all vehicles.

8.4.1 The proposed Fees to be charged on the new digital registration plate.

The Minister of Works and Transport informed the Committee that the current number plate is an aluminium plate embossed with characters without embedded sensors. This makes it susceptible to duplication, manipulation and hard to track since they don't have a mechanism to detect tampering or unauthorised removal of number plates. As such, the Ministry of Works and Transport was already in the process of replacing the current number plates.

The model assumes charges for using the number plates as one such source of revenue for the investor to recover their investment in 10 years. The Committee noted that the amounts proposed to be levied on acquiring the new digital registration plate would be incurred by the already registered and new car owners. Table 2 shows the charges in the financial model.

Table 2: Proposed charges of tracker and number plates in the approved ITMS project financial model

Sn	Name	Value (USD)	Comment
1	Tracker + Number plates	150	Cost for Onboard Device (OD)
2	Payment for OD Set for New Vehicle	200	Payment for the tracker device + NP tag for first time registration

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3	Payment for OD Set, owned Car	42	Payment for the tracker device + NP tag for replacement on already registered vehicles
4	Payment for OD Set, owned motorcycle	14	Payment for the tracker device + NP tag
5	License plate replacement/maintained	21	Payment for number plate replacement because of damage or loss (additional fee)

Source, the ITMS financial model.

Observations.

The Committee observes that;

- i. Reregistering motor vehicles and motorcycles with new numberplates and trackers is intended to facilitate synchronising the owner's details with the new system. This will impose a considerable cost on already registered owners of motor vehicles and motorcycles, given the inherent costs of acquiring new number plates and trackers. However, the Committee notes that it is standard practice to incur a fee while replacing or renewing a document required by law, such as passports and driving permits, upon loss or expiry. Therefore, the requirement to pay for the new digital registration plates would not be a new phenomenon. However, the Committee deems it prudent to harmonise the fees for the Onboard Device-OD (to replace older number plates) with the Traffic and Road Safety Act and the regulations thereunder.
- ii. Foreign vehicles, vehicles in transit and those temporarily in Uganda are not provided for in the model.

Recommendations.

The Committee, therefore, recommends that;

- i. For the purposes of enhancing security and surveillance, the proposed fees to be charged for first time registration and new digital plate are sufficient to recover the cost of investment and therefore should be approved.
- ii. The fees for the Onboard Device-OD (Tracker + Number Plates) for already registered vehicles and motor cycles be harmonised with the Traffic and Road Safety Act and the regulations thereunder.
- iii. The model should be reviewed to include vehicles in transit and those temporarily in Uganda.

8.4.2 The proposed fines.

The Committee established that the traffic violation fines were one of the fundamental avenues for raising revenue for the Contractor to recoup the initial capital investment. The model proposes to raise USD 390,034,848.45 from fines. The proposed fines to be charged per offender are shown in the Table 3 below.

Table 3 Proposed fines in the ITMS project Financial Model

Sn	Fine	Amount UGX
1	Speed Violation	250,000
2	Stop line/markings	70,000
3	Turn not under the sign	70,000
4	Red light	130,000

Source, the ITMS financial model.

Further, the model does not demonstrate a scenario of the payback period while maintaining the current levels of statutory fines. The various scenarios should have been developed to identify the most optimal scenario for the benefit of all stakeholders. Multiple stakeholders have different objectives, i.e., the private firm aims to maximise profit, the Government is to improve security levels, and the public is to obtain services at the least cost.

Observations.

The Committee observes that the Traffic and Road Safety Act 1998 under;

- Section 119 creates an offence of careless or inconsiderate motor vehicle use.
- Section 108 (7) defines reckless driving as disregarding the rules of the road or driving without proper caution. It includes driving over the prescribed speed limit, failing to use signals, disobeying traffic signs and signals, and drifting into another lane.
- Section 165 provides offences that can be punished without prosecution by paying a fixed penalty to discharge any liability arising from a written notice issued by a police officer to an offender. Such offences are prescribed as minor offences and;

Section 165 (13), the Minister may make Regulations to provide for minor offences which will attract a fixed penalty not exceeding one hundred currency points. In Statutory Instrument 34 of 2004, the

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Traffic and Road Safety (Express Penalty Scheme for Road Traffic Offenders) Regulations, 2004, the Minister developed a Schedule of minor offenders and punishments prescribed therein.

Recommendations.

The Committee recommends that the fines proposed in the financial model be harmonised with the provisions of the Traffic and Road Safety (Express Penalty Scheme for Road Traffic Offenders) Regulations, 2004.

8.4.3 Insurances fees

The financial model proposes to increase motor vehicle third-party insurance by USD6 to raise USD 143,809,572.98 to subsidise the cost of number plates for boda-boda motorcycles.

Observation.

The Committee observes that different legal regimes provide insurance to cover insurable risks. It is not an income available for disposal as the financial model provides, for instance, the purpose of a third-party insurance policy is well covered under Section 3 of the Motor Vehicle Insurance (Third Party) Act Cap 214, which states that;

"the policy of insurance must be a policy which insures such a person or persons or classes of persons as may be specified in the policy in respect of liability which may be incurred by him or her or them in respect of death of or bodily injury to another person caused by or arising out of the use of a vehicle on the road; except that a policy in terms of this Section shall not be required to cover liability in respect of the death of or bodily injury to a person arising out of and in the course of employment of the person, by a person insured under the policy."

As provided in the Law, this purpose cannot be substituted by the clause in any agreement to cover up the project's operations. This will amount to amending the Law using the backdoor, which is illegal and untenable.

The Committee construes insurance to be a cost that is willingly born by an individual to protect or hedge against unexpected financial loss. The insurance

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increment in the model does not meet this criterion, as the proposal of subsidising the cost of number plates for boda-boda motorcycles under the insurance increment of USD 6 cannot be treated as an unpredictable contingency.

Recommendation.

The Committee, therefore, recommends that this proposal be dropped.

8.5 Tor 5; To carry out an exhaustive investigation into the existence and operations of MS/Joint Stock Company Global Security.

8.5.1 Whether Ms Joint Stock Company Global Security exists.

M/s Joint Stock Company (JSC) Global Security was registered in Moscow on July 24, 2013, with the primary number 1137746628623 issued in Moscow under the laws of Russia and with powers to open up foreign companies under her control. As spelt out in Article 3.4 of the Articles of Association, one of its main objectives is to engage in holding companies' operations and security commercial sector activities, among others. Therefore, the company is a legal entity with the power to engage in business with a foreign government or company.

The Minister of Security, Hon. Jim Muhwezi, informed the Committee that when M/s JSC Global Security approached GoU to do business, a Memorandum of Understanding was signed as an instrument for negotiations at the time. The contract executed between the Government of Uganda and M/s JSC Global Security on 23rd July 2021 under Article 5.20 calls for registering a foreign or subsidiary company. M/s JSC Global Security passed a resolution to open up a subsidiary company in Uganda called Virtus Global Security Company.

The Committee is aware that Section 251 of the Companies Act provides for registering foreign companies in Uganda. It states that "Sections 252 to 260 shall apply to all foreign companies, being companies incorporated

- Bele* *Geor*
- c) The name and postal address of one or more person resident in Uganda authorised to act on behalf of the company.
- d) Full address of the registered principal office.
- Mr*

The Attorney General informed the Committee that M/s JSC Global Security Ltd registered a subsidiary called M/s Virtus Global Security Company Ltd on 21st December 2021, with M/s Joint Stock holding 99% of shares in the company and 1% owned by Shkarban Ivan, a Russian National. Further, M/s JSC Global Security Ltd registered itself as a foreign company on 21st March 2023 (Appendix 2).

Observation.

The Committee observes that Virtus Global Security Company Limited is registered in Uganda, with M/s Joint Stock Company Global Security being the majority shareholder as a subsidiary company that can legally act on behalf of M/s JSC Global Security.

852 Whether M/s Joint Stock Company Global Security is undergoing Bankruptcy procedures.

It is alleged that on September 17, 2020, the Moscow Arbitration Court received an application from Rus-Prom-Technology on the recognition as insolvent (bankrupt) of JSC Global Security with the following claims that;

- a) Stok-Trading LLC sued M/s JSC Global Security for a debt of 1.2 million rubles which is about USD16,260,
- b) Tuesday GS sro Slovak Republic sued M/s JSC Global Security company for a debt of 6.1 million rubles (USD82,655),
- c) JSC ZVI sued M/s JSC Global Security for a debt of 23 million rubles (about USD300,000) then a debt of 10 million rubles (about USD135,500) and 4.6 million rubles (about USD62,330).
- d) Limited Liability Partnership "Orken Alems" sued M/s JSC Global Security for a debt of 8.5 million rubles (about USD

iii. UTSCH/GM Tumpeco/Arnold & Brooklyn Co. Ltd

iv. Kommlabs

v. Para-Tech Group

vi. LMS Telecom Ltd

The Ministry of Security argued that this contract was of a specialized and security nature. As such, Government preferred to use the direct procurement method provided under Section 33 of the Public-Private Partnerships Act. It is noteworthy that Section 3 of the Private Public Partnership Act 2015 is to the effect that;

'In the implementation of a public-private partnership, the contract shall be governed by the principle, among others, of transparency by ensuring that the procurement of a public private partnership does not restrict competition among bidders and that it is conducted on equal terms and uses objective criteria,

Section 33 of the Public-Private Partnerships Act states that;

- (1) *Direct procurements is a sole source procurement method used where the circumstances do not allow the use of competition*
- (2) *The direct procurement shall be used to achieve efficient and timely procurement where circumstances do not allow the use of competition.*
- (3) *The procurement of a private party under the direct procurement method shall be approved by the Cabinet in accordance with the regulations made under this Act*

The Committee established that Cabinet, under Minute Extract 129(CT 2021) of 5th July 2021, approved the implementation of ITMS and authorised the signing of the Agreement between Uganda and M/s Joint Stock Company Global Security. Further, there was no solicitation of bidding, meaning there was no request by the Government for Bids for the provision of Goods or Services through a request for a proposal, quotation or tender.

Section 3 of the Public Procurement and Disposal of Public Assets Act 2013 defines "solicitation documents" as bidding or any other documents inviting bidders to participate in procurement or disposal proceedings. It

(Signature)

includes documents inviting potential bidders to pre-qualify and submit bidding documents.

Observation.

The Committee observes that;

- i. There were no solicitation documents since the Government used unsolicited proposals as provided for under Section 34 of the Public-Private Partnerships Act.
- ii. Having ascertained the restrictive security nature of the transaction of the ITMS, the Ministry ought to have first developed the solicitation documents, clearly spelling out what they wanted. Then the Contractor would develop interest, if any, in taking up the project with clear expectations.
- iii. Contracting an unsolicited service provider for the ITMS project limits the GoU to develop the feasibility study and procurement documentation. Subsequently, competition for the tender during procurement ranging from directly negotiating the contract to organising competitive tender with no explicit advantage for the unsolicited service provider, is eliminated and, in this case, M/s JSC Global Security.

Recommendation.

The Committee, therefore, recommends that the government contracts service providers in accordance with the Law.

8.6.2 Unstable network signal covers

The Committee noted that whereas it was a Cabinet directive for the ITMS to be hosted on the UTL network, the UTL network signal coverage does not sufficiently reach the whole Country. UTL uses a 2G capacity, which might be weak, yet the most modern network is at 5G capacity. The Committee was informed that UTL is obtaining a license to roam on the MTN network to enhance their coverage as a temporal measure as they improve their network coverage across the country.

Observations.

The Committee observes that without assurance of network signal coverage, relying on a third party to the contract to provide an essential service will likely expose the data collected to security risks and also jeopardise the project's success.

Recommendations.

The Committee, therefore, recommends that UTL expedites upgrading its network coverage through the country concurrently with the project roll phases.

9 CONCLUSION

Implementing the Intelligent Transport Monitoring System aims to enhance crime management through detecting, identifying and recognising all vehicles and motorcycles operating in the country, among other benefits. It is an intelligent safe city system based on software which stores information about vehicles and owners, analyses traffic flow through special equipment, checks vehicles' legitimacy and more.

Based on our analysis, the system will significantly improve the vehicle database, streamline the transport sector, enhance the CCTV system, and improve road safety and security in the country.

The Committee posits that the Agreement and the financial model have gaps identified and need to be dealt with urgently, considering that the project is being implemented. Therefore, the Committee calls upon Parliament to compel the government to review the Agreement and the financial model in light of the recommendations contained in this report.



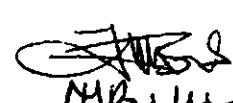
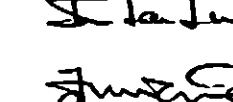

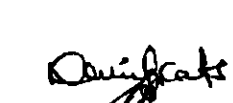
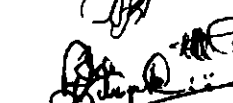



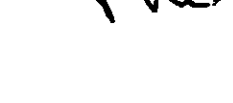

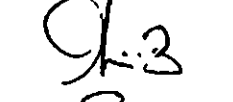



I beg to report.

1. The Financial Model for the Intelligent Transport Management System (ITMS)
2. Certificates of registration of Virtus and JSC Global Security in Uganda.

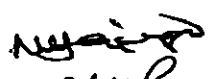



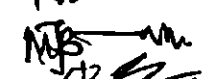
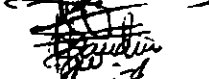


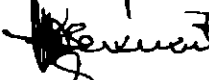




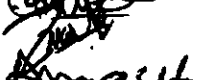





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COMMITTEE MEMBERSHIP- 11TH PARLIAMENT, 2ND SESSION

COMMITTEE ON PHYSICAL INFRASTRUCTURE

Sn	NAME	SIGNATURE
1	Hon Karubanga David C/P	
2	Hon Kasolo Robert D/CP	
3	Hon. Sarah Opendi	
4	Hon Nsegumire Muhamad Kibedi	
5	Hon. Lokwang Hillary	
6	Hon Asaba Paul Nsabimana	
7	Hon. Bukenya Michael Iga	
8	Hon Byanyima Nathan	
9	Hon. Agaba Aisa,	
10	Hon. Pascal Mbabazi	
11	Hon. Atyang Stella	
12	Hon. Kabanda David	
13	Hon. Namujju Cissy	
14	Hon. Awasa Sylvia Vicky	
15	Hon. Ssemwanga Gyaviira	
16	Hon. Naigaga Mariam	
17	Hon. Atwakiire Catherine Ndamira	
18	Hon. Kabuusu Moses	
19	Hon. Sebamala Richard	
20	Hon. Okello Nelson	
21	Hon. Saazi Godfrey	
22	Hon. Nambeshe John Baptist	
23	Hon. Ssekabira Denis	
24	Hon. Balimwezo Ronald Nsubuga	
25	Hon. Okupa Elijah	
26	Hon. Mugema Peter	
27	Hon. Roland Ndyomugenyi	
28	Hon. Nsanja Patrick	
29	Hon. Kaberuka James Ruugi	
30	Hon. Nsibambi Yusuf	
31	Hon. Rwemulikya Ibanda	
32	Hon Kibalya Henry Maurice	
33	Hon. Bainababo Charity	
34	Hon. Aloba Joan Acom	
35	Hon. Thembo Gideon Mujungu	
36	Hon. Emmanuel Omoding	

COMMITTEE ON DEFENCE AND INTERNAL AFFAIRS

Sn	NAME	SIGNATURE
1	Hon. Nyakikongoro Rosemary Chairperson	
2	Hon. Milton Muwuma Vice Chairperson	
3	Hon. Wakooli Godfrey	
4	Hon Ocheri Jimbricky	
5	Hon. Niyonsaba Alex	
6	Hon. Opolot Simon Peter	
7	Hon. Aeku Patrick	
8	Hon Nakwang Christine Tubo	
9	Hon. Okeyoh Peter	
10	Hon. Byamukama Nulu Joseph	
11	Hon. Mugabe Donozio Kahonda	
12	Hon Kauma Sauda	
13	Hon. Kintu Alex Brandon	
14	Hon Kyoto Ibrahim	
15	Hon Lubega Bashir	
16	Hon Lokii Peter Abrahams	
17	Hon. Mwesigwa Robert Rukaari	
18	Hon. Ikojo John Bosco	
19	Hon. Ssekikuubo Theodore	
20	Hon. Namanya Naboth	
21	Hon. Okot Moses Junior Bitek	
22	Hon. Lt. Gen. Elwelu Peter	
23	Hon. Odur Jonathan	
24	Hon. Katabaazi Francis Katongole	
25	Hon. Wakayima Musoke Nsereko	
26	Hon. Kiwanuka Abdallah	
27	Hon. Bakireke Namboozie Betty	
28	Hon. Museveni William	
29	Hon. Kangwagye Stephen Rwakanuma	
30	Hon Arinaitwe Rauben	
31	Hon. Lamwaka Margaret	

ANNEX 1

SUMMARY OF THE FINANCIAL MODEL FOR THE INTELLIGENT TRANSPORT MONITORING SYSTEM (ITMS)

Please find attached a summary of the key assumptions and outcomes of the Financial Model for the Intelligent Transport Monitoring System (ITMS).

Key Financial Elements of the Project

1. Total investment is estimated at USD 257.034 million, funded wholly by private equity.
2. The proposed infrastructure will argument/ support existing Police surveillance infrastructure where available, however, new calibration will be required to synchronize the equipment at the cost of the contractor, e.g Cameras.
3. The main sources of revenue from the investment are traffic violation fines;
4. The two key main drivers of the investment costs are car trackers and new number plates for cars and motorcycles.
5. No investment costs or operational costs would be borne by GOU, and there are no Government guarantee requirements.
6. It is expected that, Global Security (GS), being a foreign company, will establish an investment company or an affiliate of the mother company in Uganda, and would thereafter benefit from tax incentives as provided in the Investment Code. Otherwise applicable tax laws would apply.
7. There is need to build a buffer in the revenue streams to address risks related to unexpected revenue shortfall from fines. It is therefore proposed to increase motor third party insurance, statutory violation fines, and vehicle ownership transfer fees to accumulate the required buffer.
8. The return on investment (ROI) is calculated at 38.99% over a 10-year period.
9. The projected Net Profit Margin (Net Income Ratio) is 15.61% over the project period.
10. The revenue to GOU over the 10-year period is projected at USD 247.09 million.

Conclusion

1. Based on the attached assumptions underlying the Financial Model, the investment would be viable.
2. The projected cash at hand would be very low in the years 3-7 of project implementation and therefore the need for building into the project a revenue buffer in case of any material adverse impact on the revenue streams.

3. On the consumer side, an effective communication strategy would be necessary to address the political economy issues, as highlighted in Section D of the attachment.

Way forward

The Financial Model, including its assumptions, was approved by the Project Management Team (PMT) in the meeting held on 15th June 2022, at Cabinet Secretariat, Office of the President.

Approval of the Financial Model makes the Agreement between GS and GOU on ITMS effective.

[Handwritten signatures and initials]

[Signature] *[Signature]* *[Signature]* *[Signature]*

[Signature] *[Signature]*

[Signature]

DETAILED REPORT ON RESULTS OF THE FINANCIAL MODEL FOR THE INTELLIGENT TRANSPORT MONITORING SYSTEM (ITMS)

A. KEY ASSUMPTIONS OF THE FINANCIAL MODEL

KEY ASSUMPTIONS OF THE FINANCIAL MODEL		
Name	Value	Comment
Tracker + Number plates	\$150	Cost for Onboard Device(OD)
Upgrade of Command centers	\$350,000	Hardware and software merging with existing solution (Includes Pakwach crossing)
Design documentation	\$1,000	Usage of local companies
EPS Gadgets for enforcement	\$3380	Gadgets to enable police enforcement of penalties
Vehicle operating cost	\$1,800	Fuel for GS team cars + insurance
Project Resources (Vehicles & Field Equipment), number	21	Vehicles and equipment for field works
Camera system: "Boundary"	\$45,000	Camera complex installed on highways to register speed and other violations.
Camera System: "Intersection"	\$105,000	multiple camera units + violation registration equipment installed on 1 intersection
Sensor bridges	\$40,000	Vehicle identification system installed on Highways.
Plate-making equipment	\$1,061,916	Number plate manufacturing equipment
Workshop 8 gate	\$250,000	Construction and equipment installation workshop, 8 gates
Workshop 10 gate	\$350,000	Construction and equipment installation workshop, 10 gates
Software	\$25,000,000	GS software for ITMS management (DB, CMS, CRM, integrations, Source code)
Fines		
Fine - speed violation	250,000UGX	Price change due to CAPEX optimization
Fine - stop line / markings	70,000UGX	
Fine - turn not under the sign	70,000UGX	
Fine - red light	130,000UGX	
Services		
Payment for OD set, new vehicle	\$200	Payment for the Tracker device + NP tag
Payment for OD set, owned car	\$42	Payment for the Tracker device + NP tag
Payment for OD set, owned motorcycle	\$14	Payment for the Tracker device + NP tag
Insurance increment	\$6	To subsidize the cost of number plates for Boda bodas motorcycles.
License plate replacement / maintained	\$21	Payment for Number plate replacement because of damage or loss (additional fee)
Driver's license (at time of renewal)	\$4,2	DL update with verification in ITMS
#####		

Name	Value	Comment
Number of vehicles	1,800,000	Number of registered cars and motorcycles (boda-boda) in Uganda (2020)
Growth rate	120,000	Annual growth rate on cars and motorcycles in Uganda
Sharing of revenue from fines		To allow the private equity investor to recoup the investment and operational costs over a 10-year period.
GS	80%	
Police	15%	
NEC/PMT	5%	
Number of Complexes (Boundaries + intersections + sensor bridges)	401	Total amount of Complexes

B. Other Key Macroeconomic Assumptions

No	Name	Value	Remarks
1	Discount rate, annual	3.00%	USD discounting, annual
2	Discount rate, quarter	0.75%	USD discounting, quarter
3	Amortization of trackers, number of years	5	Minimum lifetime of transmitter inside the Number plates
4	Amortization of cameras, data-center, etc.	10	Minimum lifetime of Camera complexes units (cameras and radars)
5	Inflation Rate, annual average	5.00%	Maintained the maximum target Policy rate
6	Rate of income growth	1.75%	For wage indexation
7	Traffic violation rate	0.0071	Scale coefficient for violation model
8	Violations by car	4.187	Average annual amount of fines per car
9	UGX/USD rate	3,571.43	Exchange Rate based on prevailing rate at the time of finalising the model.
10	EUR/USD rate	\$1.105000	Exchange Rate based on prevailing rate at the time of finalising the model.

C. OUTPUTS OF FINANCIAL MODEL

Table 1: Breakdown of Investments

CAPEX	\$ 234,909,916.05
OPEX	\$ 22,123,906.88
Total	\$ 257,033,822.93

Table 2: Shareholders net income from fines, insurance, and other services minus GS costs

Shareholder	Income
Government of Uganda	\$73,209,788
JSC GS	\$100,214,404
NEC	\$24,403,263

Table 3: GS net income breakdown

Description	Over a 10-Year Period (US Dollars)
Investments (Initial Capital Injection)	257,033,822.93
Revenue GS	899,034,848.45
Revenue from fines	390,452,201.66
Revenue from services	486,017,392.21
o/w Payment for set of OD, new vehicle	232,537,834.17
o/w Payment for set of OD, replacement for a car	25,477,872.31
o/w Payment for set of OD, replacement for a motorcycle	14,732,486.33
o/w Number plate replacement/maintained	46,381,386.56
o/w Increment of insurance fees	143,809,572.98
o/w Drivers license (at time of renewal)	23,078,239.85
Revenue buffer	22,565,254.58
Expenses	619,299,323.76
OPEX	79,137,491.66
CAPEX	540,161,832.10
Taxes	179,521,120.30
Payroll taxes RU	5,644,195.08
Payroll taxes UG	21,046,424.44
Corporate tax	152,830,500.78
GS Net income	100,214,404.39

Table 4: Government income from fines and taxes

Government income (Revenue)	Value
Fines	\$73,209,788
Payroll taxes	\$21,046,424
Corporate taxes	\$152,830,501
Total	\$247,086,713

Table 5: Total Net Income and Revenue Shares

Total Net income and Revenue Shares	
GoU	\$247,086,713.04
NEC	\$24,403,262.60
GS	\$100,214,404.39
Total	\$371,704,380.03

Table 6: Cash at Hand for the 10-year period

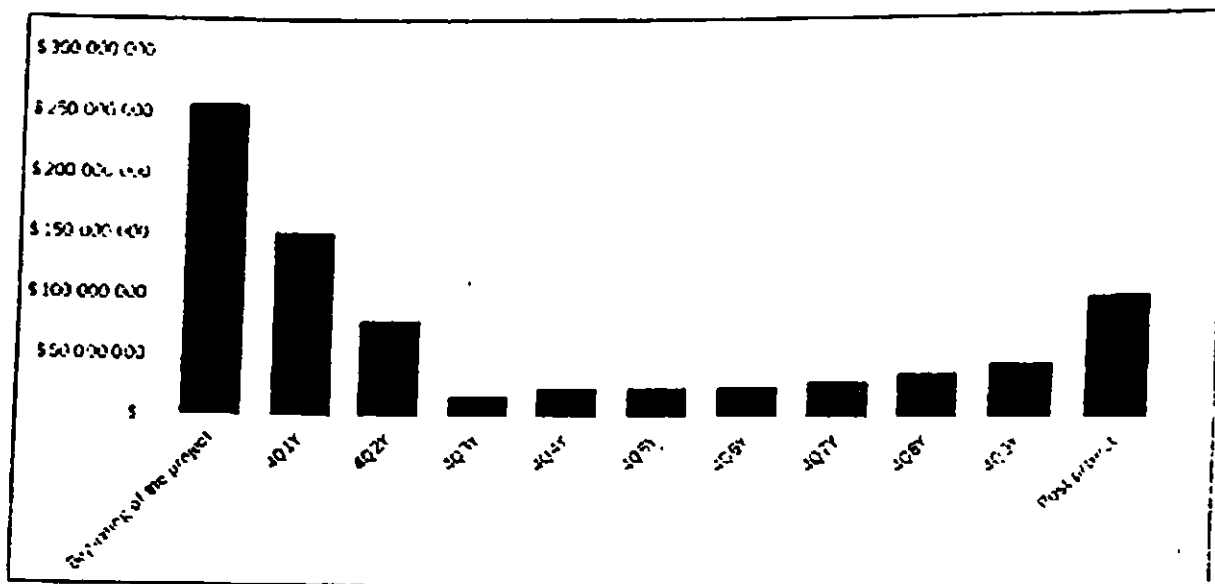


Table 7: Key financial indicators

Key financial indicators		USD million
a)	Total investments	\$257,033,822.93
b)	Return on Investment (ROI)	38.99%
c)	Net Income Ratio (Net Profit Margin)	15.61%

D. IMPLICATIONS

a. Consumer

The consumers will be required to pay higher costs for the new number plates with trackers. For new vehicles, this cost will be easily absorbed in the cost of new cars. The price increase will affect mainly the existing cars owners. Motorcycles would

pay the same cost as currently, but will be affected by the increase in insurance of \$6. These costs will be justified by improvement in security for individuals and the country as a whole.

b. Investor

The investment will be financed wholly by private equity of \$257,033,822.93. Assuming the assumptions hold, the investor will receive a return on investment of 39%, and will be able to recoup the investment costs in the 2nd Quarter of year 10 (2Q10Y). The net profit margin is projected at 15.6%.

Since the main sources of revenue are fines, the success of the project will depend on enforcement. This is also one of the main risks for the project; there is no fallback position in case revenues from fines are not realized. Another risk relates to timeliness in transfer of collected revenue to the contractor. Such delays may cause significant cash-flow constraints leading to difficulties in project implementation. The investor will have very limited cash at hand in year 3-7, meaning any negative impact on the income streams of the investment can potentially cripple its smooth running.

c. Political Economy

The issue of affordability in relation to the services rendered will have to be explained carefully by the Government, especially for the costs related to the replacement of existing number plates.

E. RECOMMENDATIONS

- i. The PMT should review and approve the assumptions underlying the Financial Model.
- ii. Government needs to prepare and immediately implement an effective communication strategy to explain to the public the justification for the project.
- iii. The Financial Model is proposing changes to the Statute for Motor Vehicle fines which will require approval. Explore the possibility of increasing proportionately the fines for traffic offences to provide buffer in case the revenue of fines is not adequate in a particular year.
- iv. The PMT to work with Police to determine the requirements for calibration of existing cameras and other relevant accessories so that the project can leverage on existing infrastructure.

- v. The project assumes tax exemptions for imported items. The applicable taxation regime needs to be ascertained.
- vi. Explore the possibility of increasing of vehicle ownership transfer fees to constitutes additional buffer to revenue from fines
- vii. The detailed Financial Model will be domiciled in the President's Office and the link will be provided for future references during Project implementation.
- viii. Over the 10 years period of the Project the Net Income Ratio (profit margin) shall be between 15-16%. The necessary adjustments will be made during project implementation (if necessary) to ensure the Investor gets the agreed net income.

By appending my signature to this report, I confirm the approval of the Financial Model.



Secretary Office of The President



Permanent Secretary,

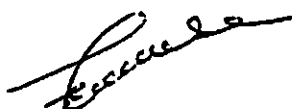
Ministry of Works and Transport



Chairperson,

Project Management Team (PMT)

Representative,



Ministry of Finance, Planning and Economic Development

Chief Executive Officer,

Joint Stock Company Global Security



IVAN S. ILGARBAH

Witness

Joint Stock Company Global Security



Damir Makhmurov





Certificate issued on: 2023-03-21



Registration No: 80034822103819



THE REPUBLIC OF UGANDA
THE COMPANIES ACT

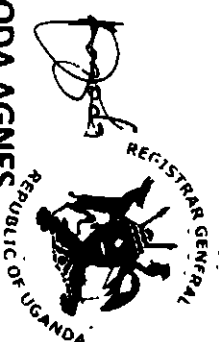
Certificate of Registration

(Under Section 252(1) (e) of the Act of the Companies Act 2012)

I CERTIFY that JOINT STOCK COMPANY "GLOBAL SECURITY" (Foreign Company) has this day
been incorporated with Limited Liability

Dated at Kampala, this 21st day of March the year 2023

Signature: KAGODA AGNES
Registrar of companies





G230315-1496



Company Form 26

Reg 29(3)

THE REPUBLIC OF UGANDA
THE COMPANIES ACT

ADDRESS OF THE REGISTERED OR PRINCIPAL OFFICE OF A COMPANY
INCORPORATED OUTSIDE UGANDA


(Section 252 (1) (a) of the Act)

NOTICE

NOTICE of the situation of the Registered or Principal office of a company Incorporated in Russian Federation (the) and which has established a place of business in Uganda at CENTRAL KAMPALA KOLOLO IV GOLF COURSE 116503 KAMPALA GPO UGANDA

TO THE REGISTRAR OF COMPANIES:

I hereby give notice, in accordance with section 252(D) (e) of the companies Act that the Registered office of the Company is situated at CENTRAL KAMPALA KOLOLO IV GOLF COURSE 116503 KAMPALA GPO UGANDA

Signed* 

Dated this 20th day of March the year 2023

*Signed by the person authorised to act on behalf of the company under section 252(1)(d).





G230315-1496



Company Form 25

Reg 29

THE REPUBLIC OF UGANDA
THE COMPANIES ACT

LIST OF NAMES AND ADDRESS OF PERSONS RESIDENT IN UGANDA AUTHORISED
TO ACCEPT SERVICE ON BEHALF OF A COMPANY INCORPORATED OUTSIDE
UGANDA

(Under section 252 (1) (d) of the Act)

Name of Company KINT STOCK COMPANY 'GLOBAL SECURITY'

Presented by: KAWINO GLORIAH

List of Persons Resident in Uganda authorised to accept on behalf of the Company Service of Process and any Notices required to be served on, a company incorporated in and which has established a place of business in Uganda at Uganda

Names (first name and surname)	Address	Occupation
1 LUBEGA JUMA	CENTRAL KAMPALA KIBULI KIMBUGWE	LAWYER

Signed*.....

Dated the 15th day of March the year 2023

*Signed by the person authorised to act on behalf of the company under section 252(1). (d)





Company Form 24

Reg 29

THE REPUBLIC OF UGANDA
THE COMPANIES ACT

LIST OF DIRECTORS AND SECRETARY OF FOREIGN COMPANY.

(Under section 252 (1) (b) of the Act)

Name of Company JOINT STOCK COMPANY "GLOBAL SECURITY"

Presented by: KAWINGI GLORIAH

(a) PARTICULARS OF THE PERSONS WHO ARE DIRECTORS PARTICULARS OF INDIVIDUAL DIRECTORS

Names (First Name and surname)	Date of Birth	Address	Nationality	Occupation	Other Directorships
SHKARRAN IVAN	1975-09-06	115093, BUILDING 4, PARTYNY SIDE, STREET 1, MOSCOW, RUSSIA	RUSSIAN	BUSINESS MAN	

PARTICULARS OF CORPORATE DIRECTORS

Corporate Name	Registered or Principal Office	Postal Address
----------------	--------------------------------	----------------

(b) PARTICULARS OF THE PERSON(S) WHO IS SECRETARY
PARTICULARS OF INDIVIDUAL SECRETARY

Names (first name and surname)*	Residential and postal address
BASANGOV DMITRII	Postal Address : Street : Plot :

*state any former first and surnames

PARTICULARS OF CORPORATE SECRETARY

Corporate Name	Registered Office
----------------	-------------------

Dated this 20th day of March of the year 2023

Signed:

Director

Signed:

Secretary

Notes





"Director" includes any person who occupies the position of a director by whatever name called and any person in accordance with whose direction or instructions the directors of the company are accustomed to act.

(2) "Christian name" includes a forename, and "surname", in the case of a peer or person usually known by a title different from his surname, means that title.

(3) "Former Christian name" and "former surname" do not include:

(a) In the case of a peer or a person known by title different from his surname, the name by which he or she was known prior to the adoption of or succession to the title;

(b) In the case of any person, a former Christian name or surname where that name or surname was changed or disused before the person bearing the name attained the age of eighteen years or has been changed or disused for a period of not less than twenty years; or

(c) In the case of married woman the name or surname by which she was known previous to the marriage.

(4) The name of all bodies corporate incorporated in Uganda of which the director is also a director, should be given except bodies corporate of which the company making the return is the wholly-owned subsidiary or bodies corporate which are the wholly owned subsidiaries either of the company or of another company of which the company is the wholly owned subsidiary. A body corporate is deemed to be the wholly owned subsidiary of another if it has no members except that other and that other's wholly-owned subsidiaries and its or their nominees. If the space provided in the form is sufficient, particulars of other directorships should be listed on a separate statement attached to this return.

(5) Dates of birth need only be given in the case of a company which is subject to section 197 of the Companies Act, namely a company which is not a private company or which, being a private company, is the subsidiary of a body corporate incorporated in Uganda, which is not a private company.

(6) Where all the partners in a firm are joint secretaries, the name and principal office of the firm may be stated.





GZ30315-1496



Company Form 13

Reg 23(2)

THE REPUBLIC OF UGANDA

THE COMPANIES ACT

STATEMENT OF ALL SUBSISTING CHARGES CREATED BY THE COMPANY BEING CHARGES OF THE KIND SET OUT IN SECTION 105(3) THE ACT AND NOT BEING CHARGES COMPRISING SOLELY PROPERTY SITUATED OUTSIDE THE REPUBLIC OF UGANDA.

(Under section 105 (3) of the Act)

Company name JOINT STOCK COMPANY "GLOBAL SECURITY"

Presented by: KAWINO GLORIAH

The company hereby gives notice that the following charges created by the company are subsisting:—

Date & Description of the instrument creating or evidencing the mortgage or Charge	Amount secured	Short Particulars of property mortgaged or charged	Names, addresses and Description of mortgages or persons entitled to the charge
Nil	Nil	Nil	Nil

Signature 

Designation of Position in relation to company

Dated this 15th day of March the year 2023



FORM 1

Reg 3(2),7(2).

NOTICE OF BENEFICIAL OWNERS PARTICULARS*

Name of Company:.....JOINT STOCK COMPANY "GLOBAL SECURITY"

Reg. No of CompanyG230315-1496

To: The Registrar of Companies:

The above company here by gives notice that the following person is a beneficial owner of the company.

PART A: DETAILS OF WHERE REGISTER IS KEPT

The register of beneficial owners of the company is kept
at.....Plot 15, Clement Hill, Kolo.....(place and address)

PART B: DETAILS OF BENEFICIAL OWNERS

Date on which the person became a beneficial owner: NIL / NIL / NIL (dd/mm/yyyy)

PARTICULARS OF BENEFICIAL OWNER

	Full Name	NIN/passport details	Nationality	Date of birth [dd/mm/yyyy]	Address	Postal address	Current email address	Current telephone number	Occupation
1	SHKARBAN IVAN	55E74554	RUSSIAN	5/9/1975	Moscow Russia	115093 Russia	dammak7999@gmail.com	8008710	Business man.
2									
3									
4									
5									
6									
7									



REGISTRAR OF COMPANIES

NATURE OF BENEFICIAL OWNERSHIP OR CONTROL

	Name of beneficial owner	Nature of ownership or control the beneficial owner has in the company (<i>state percentage shares person holds in the company / partnership / percentage of voting rights person holds in the company / right to appoint or remove a majority of the board of directors of the company / whether a person exercises significant influence or control over the company</i>)
	SHKARBAN IVAN	100 % Shares

Signed

(Director/ Secretary)



REGISTRAR OF COMPANIES