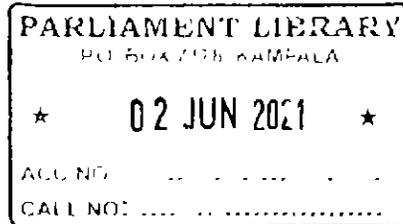




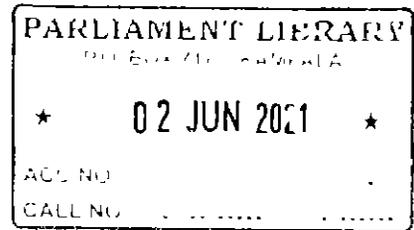
**THE REPUBLIC OF UGANDA**

**THE VALUE ADDED TAX (AMENDMENT)  
ACT, 2021.**





I SIGNIFY my assent to the bill



*Yuhuseveni*  
.....  
President

Date of assent ..... 29/5/2021 .....

## THE VALUE ADDED TAX (AMENDMENT) BILL, 2021

### ARRANGEMENT OF SECTIONS

#### *Section*

- 1 Commencement
- 2 Amendment of Value Added Tax Act
- 3 Amendment of principal Act
4. Repeal of section 20A in principal Act
- 5 Amendment of section 28 of principal Act
- 6 Amendment of section 31A of principal Act
7. Insertion of section 45A in principal Act
8. Amendment of section 65 of principal Act
9. Amendment of First Schedule to principal Act
- 10 Amendment of Second Schedule to principal Act
11. Amendment of Third Schedule to principal Act

**THE REPUBLIC OF UGANDA****THE VALUE ADDED TAX (AMENDMENT) ACT, 2021**

**An Act to amend the Value Added Tax Act, Cap. 349 to provide for the timelines within which to apply for input tax credit; to provide for the refund of tax for use of electronic receipts or invoice; to impose strict liability for violations under penal tax; to provide tax incentives to investors by exempting certain supplies from value added tax.**

DATE OF ASSENT:

*Date of Commencement:*

BE IT ENACTED by Parliament as follows:

**1. Commencement**

This Act shall come into force on 1<sup>st</sup> July, 2021.

**2. Amendment of Value Added Tax Act**

The Value Added Tax Act Cap. 349, in this Act referred to as the principal Act is amended in section 1 by repealing the definition of the term “biodegradable packaging material”;

**3. Amendment of principal Act**

The principal Act is amended—

- (a) by numbering section 20 as subsection (1);
- (b) inserting immediately after subsection (1) the following—

“(2) Import of a service is an exempt import if the service would be exempt had it been supplied in Uganda or would be used in the provision of an exempt supply”

**4. Repeal of section 20A in principal Act**

The principal Act is amended by repealing section 20A.

**5. Amendment of section 28 of principal Act**

Section 28 of the principal Act is amended by inserting immediately after subsection (14) the following—

“(14a) A taxable person under this section shall apply for input tax credit within six months from the date of the invoice.”

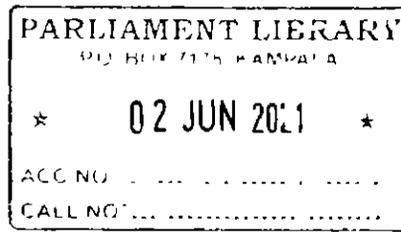
**6. Amendment of section 31A of principal Act**

Section 31A of the principal Act is amended by inserting immediately after subsection (1) the following—

“(1a) Notwithstanding subsection (1), a taxable person who supplies services in Uganda under section 16(2), shall lodge a tax return with the Commissioner General within fifteen days after the end of three consecutive calendar months.”

**7. Insertion of section 45A in principal Act**

The principal Act is amended by inserting immediately after section 45 the following—



**Act** *Value Added Tax (Amendment) Act* **2021**

**“45A Refund of tax for use of electronic receipt or invoice**

A person other than a taxable person who purchases goods or services from a taxable person and is issued with an electronic receipt or invoice or several electronic receipts or invoices worth five million shillings within a period of thirty consecutive days, shall be entitled to a refund of five percent of the tax paid.”

**8. Amendment of section 65 of principal Act**

Section 65 of the principal Act is amended in subsection (6) by repealing the words “knowingly or recklessly”.

**9. Amendment of First Schedule to principal Act**

The First Schedule to the principal Act is amended by inserting the following in their appropriate alphabetical position—

- (a) “African Export – Import Bank”; and
- (b) “International Union for Conservation of Nature”.

**10. Amendment of Second Schedule to principal Act**

The Second Schedule to the principal Act is amended in paragraph 1—

- (a) by repealing subparagraphs (vv) and (xx);
- (b) by inserting immediately after subparagraph (hhha), the following—

“(hhhb) the supply of liquefied gas and denatured fuel ethanol from cassava”,

- (c) by inserting immediately after subparagraph (lll) the following—

**Act**

*Value Added Tax (Amendment) Act*

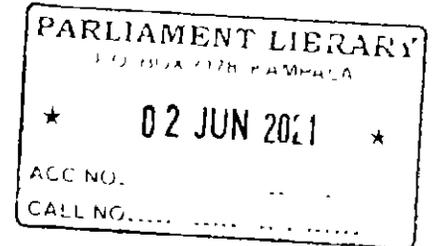
**2021**

- “(mmm) the supply of services to a manufacturer, other than a manufacturer referred to in subparagraph (pp) whose investment capital is at least thirty million United States Dollars for a foreign investor or United States Dollars five million for a local investor, to conduct a feasibility study or to undertake design and construction, or in the case of any other manufacturer, from the date on which the manufacturer makes an additional investment equivalent to thirty million United States Dollars for a foreign investor or five million United States Dollars for a local investor—
- (i) who has the capacity to use at least seventy percent of the raw materials that are locally sourced, subject to their availability; and
  - (ii) who has the capacity to employ at least seventy percent of the employees that are citizens earning an aggregate wage of at least seventy percent of the total wage bill.”

**11. Amendment of Third Schedule to principal Act**

The Third Schedule to the principal Act is amended in paragraph 1 by substituting for subparagraph (k) the following—

- “(k) the supply of leased aircraft, aircraft engines, spare parts for aircraft, aircraft maintenance equipment and repair services”.



This printed impression has been carefully compared by me with the bill which was passed by Parliament and found by me to be a true copy of the bill.

.....  
*George*  
Clerk to Parliament

Date of authentication 18<sup>th</sup>/05/2021