

BILLS SUPPLEMENT

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Bill No. 49 *Warehouse Receipt System (Amendment) Bill* **2024**

**THE WAREHOUSE RECEIPT SYSTEM (AMENDMENT)
BILL, 2024**

MEMORANDUM

1. Policy and principles of the Bill

The policy behind the Bill is to give effect to the Government Policy for Rationalisation of Government Agencies and Public Expenditure (RAPEX) which was adopted by the Cabinet on 22nd February 2021.

2. Defects in existing law

The Constitution establishes a definite number of Government agencies, including constitutional commissions, authorities, boards, local councils and other statutory bodies. These were established to perform certain specified constitutional functions. Over the years, however, there has been a proliferation of agencies established by Acts of Parliament, Executive Orders and administrative arrangements. Whereas most of the agencies are necessary due to the critical nature of the functions they perform, Government has established that a certain limited number of agencies were established without due consideration to the aspects of institutional harmony, functional duplications, overlaps and affordability. Government has also established that some agencies have served the purpose for which they were established. The mandate of a few other agencies has been overtaken by events. Such agencies need to be rationalised.

More importantly, the proliferation of agencies has created mandate overlaps and jurisdictional ambiguities among the agencies. Additionally, the high cost of administering the agencies has drained the national treasury at the expense of effective service delivery. This has overstretched the capacity of Government to sustain them. Government has also established that the generous salary structures of the agencies has created salary disparities between employees of the agencies and public officers in the traditional civil service leading to demotivation of human resources in the mainstream public service.

3. Remedies proposed in the Bill.

The intention of the Bill is to amend the Warehouse Receipt System Act, 2006, Act 14 of 2006, to—

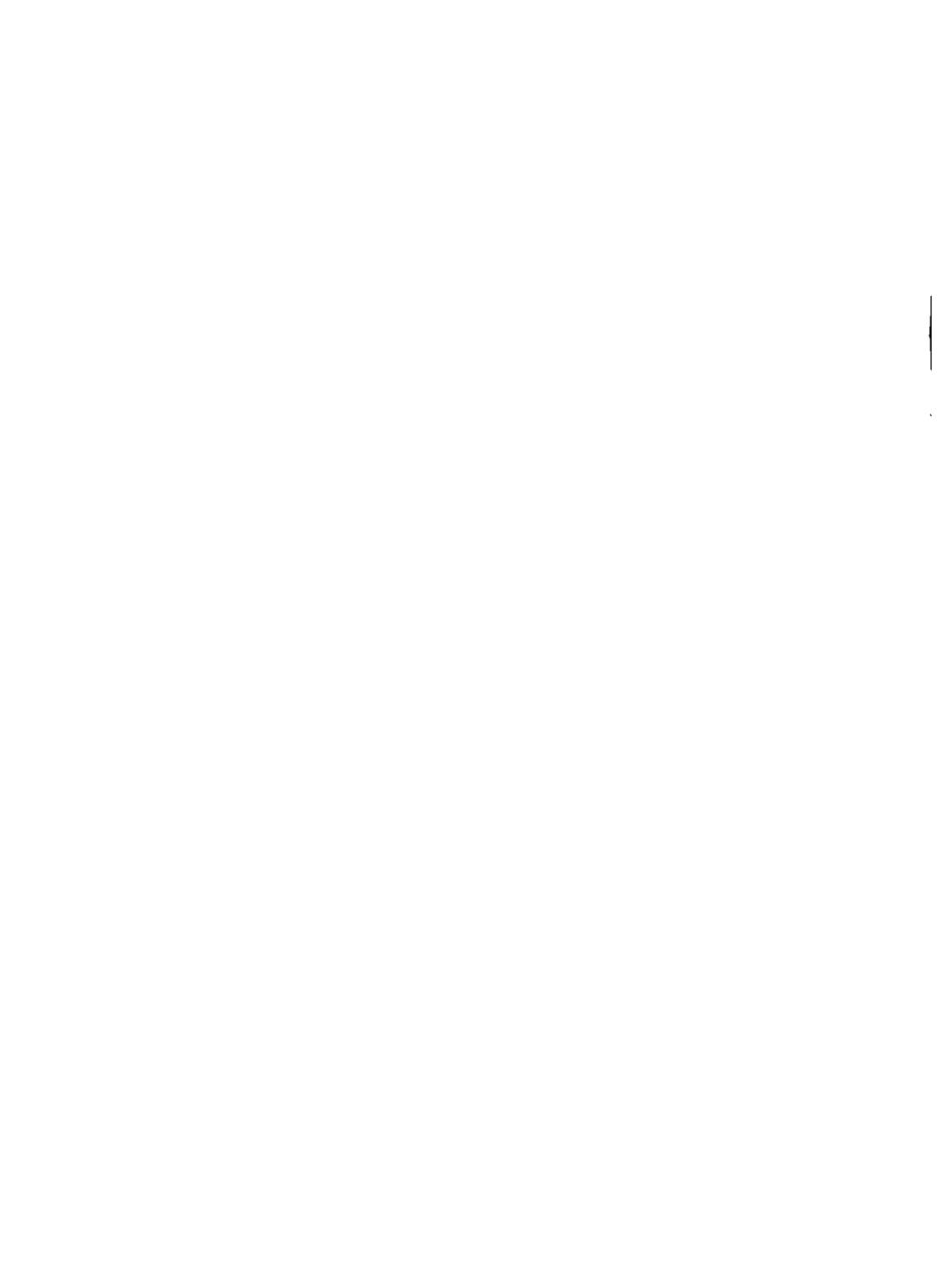
- (a) enable the mainstreaming and rationalisation of the functions of the Uganda Warehouse Receipt System Authority into the Ministry responsible for trade, thereby, *inter alia*, relieving the Government of the financial drain on its resources and the burden of wasteful administration and expenditure;
- (b) facilitate efficient and effective service delivery by clearly delineating the mandates and functions of the Ministry and other government agencies and departments in the performance of the function of warehouse receipts, thereby avoiding duplication of mandates and functions;
- (c) promote coordinated administrative arrangements, policies and procedures for—
 - (i) ensuring the efficient and successful management, financial accounting and budgetary discipline of government agencies and departments;
 - (ii) enabling the Government to play its proper role more effectively; and

- (iii) enforcing accountability;
- (d) to restructure and re-organise the Ministry and other agencies and departments of Government by eliminating bloated structures and functional ambiguities.

4. Provisions of the Bill

The Bill has 41 clauses. Clause 2 of the Bill provides for the objectives of the Bill. Clause 3 provides the purpose of amending the Warehouse Receipt System Act, 2006, Act 14 of 2006, which is to mainstream the functions of the Uganda Warehouse Receipt System Authority into the Ministry responsible for trade. Clause 4 of the Bill seeks to dissolve the Uganda Warehouse Receipt System Authority. Clause 5 of the Bill seeks to transfer the responsibilities of the Uganda Warehouse Receipt System Authority to the ministry responsible for trade. The rest of the clauses of the Bill seek to operationalise the dissolution of the Uganda Warehouse Receipt System Authority.

FRANCIS MWEBESA,
Minister for Trade, Industry and Cooperatives.



THE WAREHOUSE RECEIPT SYSTEM (AMENDMENT) BILL, 2024

ARRANGEMENT OF CLAUSES

Clause

1. Interpretation
2. Objective
3. Purpose of amendment of Act 14 of 2006
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17. Amendment of section 27 of principal Act
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19. Amendment of section 30 of principal Act
20. Amendment of section 31 of principal Act

21. Amendment of section 32 of principal Act
22. Amendment of section 34 of principal Act
23. Amendment of section 35 of principal Act
24. Amendment of section 36 of principal Act
25. Amendment of section 38 of principal Act
26. Amendment of section 40 of principal Act
27. Amendment of section 42 of principal Act
28. Amendment of section 49 of principal Act
29. Amendment of section 52 of principal Act
30. Amendment of section 56 of principal Act
31. Amendment of section 67 of principal Act
32. Amendment of section 68 of principal Act
33. Amendment of section 69 of principal Act
34. Repeal of section 70 of principal Act
35. Repeal of section 71 of principal Act
36. Repeal of section 72 of principal Act
37. Repeal of section 73 of principal Act
38. Amendment of section 74 of principal Act
39. Amendment of section 75 of principal Act
40. Repeal of Second Schedule to principal Act
41. Savings

A Bill for an Act

ENTITLED

**THE WAREHOUSE RECEIPT SYSTEM (AMENDMENT)
ACT, 2024**

An Act to amend the Warehouse Receipt System Act, 2006, Act 14 of 2006, to dissolve the Uganda Warehouse Receipt System Authority and transfer its functions to the Ministry responsible for trade in order to give effect to the Government Policy on Rationalisation of Government Agencies and Public Expenditure, and for related purposes.

BE IT ENACTED by Parliament as follows:

1. Interpretation

In this Act, unless the context otherwise requires—

“agency” means a body established by an Act of Parliament and includes an authority;

“commission” means a body established by the Constitution;

“Government” means the Government of Uganda.

2. Objective

(1) The main objective of this Act is to give effect to the Government Policy for Rationalisation of Government Agencies and Public Expenditure adopted by the Cabinet on 22nd February, 2021 and contained in Cabinet Minute No. 43(CT 2021).

(2) Without prejudice to the general effect of subsection (1), the following objectives shall be deemed to fall under the objective specified in that subsection—

- (a) the merging, mainstreaming and rationalisation of agencies, commissions, authorities and public expenditure thereby, *inter alia*, relieving the Government of the financial drain on its resources and the burden of wasteful administration and expenditure;
- (b) the facilitation of efficient and effective service delivery by clearly delineating the mandates and functions of government agencies and departments and thereby avoiding duplication of mandates and functions;
- (c) the promotion of coordinated administrative arrangements, policies and procedures for—
 - (i) ensuring the efficient and successful management, financial accounting and budgetary discipline of government agencies and departments;
 - (ii) enabling the Government to play its proper role more effectively; and
 - (iii) enforcing accountability; and
- (d) the restructuring and re-organisation of agencies and departments of Government by eliminating bloated structures and functional ambiguities in Government agencies and departments.

3. Purpose of amendment of Act 14 of 2006

The purpose of amending the Warehouse Receipt System Act, 2006 is to mainstream the functions of the Uganda Warehouse Receipt System Authority into the Ministry responsible for trade.

4. Dissolution of Uganda Warehouse Receipt System Authority

On the commencement of this Act, the Uganda Warehouse Receipt System Authority shall be dissolved.

5. Responsibility for functions under Act 14 of 2006

On the commencement of this Act, the Ministry responsible for trade shall be responsible for performing the functions of the dissolved Uganda Warehouse Receipt System Authority under Act.

6. Amendment of section 2 of Act 14 of 2006

Section 2 of Warehouse Receipt System Act, 2006, hereinafter referred to as the “principal Act” is amended—

- (a) by repealing the definitions of “Authority”, “Managing Director” and “Executive Director”; and
- (b) by inserting after “Minister” the following—

“Ministry” means the Ministry responsible for trade;”

7. Amendment of title to Part II of principal Act

For the title to Part II of the principal Act, there is substituted the following—

“PART II—ADMINISTRATION OF ACT”

8. Amendment of section 3 of principal Act

For section 3 of the principal Act, there is substituted the following—

“3. Administration of Act

This Act shall be administered by the Ministry.”

9. Amendment of section 4 of principal Act

Section 4 of the principal Act is amended by substituting for “Authority” wherever it appears, the word “Ministry”.

10. Amendment of section 5 of principal Act

Section 5 of the principal Act is amended by substituting for “Authority” wherever it appears, the word “Ministry”.

11. Repeal of section 6 of principal Act

Section 6 of the principal Act is repealed.

12. Repeal of Part III of principal Act

Part III (sections 7, 8, 9, 10 and 11) of the principal Act is repealed.

13. Repeal of Part IV of principal Act

Part IV (sections 12, 13, 14 and 15) of the principal Act is repealed.

14. Repeal of Part V of principal Act

Part V (sections 16, 17, 18, 19, 20, 21, 22, 23 and 24) of the principal Act is repealed.

15. Amendment of section 25 of principal Act

Section 25 of the principal Act is amended by substituting for “Authority” wherever it appears the word “Minister”.

16. Amendment of section 26 of principal Act

Section 26 of the principal Act is amended by substituting for “Authority” wherever it appears the word “Minister”.

17. Amendment of section 27 of principal Act

Section 27 of the principal Act is amended by substituting for “Board” the word “Minister”.

18. Amendment of section 28 of principal Act

Section 28 of the principal Act is amended by substituting for “Authority” wherever it appears, the word “Minister”.

19. Amendment of section 30 of principal Act

Section 30 of the principal Act is amended by substituting for “Authority” wherever it appears, the word “Minister”.

20. Amendment of section 31 of principal Act

Section 31 of the principal Act is amended by substituting for “Authority” wherever it appears, the word “Minister”.

21. Amendment of section 32 of principal Act

Section 32 of the principal Act is amended—

- (a) by substituting for “Authority” wherever it appears the word “Minister”; and
- (b) in subsection (1) by substituting for “its” the words “his or her”.

22. Amendment of section 34 of principal Act

Section 34 of the principal Act is amended by substituting for “Authority” the word “Minister”.

23. Amendment of section 35 of principal Act

Section 35 of the principal Act is amended by substituting for “Authority” the word “Minister”.

24. Amendment of section 36 of principal Act

Section 36 of the principal Act is amended by substituting for “Authority” wherever it appears, the word “Minister”.

25. Amendment of section 38 of principal Act

Section 38 of the principal Act is amended by substituting for “Authority” the word “Minister”.

26. Amendment of section 40 of principal Act

Section 40 of the principal Act is amended by substituting for “Authority” wherever it appears, the word “Minister”.

27. Amendment of section 42 of principal Act

Section 42 of the principal Act is amended—

- (a) in subsection (1) by substituting for “Authority” the word “Ministry”;
- (b) substituting for subsection (2) the following—

“(2) The Ministry shall be responsible for registering any transaction relating to a warehouse receipt issued under the Act or any transaction as shall be provided for in this Act.”;
- (c) in subsection (3) by substituting for “Registrar” the word “Ministry”;
- (d) in subsection (4) by substituting for “Registrar” the word “Ministry”;
- (e) in subsection (5) by substituting for “Registrar” the word “Ministry”; and
- (f) in subsection (7) by substituting for “Registrar” the word “Minister”.

28. Amendment of section 49 of principal Act

Section 49 of the principal Act is amended—

- (a) in subsection (5) by substituting for “Authority” wherever it appears the word “Minister”; and
- (b) in subsection (6) by substituting for “Uganda Warehouse Authority” the word “Minister”.

29. Amendment of section 52 of principal Act

Section 52 of the principal Act is amended by substituting for “Authority” wherever it appears, the word “Ministry”.

30. Amendment of section 56 of principal Act

Section 56 of the principal Act is amended in subsection (2) by substituting for “Authority” the word “Ministry”.

31. Amendment of section 67 of principal Act

Section 67 of the principal Act is amended by substituting for “Authority” the word “Ministry”.

32. Amendment of section 68 of principal Act

Section 68 of the principal Act is amended by substituting for “Board” wherever it appears, the word “Minister”.

33. Amendment of section 69 of principal Act

Section 69 of the principal Act is amended—

- (a) by substituting for “Board” the word “Minister”; and
- (b) by repealing the words “in consultation with the Minister”.

34. Repeal of section 70 of principal Act

Section 70 of the principal Act is repealed.

35. Repeal of section 71 of principal Act

Section 71 of the principal Act is repealed.

36. Repeal of section 72 of principal Act

Section 72 of the principal Act is repealed.

37. Repeal of section 73 of principal Act

Section 73 of the principal Act is repealed.

38. Amendment of section 74 of principal Act

Section 74 of the principal Act is amended in subsection (1) by repealing the words “on the recommendation of the Board”.

39. Amendment of section 75 of principal Act

Section 75 of the principal Act is amended in subsection (2) by repealing the words “on the recommendation of the Board”.

40. Repeal of Second Schedule to principal Act

The Second Schedule to the principal Act is repealed.

41. Savings

(1) The board members and staff of the Uganda Warehouse Authority shall be paid their terminal benefits in accordance with the terms and conditions of their service.

(2) Compensation is not payable to any member of the board of the Uganda Warehouse Authority for loss of office resulting from the dissolution of the Uganda Warehouse Authority.

(3) The staff of the Uganda Warehouse Authority may be redeployed to serve in the public service subject to availability of positions.

(4) On the commencement of this Act, all the property, assets, rights, obligations, and liabilities of the Uganda Warehouse Authority shall vest in the Government of Uganda under the Ministry.

(5) Any proceedings commenced by or against the Uganda Warehouse Authority may be continued by or against the Attorney General.

(6) A licence, permit, certificate or authorisation issued by the Uganda Warehouse Authority under the Act which is in force immediately before the commencement of this Act shall have effect from the commencement of this Act as if granted by the Minister or the Ministry, whichever is applicable.

(7) The terms and conditions including the rights and obligations under a licence, permit, certificate or authorisation in force immediately before the commencement of this Act, shall not be less favourable than those that applied immediately before the commencement of this Act.