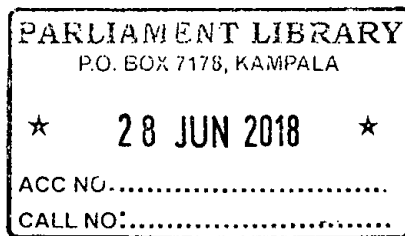




THE REPUBLIC OF UGANDA

**THE EXCISE DUTY (AMENDMENT) ACT, 2018.**





THE REPUBLIC OF UGANDA

I SIGNIFY my assent to the bill.

PARLIAMENT LIBRARY	
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*Yoweri Museveni*

President

Date of assent: *21/6/2018*

**Act**

*Excise Duty (Amendment) Act*

**2018**

THE EXCISE DUTY (AMENDMENT) ACT, 2018

ARRANGEMENT OF SECTIONS

*Section*

1. Commencement.
2. Amendment of section 2 of the Excise Duty Act, 2014.
3. Amendment of section 4 of principal Act.
4. Amendment of section 10 of principal Act.
5. Insertion of section 15A to principal Act.
6. Amendment of Schedule 2 of principal Act.



THE REPUBLIC OF UGANDA

## THE EXCISE DUTY (AMENDMENT) ACT, 2018

An Act to amend the Excise Duty Act, 2014, to raise the point of accounting on telecommunication services; to introduce interest for unpaid excise duty and limit the interest payable to the amount of the unpaid principal tax; to enhance excise duty in respect of certain excisable goods; to amend the excise tax on telecommunications services; and to introduce excise duty on cooking oil and on motorcycles at first registration.

DATE OF ASSENT:

*Date of Commencement:*

BE IT ENACTED by Parliament as follows:

### 1. Commencement.

This Act shall come into force on 1st July, 2018.

### 2. Amendment of section 2 of the Excise Duty Act, 2014.

The Excise Duty Act, 2014, in this Act referred to as the principal Act, is amended in section 2 by inserting immediately after the definition of “officer” the following—

“over the top services” means the transmission or receipt of voice or messages over the internet protocol network and includes access to virtual private networks;”.

**3. Amendment of section 4 of principal Act.**

The principal Act is amended in section 4—

- (a) by substituting for subsection (4) the following—

“(4) A person providing an excisable service becomes liable to pay excise duty on that service on the earlier of the following—

- (a) the date on which the performance of the service is completed;
- (b) the date on which payment for the service is made; or
- (c) the date on which an invoice is issued;”.

- (b) by inserting immediately after subsection (4) the following—

“(5) A telecommunications service operator providing data used for accessing over the top services is liable to account for and pay excise duty on the access to the over the top services.”.

**4. Amendment of section 10 of principal Act.**

Section 10 of the principal Act is amended by inserting immediately after subsection (3) the following subsection—

“(3a) The Commissioner may, if satisfied that the excisable goods have been exported, remit the excise duty chargeable on those goods.”.

**5. Insertion of section 15A in principal Act.**

The principal Act, is amended by inserting immediately after section 15 the following section—

**“15A. General penalty.**

(1) A person who fails to apply for a licence under section 5 is liable to pay a penalty equal to the amount of duty payable during the period commencing with the last day of the application period until the person files an application for the licence with the Commissioner, or until the Commissioner grants the licence, whichever is earlier.

(2) A person who fails to furnish a return within the time specified under this Act is liable to pay a penalty amounting to whichever is the greater of the following—

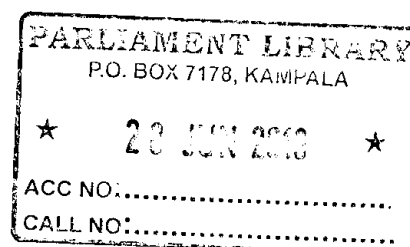
- (a) two hundred thousand shillings; or
- (b) an interest charge for the period for which the return is outstanding calculated in accordance with subsection (3).

(3) A person who fails to pay excise duty imposed under this Act on the excisable goods manufactured or imported by that person by the due date is liable to pay interest on the unpaid duty at a rate of two percent per month, compounded, for the duty which is outstanding.

(4) Where a person pays interest under subsection (3), and the duty to which it relates is found not to have been due and payable by the person and is refunded, the interest relating to the amount of the refund, shall be refunded to that person with an interest of two percent per month, compounded.

(5) A person who fails to maintain proper records for any period required by this Act is liable to pay a penalty equal to the amount of duty payable by the person for that period or ten currency points per filing period, whichever is the higher.

(6) Where a person knowingly or recklessly—



**Act**

*Excise Duty (Amendment) Act*

**2018**

- (a) makes a statement or declaration to an officer of the Uganda Revenue Authority which is false or misleading in a material particular; or
- (b) omits from a statement made to an officer of the Uganda Revenue Authority, any matter or thing without which the statement is misleading in such a manner that—
  - (i) the duty payable by the person exceeds the duty that was assessed as payable, based on the false or misleading information; or
  - (ii) the amount of the refund claimed was false,

that person is liable to pay a penalty equal to the amount of the excess duty, refund or claim.

(7) Where the interest due and payable under subsection (3) exceeds the aggregate of the principal tax, any interest in excess of the principal tax shall be waived.

**6. Amendment of Schedule 2 to principal Act.**

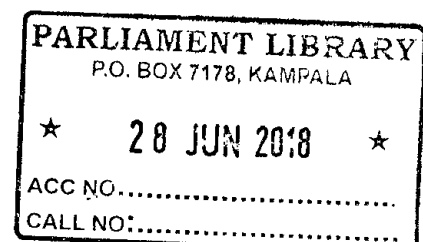
Schedule 2 of the principal Act, is amended in Part 1—

- (a) by inserting immediately after item 2 (c) the following—

“(d)	Opaque beer	30% or Shs. 650 per litre, whichever is higher”
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- (b) by substituting for item 3 the following—

“3	Spirits	
(a)	Undenatured spirits made from locally produced raw materials	60% or Shs 2000 per litre, whichever is higher;



(b)	Undenatured spirits made from imported raw materials	100% or Ush 2500 per litre, whichever is higher;
(c)	Ready to drink spirits	80% or Ush 1500 per litre, whichever is higher.”

(c) by substituting for item (4), the following—

“4	Wine	
(a)	Wine made from locally produced raw materials	20% or Shs 2000, per litre, whichever is higher;
(b)	Other wine	80% or Shs 8000, per litre, whichever is higher.”

(d) by substituting for item 5 (a) the following—

(a)	Non-alcoholic beverages not including fruit or vegetable juices	12% or Ushs. 200 per litre whichever is higher
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(e) by inserting immediately after item 5 (b) the following—

“(c)	Powder for reconstitution to make juice or dilute- to - taste drinks, excluding pulp;	15% of the value”
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(f) by substituting for item 8 the following—

<b>8.</b>	<b>Fuel</b>	
	(a) Motor spirit (gasoline)	Shs.1200 per litre
	(b) Gas oil (automotive, light, amber for high speed engine)	Shs.880 per litre
	(c) Other gas oils	Shs.630 per litre
	(d) Gas oil for thermal power generation to national grid	Nil
	(e) Illuminating kerosene	Shs.200 per litre
	(f) Jet A1 and aviation fuel	Shs.630 per litre



	(g) Jet A1 and aviation fuel imported by registered airlines, companies with designated storage facilities or with contracts to supply airlines	Nil
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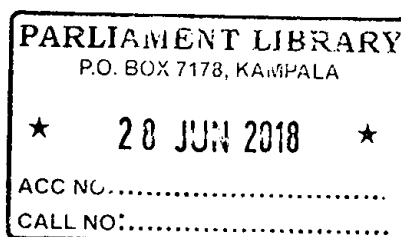
(g) by substituting for item 13 the following—

“13	Telecommunications services	
(a)	Airtime on mobile cellular, landlines and public pay phones	12% of the fee charged;
(b)	Over the top services	Ushs 200 per user per day of access;
(c)	Internet data	Nil;
(d)	Money transfer or withdrawal services, including transfers and withdrawal services by operators licensed or permitted to provide communications or money transfers or withdrawals but not including transfers and withdrawal services provided by banks	15% of the fees charged;
(e)	Value added services	20%
(f)	Mobile money transactions of receiving, payments and withdrawals	1% of the value of the transaction;
(g)	Incoming international calls, except calls from the Republic of Kenya, the Republic of Rwanda and the Republic of South Sudan	USD 0.09 per minute.”

(h) In item 14, by substituting for “10% of the fees charged” appearing in the third column, “15% of the fees charged”;

(i) by substituting for item 16 the following—

16	<i>Sugar confectionaries</i> ; chewing gum, sweets and chocolates	Nil
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(j) by inserting immediately after item 17 the following—

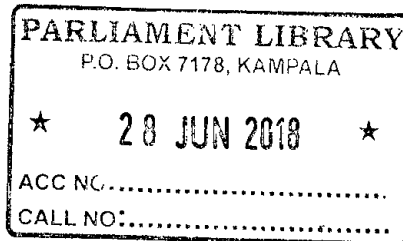
18.	Cooking oil	Ushs 200 per litre;”
19.	Motorcycles; at first registration	Ushs 200,000;
20.	Construction materials for development of industrial parks or free zones by a developer whose investment is at least one hundred million United States Dollars;	Nil
21.	Construction materials of a factory or warehouse exclusive of those available on the local market, locally produced raw materials and inputs to an operator within the industrial park, free zone, single factory or other business outside the industrial park or free zone who meets the following requirements— (a) a minimum planned investment capital of fifteen million United States Dollars in the case of a foreigner or ten million United States Dollars in case of a citizen of a Partner State of the East African Community; (b) carries on business in— (i) agro processing; (ii) food processing; (iii) medical appliances; (iv) building materials; (v) light industry; (vi) automobile manufacturing and assembly;	Nil

	<ul style="list-style-type: none"> <li>(vii) household appliances;</li> <li>(viii) furniture;</li> <li>(ix) logistics and ware- housing,</li> <li>(x) information technology; or</li> <li>(xi) commercial farming;</li> </ul> <ul style="list-style-type: none"> <li>(c) seventy percent of the raw materials used are sourced locally, subject to their availability;</li> <li>(d) directly employs a minimum of one hundred Ugandans; and</li> <li>(e) provides for substitution of thirty percent of the value of imported products;</li> </ul>	
22	Locally produced materials for construction of premises and other infrastructure to a hotel or tourism developer whose investment capital is at least eight million United States Dollars of a room capacity exceeding one hundred guests.	Nil
23	Furnishings and fittings or locally produced materials for construction of premises and other infrastructure to a hospital facility developer whose minimum 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.	Nil



THE REPUBLIC OF UGANDA

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.



*Jibinge*

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*Clerk to Parliament*

Date of authentication: *14<sup>th</sup> / 06 / 2018*