**Tuesday, 29 May 2018**

*Parliament met at 2.04 p.m. in Parliament House, Kampala.*

PRAYERS

*(The Deputy Speaker, Mr Jacob Oulanyah, in the Chair.)*

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE DEPUTY SPEAKER:** Honourable members, I welcome you to this sitting. I am glad to note that a lot of work has been done on the budget. Also, I would like to remind you that it has been confirmed that the State of the Nation Address will be delivered on the 6 June 2018 and the budget reading, the next day.

Honourable members, today is the 29th May and so I would like to remind you that our law, the Finance Management Act, gives 31st May as the last day for passage of the budget and all budget related laws and matters. So, this is to inform you that we will not extend that date of 31st May; we will proceed and finish all the budget matters by that date.

Therefore, I am calling upon the chairperson and members of the Budget Committee and the chairpersons, who have to interface with the Budget Committee, to finish all these activities so that we can finish with the budget on the 31st May. I do not intend to extend that deadline; it will remain 31st May and that is when we will pass the budget.

However, honourable members, many times I have sat in this Chair and I have had to go through the pain of communicating sad news. With grief and extreme pain, I wish to, once again, register my heartfelt condolence and that of the Parliament to the families of the deceased who were involved in the motor accident over the weekend. I wish those injured a quick recovery.

While I thank Government for the speedy effort taken in trying to save lives during the Kiryandongo accident, I request that the Ministry of Health, if it is not already in their plan, should do more on the hospital facilities along the major highways in this country. The emergency and intensive care units in hospitals along the major highways, for example, Kawolo, Kiryandongo, Masaka and Mbarara hospitals, among others, should be improved and strengthened.

Flying victims from accident scenes to Mulago Hospital is not only expensive but may not necessarily save lives. Therefore, we need to look at the hospitals on our major highways and have them in fully functional conditions with appropriate equipment for emergencies because of the road situation that we have always had.

Rt Hon. Prime Minister and Leader of Government Business, you may already be aware of the causes of accidents on our roads. We have been told and we also know that these accidents are attributed to many factors. As Parliament, we have had the occasion to discuss - in the countryside and even in this Parliament - the causes of accidents in our roads. We cannot afford to have the carnage on our roads to continue like this. I wish to propose that you initiate consultations with all stakeholders in the road and transport sector on this matter.

Thereafter, there should be a national round table dialogue lasting for about three days in the course of this year. This should be done and we have a thorough discussion on this and address this concern. I am hopeful that at the end of the dialogue, all Ugandans can resolve that enough is enough and probably also say, never again this kind of carnage on our roads.

There is need to begin a new chapter on the use of our roads. To continue with this dialogue is necessary but we have always had discussions - we should agree that whatever will be agreed upon should have a clear implementation schedule and plan on how we can deal with the issues on our roads.

Honourable members, as you may already know, death also occurred of Mrs Josca Akot Ocaya Lakidi. She passed on 14 May 2018. She was a distinguished person in this country. She served in various capacities including Permanent Secretary in the Ministry of Defence, the Judiciary and Ministry of Water and Environment but took her early retirement. She passed on and she will be laid rest at her place.

Honourable members, on the two incidents of Kiryandongo and the death of Mrs Ocaya Lakidi, I ask that we stand and observe a moment of silence.

*(Members stood and observed a moment of silence)*

**THE DEPUTY SPEAKER:** Honourable members, in January 2018, Parliament of Uganda launched a fundraising drive aimed at improving reforestation in Moroto District. It was hoped that tree planting would mitigate the adverse effects of climate change in Karamoja Region. I wish to draw your attention to this and invite you to join the Speaker of Parliament who will officiate at the event of tree planting to be held on Friday, 1 June 2018 at Katikekile Sub-county Headquarters in Moroto District, starting at 10.00 a.m. Members of Parliament from the region are especially encouraged to attend as the tree planting movement can only take root when the leaders are seen to be at the forefront.

Honourable members, I had a rare opportunity to travel to Israel to see what they do with their trees and desert and how they manage their water. In Israel, you cut a tree, you go to jail. In fact, they should find you already in jail and then they will do the prosecution later. However, here, we are not very serious about the issue of tree planting. We may need to do something about it and I am delighted that the Speaker will be leading this initiative on Friday, starting with Karamoja Region.

Honourable members, we are drawing to the closure of the session and it is important that we do not waste time; we need to finish business early. I wish, therefore, to encourage Members to report early for plenary sittings as well as also manage time effectively by being precise and concise in their deliberations. Also we need to take decisions promptly to avoid unnecessary delays; I request this of you and expect your cooperation on this matter.

Honourable members, on another note, I read in the press a series of articles published in relation to what is before this Parliament in regard to what the Auditor-General is doing. There was an article that carried the heading saying that the Deputy Speaker and some other people were frustrating investigations into Bank of Uganda issues. However, subsequently the headline changed saying thus: “The Speaker over rules the Deputy Speaker on issues of investigations in Bank of Uganda….”

What those articles were intended to achieve, probably they achieved but I would like to state that they were not factual. We owe it to the public of this country to provide them with correct information. So, what is the correct information?

It is true that while I presided over this House the hon. Nandala-Mafabi gave notice of intention of a motion that he intended to move to have Bank of Uganda to be investigated. I allowed the motion. The motion was presented and debate started. That is when the issue arose from COSASE that they were examining similar issues, which would have not been a problem but the main thing for this Parliament came from a letter from lawyers and also a statement made in this House that there were five cases filed in the courts on the same facts as contained in the hon. Nandala-Mafabi motion. Upon that they raised the issue of subjudice under our Rule 72 and that we could not continue debating the matter because it could prejudice what was going to happen in court.

My ruling was clear and it was by the Speaker in her letter on how I guided on how to have that matter handled. However, the headlines continued to say that the Speaker overruled the Deputy Speaker, which is misleading because the Speaker never overruled the Deputy Speaker. The ruling of the Deputy Speaker related to debates in this House that we could not proceed with the debate and that was correctly quoted by the Speaker in her letter to the Auditor-General.

On the 27 April, 2018, you will recall that before that we had a debate on qualified expenditures of this Parliament and a request was made that maybe we needed to interface with the Auditor-General. I adjourned debate on that matter of the qualified opinions of the Auditor-General and on Friday 27 April 2018, I met with the Auditor-General together with the Chairperson and the Vice chairperson of PAC, hon. Karuhanga.

After we had our discussion on the matter, he raised the issue that he had written to the Speaker - and I said I had not seen a copy of that letter - seeking clarification and the reason was that because he had been requested to carry out audits in Bank of Uganda but that when they approached Bank of Uganda, Bank of Uganda wrote saying Parliament had taken a decision that all matters to do with investigations in Bank of Uganda were subjudice. This was Bank of Uganda writing to the Auditor-General. That is why the Auditor-General wrote to Parliament for clarification.

Therefore, in my meeting of the 27 April 2018, with the Auditor-General, he raised this matter that he had received communication from Bank of Uganda that there was a ruling from Parliament stopping his audits at Bank of Uganda. I told the Auditor-General that nothing stops him from carrying those audits because my ruling only related to debates in Parliament and had nothing to do with his audits, which are confidential so I asked them to go ahead to do those investigations and audit, if they were prepared to do so.

Therefore, the Speaker eventually wrote on the 10 May 2018 and that is the subject of the letter that has been carried in the press. I read stories about it every day and so, I thought the public is owed an explanation to the effect that there is no overruling by the Speaker of a decision by the Deputy Speaker. My decisions are still being upheld by the Speaker that we will not carryon that debate on that motion until the court issues are settled. If there are gaps arising from what the court has determined then we will revive that motion and continue with that debate. That decision has not been changed or overruled. There was no decision that the Auditor-General should not carry out investigations or any audits. Therefore, the public should be informed and they should take heed that there has been no ruling made and a ruling that was overruled by another office. So please, let us keep that that way.

Honourable members, let us go to business. There is a proposed statement from the Government and another statement on the Order Paper from a member. Therefore, I will see how to harmonize this so that Government and the member all make statements on the issue of the accident in Kiryadongo.

Honourable members, the request has just come now - Government has a statement on the Kiryadongo incident - I request that Government makes this statement through the works minister and then thereafter the honourable member can supplement. Government takes precedent; the member will proceed later. Honourable minister, please proceed. Is your statement uploaded on our *iPads*? Did you submit a copy to the Clerk?

MINISTERIAL STATEMENTON THE FATAL ACCIDENT THAT OCCURRED ON FRIDAY MAY 25, 2018 IN KIRYANDONGO DISTRICT, KAMPALA-GULU HIGHWAY

2.22

**THE MINISTER OF STATE FOR WORKS AND TRANSPORT (TRANSPORT) (Mr Aggrey Bagiire):** Thank you, Mr Speaker. We sent it but we do not know whether it has been uploaded.

**THE DEPUTY SPEAKER:** Okay, proceed with the statement.

**MR BAGIIRE:** Mr Speaker, on Friday, 25 May 2018 at about 8.00p.m. a Gaaga Bus traveling from Lira to Kampala, along the Kampala-Gulu Highway, rammed into the right side tyre of a tractor that was being driven without lights, plucking off one of its tyres. The bus driver lost control, overturning the bus and later collided with an oncoming trailer carrying crates of beer. The accident has so far claimed a total of 23 lives and over a dozen were seriously injured.

Mr Speaker, on behalf of Government and my ministry, I take this opportunity to convey our sincere condolences to the bereaved families and regret the deaths of our citizens. We pray that the Almighty comforts the families of the bereaved and that the injured recover soon.

The fatal accident took place at Nanda village, 93 kilometres from Gulu, along the Kampala-Gulu Highway in Kiryandongo District. The accident involved three vehicles namely, a tractor, a Gaaga Bus and a truck with a trailer loaded with crates of beer respectively. The Gaaga Bus was coming from Lira with 33 passengers and a crew of four including the driver on board, totaling to 37. The tractor was coming from Polongo Village along Karuma-Pakwach Road heading to Bweyale with two operators, while the truck was heading to Gulu with only the driver.

A total of 19 people died on the spot while 15 patients were then admitted at Kiryandongo General Hospital. Three patients died at the hospital and one died at Nsambya Hospital yesterday Monday, 28 May 2O18, by the name of Jackson Agona who had right humerus, left tibia/fibula with degloving wound on right knee according to the diagnosis made at Nsambya Hospital.

The drivers of both the tractor and truck died on the spot while the bus driver, identified as Kintu Majid, survived with serious injuries.

I wish to applaud hon. Odonga-Otto, MP for Aru County and hon. Gilbert Olanya, the MP for Kilak South County who arrived at the scene of the accident and participated in the evacuation of the victims together with the Uganda Police Force and other good Samaritans.

Mr Speaker, on Saturday, 26th May 2018, the Ministry of Health together with Ministry of Works and Transport organised for the evacuation of the patients admitted at Kiryandongo General Hospital to Kampala, using the Uganda People's Defence Force helicopter.

The helicopter was dispatched from Kampala to Kiryandongo and returned at about 10.30a.m. The following Members of Parliament received the patients at Kololo airstrip: hon. Betty Amongi, Minister of Lands, Housing and Urban Development; hon. Dr Joyce Moriku Kaducu, Minister of State for Health (PHC); hon. Cecilia Ogwal; hon. Felix Okot-Ogong; hon. Obua Denis Hamson; hon. Atim Joy Ongom; hon. Paul Amoru Omiat; and hon. Jimmy Akena.

The technical team from the Ministry of Health included: Dr Olaro Charles - Director, Clinical Services; Dr Jackson Amone - Commissioner, Curative Services; and Dr Waniaye John Baptist - Commissioner, Emergency Medical Services.

A total of eight patients were evacuated from Kiryandongo General Hospital out of which four were referred to Mulago National Referral Hospital and the four to Nsambya Hospital.

However, one patient hailing from Kiryandongo District declined referral to Kampala and opted to continue receiving treatment from the Kiryandongo General Hospital.

The Members of Parliament and the technical team from Ministry of Health accompanied the patients to the two hospitals. It was later established that there were some other patients who had been privately transported to Kampala from Kiryandongo General Hospital.

In both hospitals, the patients were already receiving treatment and undergoing further investigations. At Mulago National Referral Hospital, Executive Director, Dr Baterana Byarugaba received a team at the Accident and Emergency Unit. He identified all the six patients who were involved in the accident and assured the team that all patients were stable.

While in Nsambya Hospital, the team was received by a retired Senior Consultant Surgeon, Dr Ekwaro. He informed the team that all the seven patients were in stable condition except Ms Apio Jackline who had traumatic brain injury and was admitted to the Intensive Care Unit.

According to preliminary investigations, the probable cause of the accident was over speeding. It was established that the bus driver was over speeding and subsequently rammed into the right rear tyre of the tractor. The bus then rolled at about 35.7 metres on the road from the point of impact and collided with the oncoming truck.

Absence of reflectors and conspicuously fitted chevron signs on the tractor could have made the tractor not easily visible to the bus driver. It is also alleged that the tractor had no functional lights and its operators were using a hand-held torch.

Mr Speaker, there has been a general trend of increase in accident cases on the newly upgraded or rehabilitated roads mainly due to increased speed by motorists. We have seen this happen on Kampala-Masaka Road. The spate of accidents took place after the accident at Kampiringisa on 2 May 2016 that claimed 21 lives; which prompted my ministry, in partnership with the Uganda National Roads Authority (UNRA) and the Uganda Police Force to set-up "*Operation fika salama*"campaign.

This operation was a short-term solution that stepped up enforcement of the road safety measures along this road. The Uganda Police has replicated this operation on other major highways. However, the trend of accidents has not decreased. Therefore, there is a need to put in place measures to sustainably address the road carnage.

In a bid to reduce road carnage in Uganda, the Ministry of Works and Transport is currently undertaking the following measures: amendment of the Traffic and Road Safety Act, Cap.351.

In 2017 Cabinet approved drafting principles for the amendment of this Act and next month I will be presenting to Cabinet the draft Traffic and Road Safety (Amendment) Bill, 2018 for consideration.

The Bill seeks to strength road safety management in the country, streamline and better regulate public transport in the country and strengthen enforcement, among others.

Two, we also plan to do an amendment of the Roads Act and Access to Roads Act. Cabinet approved the Roads Bill, 2017, which is now ready for gazetting and subsequent submission to Parliament. The Roads Bill, 2017 seeks among others, to address several road safety improvement infrastructural interventions.

The third measure is to design a road safety financing strategy. One of the main challenges facing the ministry is sustainable funding for road safety programmes. We developed a road safety financing strategy so that part of the Non-Tax Revenue generated by the ministry is retained, as appropriation in aid, to support road safety activities.

The fourth measure is automated licensing system at the Transport Licensing Board. We plan to interface the system with the Uganda Police. This system will allow us to better regulate and account for all transport operators.

Also we plan to do mandatory motor vehicle inspections. The introduction of annual mandatory motor vehicle inspection services for roadworthiness begun in November 2016. However, enforcement for compliance is still at halt awaiting a parliamentary decision.

Proposed measures to address road carnage in Uganda:

The Ministry of Works and Transport plans to undertake the following measures in the short run:

Installation of speed limiters in commercial vehicles

We propose to introduce speed limiters that come with GPS trackers and recorders, over speeding alerts and can notify the regulator of any tampering attempts to all commercial vehicles.

Licensing of goods vehicles

Starting financial year 2018/19, the ministry will commence licensing of goods vehicles. The process will require vehicles to fulfil certain regulatory requirements, including inspection for roadworthiness.

Accreditation of drivers of goods vehicles

The ministry will roll out the accreditation of drivers to include drivers of goods vehicles and all categories of omnibuses. Currently the ministry accredits all drivers of high capacity buses only. The accreditation exercise involves vetting of drivers by reviewing their accident history, criminal record and eye tests, among others.

Introduction of a graduated driving license

We intend to introduce a graduated driving licence that will mandate drivers of commercial vehicles to undergo refresher courses and training. This is provided for in the proposed amendment to the Traffic and Road Safety Act.

Establishment of Automated Driver Test Centres

The Ministry plans to establish an automated driver test centre. The system will minimizes human bias and allow learner drivers to undergo a rigorous testing to confirm their competences to drive before the issuance of the driving permits to them.

Intensified road safety sensitisation, awareness and strengthening of the coordination role of road safety activities by the Ministry Works and Transport.

In conclusion, Cabinet has directed the immediate implementation of the following:

1. Replacement of the current speed governors’ regulation with the digital speed limiter regulation.
2. Reviewing night operations of commercial goods vehicles, tractors and engineering plants.
3. Stepping up enforcement and equipping police with right enforcement tools and devices.
4. Reviewing Third Party Insurance Scheme and its effectiveness.
5. Bus companies be put to task to account and be responsible for their errant drivers.
6. Comprehensive or rigorous driver training and testing regime across the country.
7. Use of technology in the enforcement and regulation.
8. To finalise the Emergency Medical Services (EMS) policy by Ministry of Health.
9. Referral hospitals along the highways to be more equipped to handle emergencies. *(Applause)*

On behalf of the Ministry of Works and Transport, l would like to assure this House that the Government, in conjunction with other ministries, departments and agencies is doing everything possible to reduce the carnage on our roads.

I wish to recognise His Excellency, the President of Uganda for the financial support of Shs 5 million per victim towards burial arrangements extended to the bereaved families and Shs 3 million per person who was seriously injured as contribution towards medical expenses. His Excellency, the President, also declared three days of national mourning, starting Sunday, 27th May 2018.

Mr Speaker, road safety is a shared responsibility and each one of us has a role to play. I request honourable members to strongly support road safety interventions that the Ministry of Works and Transport is currently implementing and those that we intend to implement in the proposed Traffic and Road Safety (Amendment) Bill, 2018.

Attached are the details of the persons involved in the accident as shown in tables in the report. Mr speaker, for the record purposes, allow me to read them out.

The patients admitted at Mulago National Referral Hospital are:

1. Kintu Majid, who was the driver. He is 60 years old, comes from Kanyanya - diagnosed with traumatic brain injury with fracture right femur.
2. Nabisubu Ruth Martha, 22 years and from Mpererwe - diagnosed with fracture tibia/fibula, right humerus.
3. Mutebi David, 26 year from Namasuba - diagnosed with a head injury.
4. Ssempijja Abdu, 26 years from Namungoona- diagnosed with a closed head injury and fracture mandible.
5. Wasswa Joel, 28 years from Kibuye - diagnosed with abdominal injuries, and
6. Ojok Simon, 26 years from oyam - diagnosed with a left humerus fracture/closed head injury and fracture clavicle.

The patients admitted at Nsambya Hospital are:

1. Akullu Gloria, 28 years from Lira - diagnosed with blunt chest trauma.
2. Okello Robson Santos, 28 years from Ntinda - diagnosed with blunt chest trauma, dislocation of sternoclavicular joint and multiple abrasions.
3. Apio Jackline, 32 years from Kitende - diagnosed with polytrauma with traumatic brain injury in Intensive Care Unit.
4. Kabunga Malcom, 6 years from Mpererwe - diagnosed with left femur fracture with soft tissue injury.
5. Amony Lauryn Odwe, 21 years from Amolatar - diagnosed with comminuted fracture radio/ulna on both sides, and
6. Mulangwa Nathan, 9 years from Kitebi - diagnosed with moderate to severe traumatic brain injury, blunt chest trauma.

The following is the list of the deceased persons:

1. Mulangwa Norman, 7 years from Kampala.
2. Obedgiu Charles, 32 years from Kiryandongo.
3. Etum Levi Okwii, 41 years old from Lira; he was a Lawyer.
4. Ekyatuhaire Salome Muhwezi, 43 years from Kisasi-Kampala; She was a lecturer.
5. Uwiragiye Mbonera Arthurs, 42 years from Kisoro.
6. Bogere Akamada, 44 years from Luweero
7. Mansur Asibuk, 29 years from Yumbe; he was a turn-man.
8. Mulinde William, 28 years from Seeta-Mukono.
9. Aloro Anthony, 45 years from Arua; he was an inspector in the bus.
10. Omara Joshua, 23 years from Apac.
11. Kisambira Said, 40 years from Iganga.
12. Langalanga Jimmy, 36 years from Lamwo; he was a Uganda Revenue Authority (URA) officer.
13. Mafumu Hannington, 26 years. By the time we wrote this statement, we had not yet identified where he comes from.
14. Alex Omode whose age and origin we have not yet identified.
15. Kalemera David, 32 years from Butambala.
16. Achiro Brenda of an advanced age from Oyam.
17. Thembo Samson, 42 years from Kasese; he was a water officer.
18. Kawala Diana, 32 years from Kamuli.
19. Bunkedeko Ali, 24 years from Kalungu.
20. Kawooya Hosea, 38 years from Nansana- Wakiso.
21. Olet Godffrey, 40 years from Kole; he was a district auditor.
22. Mushoborozi Severino from Bushenyi. We did not establish his age; and
23. Agona Jackson, 27 years from Lira who passed on yesterday.

Mr Speaker, I beg to inform this august House about the status of what happened on that fateful day. Thank you.

**THE DEPUTY SPEAKER:** Thank you, honourable minister. Honourable members, as communicated earlier, the notification of this statement just came when I was already sitting here. We already had, on our Order Paper a statement from hon. Felix Okot-Ogong who is the Chairperson of the Lango Parliamentary Group. So I will accommodate the statement that was on the Order Paper and then we shall premise our debate on the minister’s statement.

2.44

**MR FELIX OKOT OGONG (NRM, Dokolo South County, Dokolo):** This is a joint statement by Lango Parliamentary Group on the tragic road accident along Gulu-Kampala Highway that claimed 22 lives and left scores critically injured.

Mr Speaker, on the night of Friday, 25May 2018, 22 people lost their lives and several others suffered severe injuries in a gruesome road accident that occurred at a place called Nanda in Kiryandongo District. The tragic accident involved a Gaaga Bus, registration number UAK 562L, a cargo lorry registration number UAT 088J and a trailer registration number UAT 321M and a tractor registration number UAU 972M.

The ill-fated bus was traveling from Lira town to Kampala and reportedly hit the tractor before it rolled and collided with an oncoming cargo lorry, transporting crates of beer.

The Lango Parliamentary Group (LPG), with profound sadness, mourn our departed loved ones and commiserate with all the bereaved families in the different parts of the country who lost their loved ones as well. We pray for a speedy recovery for all those who suffered severe injuries.

Mr Speaker, we note with gratitude the speedy, firm and responsible manner with which Government handled this tragic incident. Government was able to airlift the victims from Kiryandongo Hospital to Kololo Airstrip, enabling the injured to quickly access Mulago National Referral Hospital and Nsambya Hospital for specialised treatment.

We particularly thank Government for declaring a three days national mourning for 22 people who lost their lives. We believe that this will not only generate debate on the rampant issue of road accidents on our roads, but also create a sense of unity and common purpose in developing a robust policy framework on addressing road carnage in the country.

On behalf of the LPG and the families of the victims, we welcome the contribution of Shs 5 million and Shs3 million promised by Government towards the burial expenses and treatment of the injured respectively.

Mr Speaker, while we await a detailed police report, it is important that I draw your attention to the urgency required in addressing the issue of road carnage in this country.

Various police reports have identified a number of factors causing accidents including human error, indiscipline of road users, the physical state and design of the road infrastructure and negligence by some road users.

Similarly, police have already indicated that the Friday accident could have been caused by over-speeding and a possibility of a vehicle in a dangerous mechanical condition. These issues have to be addressed to manage the rampant accidents on the roads.

Mr Speaker, we want to bring to the attention of this House the sorry state of our hospitals, especially when it comes to managing emergencies like this one. It is reported that Kiryandongo Hospital, where the victims were first hospitalised, lacks basic facilities, equipment and medical supplies. There was only a single oxygen cylinder and a single nurse working with one doctor in the night.

As Government, the issue of building robust capacity of public health facilities should become part of the priorities in our national development agenda.

Mr Speaker, premised on the aforementioned, we believe that the challenge of road traffic incidents in Uganda has reached an alarming level. Therefore, we would like to recommend as follows:

1. Government should develop a structured and concerted national strategy to curb road accidents.
2. This particular accident be investigated and a rigorous inspection framework be instituted on all public service vehicles.
3. Government should develop a national policy to manage and streamline the operations of public transport around the country.
4. Government urgently publishes all the black spots on our major roads, and takes remedial measure to mark and publicize them for easy recognition by road users.
5. That the section of the road from Kamdini to Lira town be attended to urgently as it is presently in a deplorable state and risks causing more accidents due to heavy traffic heading to Kampala and Juba.
6. Parliament should help spearhead the road safety campaign and sensitize Ugandans against reckless driving, improper road use and disrespect for other road users.
7. Stringent surveillance and enforcement measures be put in place by the Ministry of Internal Affairs and the Uganda Police Force to deal with the rampant violation of traffic laws/regulations and use of vehicles in dangerous mechanical condition.
8. Further, Government needs to address other road safety impeding factors including but not limited to bad road infrastructure, alcohol and drugs impairment, regulation of driving schools, use of safety gears (helmets, seatbelts and child restraints) and over-loading of vehicles, among others.

Finally, we would like to bring to your attention the case of one victim who needs special consideration from Government. Mr Speaker, Ms Jackline Apio, a victim of this accident hails from Dokolo and is married in Rakai District. She lost a child in the same accident and was severely injured.

Doctors at Nsambya Hospital have indicated that the nature of operations required for her to survive needs at least Shs 51 million. In addition to losing her child, she is bed ridden along with two of her other biological children from the same accident.

Our prayer is that on top of the three million provided to her for treatment, Government should consider providing additional assistance for her to get proper medical care.

Once again, we thank you, Rt Hon. Speaker, for your leadership on this matter and for providing space for us to make this statement.

We as well thank the ministers of health, hon. Dr Jane Achieng and hon. Dr Joyce Moriku, the Minister of Lands and Urban Development, hon. Betty Among, and the Minister of State for Works hon. Gen. Katumba Wamala, for their effort in mobilizing support for the victims to be evacuated and treated.

Further, our sincere appreciation goes to the team from the Ministry of Health; the medical staff at Kiryandongo, Mulago and Nsambya hospitals who, in the midst of limited equipment and facilities, offered professional service to the victims.

In equal terms, I salute members of the LPG, local government, religious and cultural leaders, the locals in Kiryandongo and Lango Sub Region for their joint rescue efforts and coordination with Government.

We thank all those who organised and attended the joint prayers for the departed souls held on Sunday 27 May 2Ol8 at Akii Bua Stadium in Lira Municipality.

Mr Speaker, we want to appeal to this Parliament to debate the report by the minister and this statement so that we come out with a clear strategy on how to handle road carnage in our country. May their souls rest in eternal peace.

**THE DEPUTY SPEAKER:** Honourable members, we already rose earlier to observe a moment of silence on this disturbing incidence that occurred over the weekend; we will not be rising again. The minister’s statement attracts a debate and it is supplemented by the honourable member for Dokolo. I will start with the Member for Aruu County. Can we have a time frame for this? Can we have two minutes?

**THE DEPUTY SPEAKER:** Can we have a timeframe on this?Let us start with three minutes and see how it goes.

2.55

**MR SAMUEL ODONGA OTTO (FDC, Aruu County, Pader):** Thank you so much, Mr Speaker. I would like to thank the minister for the statement and also Government for declaring three days of national mourning. This directly passes a message to all bus drivers that the whole country is watching whatever they are doing.

Mr Speaker, I would also like to thank your Office because the first ambulance to arrive at the scene was the parliamentary ambulance. It took another 30 minutes for police and other ambulances to come. I was the next driver after the trailer; so I had to brake profusely to avoid joining that mix.

I had my share of five hours in the scene to help in the evacuation process. At this point, I would like to thank the Uganda People’s Defence Forces (UPDF) because they were on the scene even before the police. I found that very interesting. They mobilised a lot of resources and manpower from the Karuma section.

Mr Speaker, the cause of the accident is as the minister stated. However, what should be underlined and bolded is that the tractor driver who was leaving the farm at about 7.15 p.m. when visibility was compromised joined the highway. When the bus was coming at about 140km/hr, the bus driver saw the tractor driver barely six metres. He tried to dodge the tractor because of high speed but rammed into it. He then had a head-on collision with the trailer. It was a double carriage trailer carrying beer and the occupants died in their lane. It is very interesting how you can die for a problem which is not your own.

Having said that, I would like to make four observations, as the first person at the scene of the crime:

First, the level of patriotism of Ugandans has gone so low. The minister in charge of national guidance should better rethink the kind of patriotism lessons we are giving Ugandans.

I found people at the scene scrambling for beer and not saving human life. That was so hurting until some of the UPDF officers came, they cocked guns and then people started pulling away from scrambling for senator beer and not human life. I found that very disturbing!

Mr Speaker, there were senior civil servants and senior police officers who sat in their vehicles throughout. They did not even get up for five hours because they were bosses. I saw one assistant superintendent of police seated in the car pretending to be perusing official Government documents, as we, Members of Parliament, had to throw off our ranks in order to save a life.

I think all this boils down to the level of patriotism because why would a senior officer sit in a car because he is a boss and not come to use their training and skills to solve a problem.

I would like to recommend that the Ministry of Health should supply gloves almost the same way Government is distributing condoms. We should supply gloves to almost every part of Uganda. We lost 30 minutes when the parliamentary van ran out of gloves. People were afraid to touch the bodies and to help the injured; we waited for gloves from Kiryandongo.

I recommend that there should be a deliberate effort to give gloves in most of the key places like petrol stations so that in case of any incidence, we can have enough gloves to save life.

Honourable minister, the issue of speed governors should have come yesterday. I request that you ask buses without speed governors to be grounded even today. I am speaking here but next week, you will hear of similar problem. The issue of speed governor is an issue of yesterday. Let us have the speed governors installed and the buses should not move more than 70km/hr.

Mr Speaker, through you, we should direct that buses without speed governors should not plyonthe roads until they install the speed governors. Thank you so much, Mr Speaker.

3.00

**DR KEEFA KIWANUKA (NRM, Kiboga East County, Kiboga):** Thank you, Mr Speaker. On behalf of the people of Kiboga, I would like to pass my condolences to the families of the bereaved and to pray for the quick recovery of those who are at the moment, in hospital.

I would further like to thank the minister for the report that really shows concern about what happened. Whenever something like this happens, I think it should invite new action. Something more revolutionary and I hope that this is where this will end this time round. I thank the ministers and hon. Felix Okot-Ogong; they have outlined the cause of the accident.

However, I strongly feel that the issue of impunity on our roads has not been touched. It is the impunity of the drivers and the problem is that there has been a lot of interference with the police work, which makes it very difficult for them to do what they are supposed to be doing. It is the problem of corruption. We are talking about inspection of vehicles but whether inspected or not, if you are stopped by the police, all you need to do is to give them Shs 2,000 or Shs 3,000 and then you continue.

At the moment, police does not know how to deal with reckless drivers on the roads. Everybody, when stopped, can call somebody at the top and they get released without any problem.

What I am saying is that probably this will help us to rethink what has been happening and say enough is enough; we have to have a significant change in what is happening so that we can allow the police to do their work. We also need to focus on what we need to do to stop corruption especially on the roads so that the police do not just demand for money and then let people go. That is my submission, Mr Speaker. Thank you very much.

3.03

**MR BENARD ATIKU (Independent, Ayivu County, Arua):** Thank you, Mr Speaker. I would like to thank the honourable minister and hon. Felix Okot-Ogong together with hon. Odonga Otto for their submissions. I join them in extending condolence messages to the families of those who have lost their loved ones in that tragic accident.

I would like to pick from hon. Felix Okot-Ogong’s submission in regard to the state of the roads. What we refer to as highways are not indeed highways. A highway is supposed to be demarcated in between with a barricade just like the Entebbe Express Highway; for high routes like the one we normally ply.We have seen this in other countries and I think it is high time our Government invested heavily in the road infrastructure to ensure that situations like what happened on Friday can be avoided.

If those barricades were there, it may not have been that huge an impact because if a bus has knocked a tractor on one side, then it cannot interfere with an oncoming lorry. In the long run, it is important that we think about making highways like highways.

Secondly, in regard to the issue of the hospitals along the highways. It is very absurd that in Kiryandongo where the victims were taken for first attendance, there was only one nurse and one doctor and one oxygen cylinder. One oxygen cylinder can serve a maximum of two patients. Therefore, if the 12 patients all required oxygen cylinders, what would have happened?

I would like to thank the minister because he has listed this as one of the immediate points of action to be taken. That should be implemented especially in Kiryandongo as it has recently been face-lifted. We can have this equipment installed to save lives because accidents on these roads occur almost every day.

The last point to note is that the stretch between Karuma and Bweyale is very straight and many times drivers are tempted to over speed. We lost lives there once when a bus rammed into an elephant. On frequent occasions, elephants cross that road, risking collision –*(Member timed out.)*

3.06

**MR RAPHAEL MAGYEZI (NRM, Igara County West, Bushenyi):** Thank you very much, Mr Speaker. I join my colleagues to express my sympathies and condolences to the families that have lost their people in this tragedy.

I lost somebody from Igara West. His name is Mushoborozi Saverino. Honourable minister, you read him as number 22; as per your record, he was aged 45. He was a worker with Dynapharm. He was the sole breadwinner for his family. We buried him yesterday. It was sad.

I would like to thank His Excellency the President for the immediate intervention in particular the condolence support to the bereaved families and also declaring this a national tragedy. This was timely and we thank the Government for that.

Mr Speaker, something that surprised me: we sent the deceased’s brother to go and identify the body in Kiryandongo. He however could not access the body until he had paid Shs 100,000 for treatment of the body and for the post-mortem. I wondered whether this is the best that Government can do for its citizens.

Can’t we urge the Ministry of Health to ensure that this Shs 100,000 for treatment and post-mortem is cleared by Government? Many times in upcountry areas, people are buried without this service because of this cost.

Finally, I would like to support the decision to amend the laws to ensure that we tighten the aspect of regulation and management of traffic. I would like to urge the ministry to include very strongly the accountability of these bus owners towards the victims, and the families because many people suffer and many people lose their lives yet their families are not compensated.

Where there is evidence of failure by some of these vehicle owners – I think they should also own up by making sure that they pay and incur the necessary cost of treatment of the victims. Help us in the law and strengthen that aspect of accountability for the owners of these vehicles, motorcycles and others. Thank you, Mr Speaker, and may their souls rest in peace.

3.09

**MR JOSEPH SSEWUNGU (DP, Kalungu County West, Kalungu):** Thank you, Mr Speaker. I also would like to send my condolences. I had one victim from Kalungu. Kalungu has suffered a lot because even in the abductions, we had one girl who was recently killed.

I would like to thank hon. Odongo Otto. On the issue of patriotism, hon. Members, we should go back to our former conduct of the Scouts and Girl Guides clubs in schools. This can restore patriotism in our children.

Concerning the issue of accidents; I use Masaka Road and along this road, we already have roadblocks where they are controlling the traffic. Allow me say that whenever the drivers come close to the road blocks, they reduce speed and after leaving these spots, they go back to their former speed. What is important is to look at the dangerous spots and put CCTV cameras there. If we do not do that, we are in trouble.

On the issue of speed governors, it is the owners of these buses that fought it; and they are well placed in the system. They are within. As you leave this place, honourable members, as you drive along the roads, look at the *boda bodas*; the rider and the passenger will both cross the road whether the traffic lights are red or green. Why don’t we look at that?

I would like to appreciate the police but they are not well facilitated. You cannot have the police without strong motorcycles. You will do nothing –*(Interjection)*– hon. Katumba, you are a soldier and I also have that little background. You cannot control traffic with the kind of police we have.

When you go along the roads, you will see police officers carrying out their work but other than that, what else can they do if they are not well-facilitated? It is known that we no longer have *Kawukuumi* in police. Let us fund the police –*(Interjection)*– I cannot explain that, you know it better than me, Attorney-General.

Death along the roads is escalating day by day and it is painful. We are only seeing what is happening along highways because this is what is known by the press and the public; but if you go to our rural areas, it is worse. In Kalungu District or any other district, there is only one police patrol vehicle. Members in new districts can bear me witness. If that patrol vehicle has no fuel, the traffic officers will use these local – how can you arrest a person riding a *boda boda* of 125ccs and yet you are riding 50 ccs –*(Member times out.)*

3.13

**MR JOHN BAPTIST NAMBESHE (NRM, Manjiya County, Bududa):** Thank you, Mr Speaker. Let me join the Lango Parliamentary Group and the Lango Paramount Chief who has suspended all cultural activities that had been slated for this week, to also send my condolences for the tragic and gruesome death of these Ugandans.

The operation *“Fika Salama”* was a wonderful and brilliant idea. The minister has alluded to it in his statement but it has degenerated into mere check points stationed in particular spots and these errant drivers know these spots. On other sections of the road, they drive recklessly and when they get to the check points, they slow down. The operation should have meant a roving traffic police personnel. Roving on sections of the roads and having unpredictable check points on the roads.

Since issues of traffic and road safety are a shared responsibility, passengers also ought to be empowered. These buses should be prominently displayed with hotline numbers of the police. I am reliably informed that there was a lot of pressure mounted on this driver by some passengers within the bus, who were sober. The sober ones, if such numbers were there anyway, could have called for the intervention of traffic police officers.

Even so, Mr Speaker, Government should not only swing into action when such tragic accidents happen, after which they go back into slumber. Issues of traffic and road safety, on the part of the relevant authorities, should be a daily preoccupation. They should be roving. If it is *Operation Fika Salama,* it should be “*Operation Fika Salama*” in the real sense of the word but not to have check points *– (Interruption)*

**MS NAMAYANJA:** Thank you very much, honourable member, for giving way. The information I would like to give you is that when you talk about Government swinging into action after issues have happened, something very nasty is about to happen on Bukakata Road. Those who have used this road will bear me witness of the state of this road.

Members, we are heading for disaster. If something is not done urgently, we are going to see something very nasty. That is the information I had wanted to give.

**MR NAMBESHE:** Thank you for the information, honourable member. Mr Speaker, to conclude, our focus should be on nipping this road carnage in the bud and there should be a decisive action *– (Member timed out.)*

3.17

**MS JOY ATIM (UPC, Woman Representative, Lira):** Thank you very much, Mr Speaker. Allow me register my appreciation to this House for accepting to debate this issue. It was a lot of pain for the people of Lango and a lot of pain for Ugandans. Losing 23 people at ago was very painful. The people of Lango did not sleep that night when they heard of that carnage. We did not know who was who; it was not easy. Hon. Odonga Otto, we thank you very much for the efforts you made.

Madam Speaker, the accident was only within a space of one week after the Deputy Chief Administrative Officer of Amolatar District died, just one kilometre away from where the recent one happened. In that one, five people perished and four were critically injured. In that particular case, a faulty truck was parked along the road and nobody, including the police, made an effort to remove it from the road. It was there for about two weeks. The taxi rammed into that truck and five people perished and within another week, we got this particular one.

Mr Speaker, I am calling upon Government and the Ministry of Works and Transport that if they amend this road safety Act, they should put in place those vehicles that can always be removing spoilt vehicles from along the roads because those are some of the dangers we are experiencing.

Mr Speaker, on the issue of lack of medical supplies in the hospitals along the road, the Government made a deliberate effort to refurbish those hospitals along the road because of these accidents that are very rampant. However, when we went to Nsambya Hospital, an attendant – a relative who had gone to rescue a victim – explained to us and she broke down. A child of six years was gasping and needed oxygen but the only cylinder that was there was serving another patient. By the time they brought the next cylinder, the boy had passed on. It was not easy.

Therefore, the Government, especially the Ministry of Health, should really see into this so that the issues of oxygen and CT scans are addressed. When accidents like that occur, the only place that people get those facilities are Mulago or a few others *– (Interruption)*

**MR WATENGA:** Thank you, colleague, for giving way. The information I would like to give is that last Thursday, we visited Kawempe Hospital as the Committee on Health *– (Member timed out.)*

**THE DEPUTY SPEAKER:** Please, wind up.

**MS JOY ATIM:** Mr Speaker, I would like to bring the issue of the traffic officers that we have. As members of Parliament, we also fall victim: how do we impose a few laws? Today, there is a seatbelt, the next day there is a helmet; the other day they are controlling speed, the next day, they are receiving money and they are not taking care of the lives of the people *– (Member timed out.)*

3.23

**MAJ. SUSAN LAKOT (UPDF Representative):** Thank you, Mr Speaker. I would like to join the rest of the other Ugandans in extending my condolence and that of the UPDF to the bereaved families of Ugandans who perished on Friday.

Mr Speaker, hardly three months ago, hon. Prof. Ogenga Latigo rammed into a tractor driving on the same highway and around the same area. The tractor had no lights. On Friday, the issue of a tractor driving without lights cost us 23 lives. Yesterday, as I was coming from Pader, around the same area, a tractor was crossing the road in front of me. It was within the same area.

Mr Speaker, much as we are talking about the speed governors and the police being on the road, what do these tractors do along the highways without lights and at night? *(Applause)* Ordinarily, I would think that tractors are supposed to be in the gardens.

My prayer, therefore, is that there should be regulations from the Ministry of Works and Transport to see to it that tractors do not move on the highways after 5.00 p.m. and more so without lights. Tractors are not even meant to carry passengers: why do they move along the roads? They are causing the Government and Uganda in general loss of lives which could do a lot of development for our country. We are losing lawyers. We are losing auditors and we are losing young children whom we are looking up to for the future of this country.

Mr Speaker, it is disheartening for Ugandans to keep seeing these tractors on the roads *- (Member timed out.)*

3.25

**THE MINISTER, OFFICE OF THE PRIME MINISTER (CHARGE OF GENERAL DUTIES) (Ms Mary Karooro Okurut):** Thank you, Mr Speaker. This carnage that has taken many lives is not just a tragedy. This is what is called a classical tragedy; it does not just involve a small community, it involves a whole nation. That is why the flags are flying half-mast.

I would like to take on from where hon. Odongo Otto left. He pointed out an issue that should awaken the conscience of all of us. An accident takes place and a lot has come. The impression that Ugandans have sent out all over the world is that they are friendly; we have large hearts but what has gone wrong? Where did the rain begin to beat us? We need to examine our conscience.

Mr Speaker, there are some highways in Uganda here - it is very well known that if an accident takes place, instead of people coming for a rescue mission, they actually kill off the survivors because they want to loot. There is a relative of mine who was involved in an accident and she was carrying some quantity of money. Two thugs came and lifted her. When she asked them where they were taking her, they said, “You are dead.” Their intention was to loot. This is a fact; it is not comedy, Mr Speaker.

Mr Speaker, as Government does its bit, as citizens, we have a role to play to stop this carnage. Otherwise, police reports indicate that over speeding is one of the major causes of this road carnage. Several of our colleagues here own buses; others have minibuses and others have special hires. However, these slogans put on buses and commuter taxis, encourage over speeding. You find slogans like you cannot overtake them. In other words, I am going to over speed.

“Cheetah on the roads” - we know that the cheetah is the fastest animal on earth. If you call the driver a pilot, he will fly the car. Therefore, as we say Government should do this and that, as individuals, we should do our own bit.

Otherwise, I join the rest of the nation to send condolences to the bereaved families and may the Lord touch those who are injured and heal them very quickly. Thank you.

3.29

**MS RUKIA CHEKAMONDO (NRM, Woman Representative, Kapchorwa):** Thank you, Mr Speaker, for giving me this opportunity. I rise on the behalf of the people of Sebei sub region, to add my voice to the rest of the country, to pay tribute to our people who lost their lives in the accident.

Mr Speaker, in the Eighth Parliament, we lost a Member of Parliament on the Kampala-Jinja Highway because the tractor did not have any reflectors; it actually had no lights and the Member rammed into it. The issue of the tractors is a very serious matter not only on the high ways of Kiryandongo but also Jinja Highway.

Secondly, our hospitals are ill-equipped. Take an example of the accident in Kapchorwa Road where we lost many UPDF officers. People came on to the scene, saved many officers and took them to the hospital. However, due to lack of equipment, we lost many of the soldiers because Mbale Regional Hospital was far and yet this was a big hospital that if it had equipment, it would have saved our people. Therefore, we should think of an emergency budget for hospitals.

In the Eighth Parliament, we gave priority to the Ministry of Works and Transport and we gave them a trillion. How I wish this time round we could give the Ministry of Health a trillion in order to buy equipment in the hospitals since the budget cannot allow. I would like to request that we should safeguard our lives in the hospitals by equipping them. I think it would be very good for us as a country.

Thirdly, we lack road signs on some of the roads. For example, if the ministry had put road signs that side of Kapchorwa to indicate that there was a corner, lives would have been saved, especially for the drivers who do not know the roads. Without road signs, it becomes difficult.

Mr Speaker, the other common issue is that some of the drivers train their conductors and once they see that the conductors can drive the vehicles *- (Member timed out.)*

**THE DEPUTY SPEAKER:** Honourable members, in the public gallery this afternoon, we have staff from the Parliament of Kenya and the Parliament of Ghana. From the Parliament of Kenya, we have Mr Masindi Martin, Senior Deputy Director, Mr Joach Kosiba, Fiscal Analyst, Mr Abdiraman Gorod, Fiscal Analyst, Ms Amran Yunis, Fiscal Analyst and Mr Adan Ahmed Abdi, Fiscal Analyst.

From the Parliament of Ghana, we have Dr Abraham Zackaria, Deputy Director Research Department. Please join me in welcoming them.

3.33

**MS MARGARET RWABUSHAIJA (Independent, Workers Representative):** Thank you very much, Mr Speaker. Allow me add my voice to condole with those who lost their dear ones.

First of all, I would like to say that in Uganda, we have the Transport Licensing Board, which has senior citizens including a commissioner from the Ministry of Works and Transport and a director who is in charge of traffic and they have guidelines.

One of the guidelines is that buses which ply long routes like Kampala to Arua and Kampala to Kabale are supposed to have two drivers in each bus and that before they license the buses, the bus owner must take the two qualified bus drivers. However, many times when these buses are stopped at the traffic check points, only one driver goes out and signs the book. I do not know whether the second driver is always there.

The idea was that bus drivers that ply long routs need someone to support them when they feel sleepy and frustrated but this is not being enforced. We always have one bus driver yet when they are getting the license, they ask for two drivers. We do not know what happens to the second driver. For example, someone can make a return journey from Kampala to Arua and that is close to 14 hours yet they are human beings.

Mr Speaker, we have many bus owners who have a tendency of denying appointment letters to these drivers. They take them for a ride and many times, they can stay for two to three months without payment or when they have not received their salary. At times, they are very frustrated and are bound to do anything because of frustration and fatigue due to the long route.

Therefore, we need to do something and maybe the ministry should follow up and give surprise checks to be sure. This one is normally enforced during Christmas or Easter time. That is when they make sure that the drivers sign in a book and they are not supposed to return. However, other times, it does not matter. They move up and down without being followed.

Also, the other thing about –*(Member timed out.)*

3.36

**MS SUSAN AMERO (NRM, Woman Representative, Amuria):** Thank you, Mr Speaker. I would like to join the rest of my colleagues in sending condolences to the bereaved families. Many people have spoken about recklessness. One thing I have observed on our roads is indiscipline. Everybody is fighting to go; the one in front does not want to move.

I also know that this accident was caused due to over speeding. It is very unfortunate that many of these vehicles that are highly speeding are carrying a lot of passengers, especially the taxis and buses. That is very dangerous; I also would like to note the issue of the traffic officers. Whereas we are talking about traffic, you may want to appreciate that many of the traffic officers who are on the road are not trained. They do not know road regulations.

We confirmed this the time we were doing interviews with the current Inspector General of Police (IGP) and he confirmed to us that it is true. These days, there is no specialised training for traffic officers or any special department of police. After the general training, you are passed out and deployed to any department. This is very dangerous if we cannot do specialised training and know what we are supposed to do on these roads.

I would also like to join my colleagues on the issue of the traffic lights. I do not know why we invest a lot of money purchasing these traffic lights yet they are never respected. Whereas I know that there are people who have the right of way, I think it is very important that we respect the traffic lights. We have all travelled; we have seen what happens in other countries. Why wouldn’t we copy and implement it in Uganda?

You will find a traffic officer disrespecting the lights and asking people to move in the opposite direction. This is very dangerous and that is why people become impatient and do not want to continue waiting. I would also like to request Government to invest in cameras. If we have cameras on these roads and the law is implemented, then we shall avert some of these accidents. If somebody is not doing the right thing, he or she should be penalised. When somebody is penalised, the others will learn from that.

Mr Speaker, on the issue of equipping the hospitals along the highways – *(Member timed out.)*

3.40

**MR FRANCIS MUKULA (Independent, Agule County, Pallisa):** Thank you, Mr Speaker, for the opportunity. I would like to thank the Government for the small assistance that has been given.

I have a big question and concern. Many times when something bad happens is when Government comes in to say it has these measures and it is going to do speed governors. Why is it so? I really urge Government or ministries to be pro-active; to be precautionary in knowing the likely dangers ahead and put measures that can cover the likely dangers.

Finally, the minister gave a very light statement but I would like to urge the minister to implement all those measures as soon as possible. Otherwise, making statements and sitting back is like having malaria and taking Panadol. I beg to submit.

**THE DEPUTY SPEAKER:** Honourable members, this is a national tragedy. There is no question about it and this discussion is important. However, I need to fix it within the existing situation that I have in this House.

Given the nature of business that we need to finish by Thursday, I will begin the process of holding up this debate by asking the Leader of the Opposition to speak and then I will ask the key ministers of Internal Affairs, Health and Works to respond to some of the questions, then we see if there are gaps.

3.42

**MS CECILIA OGWAL (FDC, Woman Representative, Dokolo):** Thank you, Mr Speaker. This language called English is not ours. When I was born, the first language I learnt was Lango. If anybody says you have given way, there is nothing technically wrong. *(Laughter)*

Mr Speaker, I would like to thank you for giving us an opportunity to contribute, as Parliament, on this very important matter. It is a known fact that accidents have been happening on our roads. Whether eastern, western or northern route, we have been having accidents. It is also known that Uganda, as a landlocked country, road transport commands 97 per cent of transporting cargo and 99 per cent passengers.

That alone should have given Government the power to make the best policy to control the utilisation of our roads to sensitise the population and ensure that we reduce, as much as possible, carnage on our roads. However, our observation is that the Government has been reactionary. When something happens, then they will come up. The minister will make a statement; they will make promises and it ends there. As Members of Parliament, we also get busy and cannot keep following up.

It is now the media which is taking the lead. The media has been informing us. If *NTV* did not come up with the horror behind nodding syndrome, we would never have passed the supplementary for nodding syndrome. If *NTV* had not come up with the disaster which is happening to destroy Mabira Forest, which is now our wealth for the environment, nobody would have made a statement on the Floor of Parliament.

Therefore, Mr Speaker, today, we have a minister making a reactionary statement on what happened on Friday. This policy on road safety was laid on the Floor of Parliament in December 2014; that is four years ago. Up to now, there is no mention of how this policy is being implemented. So, I think we need to be serious.

I took trouble when this incident happened to look at the budget of the Ministry of Works and Transport for the last couple of years. I have not seen any specific item on road safety sensitisation. It is important. If we are able to train pilots that fly aeroplanes, why shouldn’t we train our drivers who drive our vehicles on the roads? (*Applause)* These people do not have any specific training.

Mr Speaker, we have just been to Israel where road signs are written in three languages; Hebrew, Arabic and English. On our roads, everything is in English. There is even no Swahili, Luganda nor Luo. So, you have a driver who has never been to school but he is supposed to read road signs in English. This is happening under the eye of a full-fledged Government.

We need to be serious. We are playing with lives. We have lost people and for this particular incident, we lost very highly trained and skilled people; an accountant, a lawyer, a lecturer and engineers. These are all very valuable people we spent money to train. Now, the devil has taken them before Ugandans have benefitted from their education.

Mr Speaker, these are very painful matters and that is why I am asking the Government that they must translate this policy into a law. They must show us the plan of action to reduce carnage on our roads. Two days after this incident we are talking about, a police vehicle rammed into a stationary tractor and a trailer blocked Karuma road. It also happened on Jinja road.

So, what is all this happening? The Government is doing nothing. Mr Speaker, wake them up because they are sleeping while our people are dying. This is not a joking matter.

Mr Speaker, I would like to end by saying that we need to diagnose the triggers. After we have diagnosed the triggers, which are very obvious - we have talked about lack of training and many people have raised valuable information, which I hope Government has been capturing so that we translate them. The problem is – (*Interjections)* - the Speaker can allow me to give information but he cannot control the time. So, if you can allow me make some critical point, I will then give you my slot.

I propose that we should come up with a diagnosis of the key triggers of road accidents and can come up with the cures. Of course, we have talked about mechanical conditions of the vehicles. You also know that Parliament has talked about Societe Generale De Surveillance (SGS), which is supposed to help us check the condition of the vehicles but is very corrupt. So, where do we start from?

We are talking about police having checkpoints on our roads – these are all efforts which are being talked about - like “*Fika Salama”*. However, “*Fika Salama”* became an illegal revenue collection avenue. That is the information we got. It started off very well but eventually, it became “you come, pay and go”. So, where do we start from? Everybody wants money including Parliament. SGS was being interrogated by Parliament but we condemned the report.

So, something is happening to this country, Mr Speaker. The devil has taken over and we have to rise up. I thank God the Muslims are fasting. Even the Christians must start fasting. We must kill this demon called corruption. (*Applause*)

Mr Speaker, I would like to end by thanking the Government - I rarely do that - but for the first time, they really relieved us from the pain by giving the families of the deceased Shs 5 million each. I am also aware the proprietor of the bus has agreed to give Shs 3 million to each family of the deceased persons.

In a particular way, - I know hon. Odonga Otto has already appreciated what the Ministry of Defence and Veteran Affairs has done - one of our daughters, Minister of State for Health, Dr Joyce Moriku, was physically there to do the work of a nurse. She was carrying the wounded because we received them ourselves. That is the patriotism we are talking about. When can you put on your uniform? All these stars are empty things. Patriotism is when you can put those things down to help fellow Ugandans. That is when we will appreciate who you are.

May God bless you. (*Applause)*

**THE DEPUTY SPEAKER:** Thank you.

3.52

**THE MINISTER OF STATE FOR INTERNAL AFFAIRS (Mr Obiga Kania):** Thank you, Mr Speaker. I would like to take this opportunity to express my condolences to the families who lost their dear ones and wish the quickest recovery to those injured but still in hospitals. I also would like to take this opportunity to thank, hon. Odonga Otto, among many people who did exemplary work. When he arrived at the scene, instead of remaining in his car, at that late hour of 7 p.m. to 8 p.m., he stopped his car and joined the citizens in helping our people. (*Applause)* I think that is a rare example, which all of us, as leaders, should be able to emulate because the natural thing hon. Odonga Otto would have done was to say, being an honourable Member of Parliament, this was a security risk and therefore, he would have fled the scene. Many people would have died.

I am merely quoting that to say there is always that opportunity for all of us to make a contribution to any situation. It is an example I am asking all of us to emulate so that we can always be an example to our people.

It is a tragedy but from every tragedy, we can learn some lessons. As the Ministry of Internal Affairs and the police, I would like to say we had our weaknesses but we also learnt some lessons. We could have done better in the situation; we could have even done better before this happened. However, the best we can do is to say, “We will try, within the means available to us, to carry out the issue of enforcement particularly regarding the police.”

Honourable colleagues, that policeman who remained in the car, we will definitely trace him. Good enough, Assistant Superintendent of Police (ASP), I am sure he was the boss and there was only one car in that place. Therefore, it will not be difficult to find him and we will definitely see what we can do.

However, we have all used these highway roads. When you travel from here up to Luweero and thereafter; when you probably go up to Gulu, Arua, or after Mukono when you drive up to Jinja, or after the junction going to the west and to other towns, you will most likely find there are very few patrol cars. Those would be the best for supervising the vehicles on the road.

Fixed road blocks are good but they are known and these drivers and the passengers for whatever reason avoid doing the wrong things at those road blocks and therefore, they misbehave in between - particularly when it comes to the issue of over speeding. It becomes very difficult for us to see what they are doing in between the road blocks.

This is not because the police does not have enough vehicles; we have some vehicles but a number of them are now idle. The reason is there is no fuel to run them –*(Interjections)-* yes, there is no fuel to run them. These are your assets. You allocate the money from here.

What you see deployed on the road is what the police can afford to fuel. Therefore, you cannot have the patrols all over the country as you would wish to have them. This is the reality of our situation and we need to work on it. That is why when I stand here every time, I tell you that when we do not facilitate our police, we are facilitating the crimes, which will be committed.

This is one of the areas where we need the support of this House and this country. I am aware of the other weaknesses of the police such as issues of training, corruption but you cannot fight this when the good ones are not mobile. The best way to fight them is using the few good men who are able to move and catch up with those others.

Otherwise, at this moment, there are many other issues, which we have learnt from you; there are very good contributions which you have made; we will use them to improve our services. *(Interruption)*

**MR GILBERT OLANYA:** Thank you, Mr Speaker. Honourable minister, you know one of the causes of the road accidents are the big trucks that are ever parked alongside the road. Right now, if you follow the road from Kampala-Gulu, those trucks that are carrying charcoal and logs are parked along the roadside and wait until dark at midnight then they start moving.

We have ever witnessed on very many occasions trucks that are broken down. They take more than two weeks along the roadside. Honourable minister, what is the police sincerely doing to make sure that the trucks are not parked along the roadside to cause more accidents?

**MS OGWAL:** Mr Speaker, the minister has made a very important point that they would want to help us to remove some of the vehicles that are stranded or stuck by the roadside. Unfortunately, the police do not have fuel or money to provide fuel to tow those vehicles. I want to know from the minister how many times the ministry has come to Parliament and requested for supplementary or special allocation of funds for towing away in order to reduce carnage on our roads?

Can he, please, mention so that Parliament can also put this record straight? I would not wish a situation where Parliament is blamed for failure on the side of the Government. Can they tell us when they *–(Member timed out.)*

**THE DEPUTY SPEAKER:** Honourable minister, please, wind up.

**MR OBIGA:** Thank you, Mr Speaker. The removal of trucks - of course some of these trucks park to avoid the law by travelling late, as my colleague has said. However, there are also others who get a breakdown. If a vehicle gets a breakdown, I would like to give an example to my friend from Pakwach - I am from Nebbi. If the vehicle breaks down between Karuma and River Ayago around midnight, where are you going to get the quickest breakdown to tow it at night? By the time you get it from Kampala, it will already be morning.

Secondly, by the time it gets there, people are already repairing those vehicles. There are no rules and regulations, which say that people should not repair their vehicles along the roads. Therefore, we need new laws; that is why my colleague was saying he will bring comprehensive regulations here so that if your vehicle gets stuck on the road, you will be forced to remove it or it will be removed at your cost. That will mean that we will need to have vehicles in the possession of the police, which can remove them and then people can be charged. This is a matter of the law.

However, you should know that what the police do is to implement laws, which are made. *(Interruption)*

**MS JOY ATIM:** Thank you very much, Mr Speaker. We are talking about a matter of life and death. It is unfortunate the Minister of Internal Affairs is saying there is no law and nothing that stops somebody from repairing his vehicle on the road. In other countries, wherever a vehicle breaks down on the road, it is towed immediately and it is your responsibility to put those breakdown vehicles in places regionally instead of getting one from Kampala.

Mr Speaker, several lives have been claimed as a result of vehicles breaking down on the road and they have not been removed for one to two weeks. Is he in order to say there is nothing that stops somebody from repairing his vehicles on the road when such vehicles are the ones claiming lives of Ugandans? Is he in order? Thank you.

**THE DEPUTY SPEAKER:** Honourable minister, from your submission, it appears like you saw these gaps long time ago. You are coming here to read for us the book of Lamentations. (*Applause)* Instead of acting, you are telling us there is no law. These trucks have been parking on the roads all these years; please, say something else.

**MR OBIGA:** Mr Speaker, thank you very much. Since you have said that I say something else, let me say something else. The something else I am saying is this; on the issue of accidents, we have identified the causes. We will do our part and it is a multifaceted issue. Let us all work together to remove it. Thank you very much.

**THE DEPUTY SPEAKER:** Thank you.

4.05

**THE MINISTER OF STATE FOR HEALTH (PRIMARY HEALTH CARE) (Dr Joyce Moriku):** Thank you, Mr Speaker. On behalf of the Ministry of Health, which is mandated to save lives and to ensure Ugandans are healthy, allow me to convey our sincere apologies and condolences for those lives that were lost. It is true road traffic accidents are among the leading causes of mortality and disability in the health sector. It is true the health sector spends a huge percentage of the budget towards the care and treatment of the people that suffered from road accidents and yet, if measures towards preventing this vice were taken, we would not have spent a lot of our budget in such commodities.

However, we have noted with concern that the issues of lack of supplies especially gloves, oxygen - and I am happy that colleagues have also noted the inadequate budget in the health sector. My prayer is that when the budget is brought on this Floor, something should be raised for the health sector.

The issue of Jacqueline Apio, a 32 year old admitted in Nsambya Hospital with multiple trauma and traumatic head injuries in ICU: her operation, which was done this morning cost Shs 51 million and the same family had another patient who was operated on yesterday in the same hospital at the cost of Shs 11 million.

My ministry took steps and we are in touch with the Executive Director of Nsambya Hospital who committed to institute a committee to look into that cost and revise it so that they charge the patients appropriately.

We have also noted that patients are being charged especially during the post-mortem and treatment of bodies. I have taken it up and as a ministry *–(Interruption)*

**MR ALIONI:** Mr Speaker, I have heard the minister talking about the cost for the operations and the effort to reduce it for the patient, which is a very good initiative. However, I would like her to clarify the position of the Ministry of Health and the Government to rescue the family. Thank you.

**MS AMODING:** Thank you very much, honourable minister, for making mention of the issues of post-mortem and treatment of bodies. I would like to know from you about your policy as the Ministry of Health in line with safeguarding the peace and integrity of the dead.

When I looked at the pictures from the accident scene and the mortuary, the dead were undignified. I was very saddened because people were being thrown and their clothes were not in the right order.

I thought that we should be treating the dead in a better way. In other countries, the dead are covered up with a descent piece of cloth and their identities protected. The minister should address this House on what the Ministry of Health and maybe Internal Affairs should be doing in that line. Thank you very much.

**THE DEPUTY SPEAKER:** Honourable minister, please wind up.

**DR MORIKU:** Thank you, Mr Speaker. We are engaging the leadership of Nsambya Hospital so that they reduce the charges. Thereafter we shall see what they will come up with and if there is need for us to appeal for the Government to take up the bill *–(Interruption)*

**MR WAMANGA-WAMAI:** Thank you very much, honourable minister. One of the most painful things is about the hospitals along the roads; Kawolo, Iganga, Dokolo, Itojo, Kiryandongo, Mbale, and Bugiri hopsitals are strategically located along the roads but when accidents occur, the victims are rushed to these hospitals where there will be no oxygen.

The other day your colleague was denying on the Floor of Parliament that we have oxygen and yet it is not there. We would like you to equip all these hospitals - as I speak now there must be an accident somewhere.

I have bought mattresses and taken them to hospitals because people are placed on the floor in the causality department. Your ministry should equip the roadside hospitals with gloves as well because it is risky to touch infected blood. That way, we help Ugandans survive these terrible accidents.

**DR MORIKU:** Thank you very much. Mr Speaker, I have carefully listened to the information; some of the hospitals like Kawolo Hospital are under renovation. However, Kiryandongo and other 10 hospitals, as other colleagues are aware, were renovated in the last financial year and it increased our bills but the Ministry of Finance, Planning and Economic Development allocated some money to cater for some of the supplies.

Importantly, adverts for health workers were made but a few specialists were recruited in those hospitals because of the challenges you all know about.

Concerning the issue of the dead bodies, medical ethics do not allow that bodies should be exposed in such a manner. It is true sometimes we see this happening in the social media; even photographs of dead bodies have been taken from the mortuary during the post-mortem and circulated on social media. That is unethical and the medical profession does not allow it. That is what I can say for now but as a ministry, we are going to try our best to ensure that such unethical ways of exposing human bodies do not happen. Thank you.

**THE DEPUTY SPEAKER:** Thank you, honourable minister. The Minister of Works and Transport, I think the issue has been settled for you. Please, respond briefly.

4.16

**THE MINISTER OF STATE FOR WORKS AND TRANSPORT (TRANSPORT) (Mr Henry Bagiire):** Thank you, Mr Speaker. I would like to thank colleagues for the support and the issues that they put forward. We pledge that we are going to get back and make efforts to implement all the good ideas that they put across.

Allow me, in only two minutes, to talk about the issue of road furniture. Road furniture is one of the planned activities for every road that is constructed in this country. However, at the end of the construction, the road furniture that they put is stolen. This goes back to the issue that the colleagues are debating regarding morals. For example, the Fortportal- Bundibugyo road, which is very steep where reflectors were put to give signage to the road users, all these have been stolen including the guardrails. Therefore, like hon. Odonga Otto put it, the Minister for Ethics and Integrity must come up and teach our people.

Regarding the issue of “*Fika Salama”* we are discussing with the Ministry of Internal Affairs to see whether they have a budget to have patrol vehicles fitted with gadgets such as cameras and speed guns that can arrest the bad situation that is coming up with “*Fika Salama”* so thatOur drivers know particular spots where they reduce speed and then take off after they have gone past the place.

On the issue of trucks that break on the roads, we are taking care of that in the new Bill. The minister has come up with some regulations currently. We are only giving a truck that has broken down on the road or a vehicle only six hours after which, through UNRA, we are going to tow the vehicles off the road at the cost of the owner of the truck as the Bill comes.  *(Interjections)-* we can reduce it to an hour but that is what we put in our regulations. When the Bill comes, the Members can set an appropriate time.

I would like to conclude by thanking colleagues for –*(Interruption)*

**MR JOHNSON MUYANJA:** Mr Speaker, is the honourable minister proceeding well when he tells us that they are going to start towing vehicles after six hours when even the signposts that caution drivers to reduce speed at the places where there is “*Fika Salama”* are faded and one cannot see? How then can we trust that we are going to have trucks towing vehicles every after six hours from the road when even the simple signposts cannot be replaced?

**THE DEPUTY SPEAKER:** Honourable members, I urge you to respect your Rules of Procedure. You cannot cite the point of procedure to take precedence in the proceedings of the House and then abuse it immediately. That was not a point of procedure. Honourable minister, do not respond to it.

**MR BAGIIRE:** Thank you, Mr Speaker. I was ending by thanking colleagues for the good ideas that they put forward to us, which we shall be implementing. Thank you.

**THE DEPUTY SPEAKER:** Thank you, honourable minister, for this statement. Honourable members, you know that we have gone beyond what we should have done for this debate. It should have been an hour but we have gone beyond that because the matter is serious.

I addressed the matter to the Rt Hon. Prime Minister; when events happen that shock the conscience of a nation, it is the time to take bold steps. Even in the areas that used to be fearful of touching, those are the times that will define when you make strong interventions because the public is with you. In times like these, you should maximise to deal with the problems. If you let the heat die and you bring it months later, you will have lost the momentum and you will not have the support of the public. *(Applause)*

This is the moment you should deal with all the traffic issues in this country including; boda-bodas*,* taxis and reckless driving issues. (*Applause)* This is the moment. Events that shock the conscience of a nation give a nation an opportunity to redefine its interventions in a more definite way than wait for this to die. Please, do something this time to deal with these problems.

Thank you, honourable members, for your concerns. I apologise; the time has been large enough but members still want to contribute. However, let us pose now because we have two or three Bills to deal with right now.

BILLS

FIRST READING

THE ADMINISTRATION OF THE JUDICIARY BILL, 2018

4.23

**THE MINISTER FOR JUSTICE AND CONSTITUTIONAL AFFAIRS (Maj.Gen. (Rtd) Kahinda Otafiire):** Mr Speaker, I beg to move that the Bill entitled, “The Administration of the Judiciary Bill, 2018” be read for the first time. I have a Certificate of Financial Implications.

**THE DEPUTY SPEAKER:** Would you like to lay it at the Table?

**MAJ. GEN. (RTD) OTAFIIRE:** Mr Speaker, I have laid both at the Table - *(Laughter)-* What is the problem?

**THE DEPUTY SPEAKER:** Honourable members, this motion does not require secondment. The Bill is received. Let the records capture that.

Honourable members, this Bill stands referred to the appropriate Committee on Legal and Parliamentary Affairs to handle within the framework of the law.

You recall that this particular matter has been with this House. I recalled that hon. Felix Okot Ogong was permitted by this House to present a Private Member’s Bill on this subject but I am glad that it is now here. Committee, please, handle it expeditiously and get back to the House so that we can deal with this matter.

**MR PETER OKOT:** Thank you, Mr Speaker. I am raising this point of procedure, which is anchored on Rule 10 of the Rules of Procedure but with the full effort of Article 101 of the Constitution of the Republic of Uganda.

On 6 June 2017, the President delivered to this Parliament the State of the Nation Address and it has been a practice that whenever the President delivers a State of Nation Address, this House sits and debates. We are now remaining with only two days or three to the end of this Session and the statement was never debated.

There has also been an announcement by you that on the 6 June 2018, we are going to receive another State of the Nation Address by the President.

I am now seeking guidance whether this House would be proceeding right to receive the State of the Nation Address by the President, we do not debate it and then we receive another one. I beg to seek your guidance, Mr Speaker. (*Mr Mugoya rose*\_)

**THE DEPUTY SPEAKER:** Procedure on the same matter?

**MR MUGOYA:** Thank you, Mr Speaker. Mine is in relation to Articles 126 and 127 of the Constitution. For the record, I will read Article 126 -

**THE DEPUTY SPEAKER:** No. Please, proceed with your submission. We know the Constitution.

**MR MUGOYA:** I thought to build a case as you rightly taught me at Law Development Centre that you cite the law, correlate it with the facts and make a prayer. (*Laughter*)

**THE DEPUTY SPEAKER:** Please, summarise.

**MR MUGOYA:** Much obliged. Article 126 (1) says, *“Judicial power is derived from the people”* and Article 127 says*, “Parliament shall make law providing for the participation of the people in the administration of justice by the courts.”*

My question and procedural guidance is hereunder stated; wouldn’t it be procedurally right for us to consult our people before the Committee on Legal and Parliamentary Affairs processes this Bill?

**THE DEPUTY SPEAKER:** Honourable members, the rules of this House are very clear. Once a Bill has been read for the first time, the rules say you refer it to the appropriate committee and in this case, it is the Committee on Legal and Parliamentary Affairs. I would like you to cite for me the rule that says the Bill shall be sent to the public; that rule is not there.

What happens is, at the level of engagement with the committee through public hearings on the Bill, a decision can be reached at that stage that this Bill, the way the responses are, is such that it requires bigger public engagement. In addition, the committee would take that decision or this House can take that decision based on the advice from the Committee on Legal and Parliamentary Affairs. However, the rules are still not in place for us to say that from now the Speaker would refer this debate to the public. (*Applause)* Rules are applied as they are not as they ought to be.

**MR AKAMBA:** Thank you, Mr Speaker. I am raising the procedural issue under Rule 128 (2) of our Rules of Procedure. Mr Speaker, you remember very well that in February 2017, the Sugar Bill was tabled and read for the first time.

The same was referred to the Committee on Trade and Cooperatives and the committee went on to process it. By February 2018, the committee had concluded with the processing of this Bill.

Mr Speaker, majority Members had signed the committee report. However, to date, it is almost three months, the same has not been uploaded to our iPads, not been tabled on the Floor for the second reading.

What is scaring me is the rate at which the sugarcane out growers are complaining about the absurdity this delay might bring. Some of them are from my constituency. Is this House proceeding well to allow the committee to sit on its own report for more than the 45 days that is envisaged under Rule 128 (2)?

**THE DEPUTY SPEAKER:** Thank you, hon. Akamba. Is the chair of the Committee on Trade and Industry here? Chair, what is it with this Bill?

**MS ENGOLA:** Thank you, Mr Speaker. Actually, last week, we had a meeting with the Speaker, Rt Hon. Kadaga. One of the issues was delay of reports on the Floor of Parliament. My colleague is very right that the committee concluded with its work three months ago. We presented it to the Clerk waiting to be uploaded but up to now, it has not been uploaded.

**THE DEPUTY SPEAKER:** Thank you. Madam Clerk, this matter should be put on the Order Paper since the report is ready and this House should process this to deal with the situation. Thank you.

**THE DEPUTY SPEAKER:** Honourable members, there was an issue raised about debate on the State of the Nation Address as presented by the President. In the past, before the law was changed, we used to have opportunity to debate both the State of the Nation Address and the budget but the law was changed in relation to the budget not in relation to the State of the Nation Address but timetables were changed and matters on the budget started shifting.

The time that we should be discussing the State of Nation Address is the time that you are dealing with other matters of the budget. Therefore, that time has not yet been found to deal with this issue. Therefore, looking ahead, there should be time created for debate on the State of the Nation Address but I can confidently say that there has been a response from the Leader of the Opposition, which has been published but that time for the debate has not been found for the debate to take place.

However, going ahead, this particular one coming should have this debate done and it cannot be in arrears because those matters would have been finished within the year that the President made the State of the Nation Address. Therefore, we would now be moving with the next one and we will find a slot after that delivery to have this debate done.

BILLS

SECOND READING

THE STAMP DUTY (AMENDMENT) BILL, 2018

3.34

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Speaker, I beg to move that the Bill entitled, “The Stamp Duty (Amendment) Bill, 2018” be read for the second time. *(Whereupon some honourable members took leave of the House)*

**THE DEPUTY SPEAKER:** Honourable members, can we maintain the presence in the House? Honourable minister, I would not want to put you to put you - but the honourable Minister of State for Health is excused; we know her situation, she can go but not the other ministers. (*Laughter*)

Is the motion seconded? (*Members rose\_)* Motion seconded. I see the Member for Jinja, Hoima Municipality and Member for Kajara. Would you like to speak to your motion?

*(Motion seconded)*

**MR BAHATI:** Mr Speaker, the current Stamp Duty Act does not provide for instruments used in Islamic financial transactions and therefore, this Bill comes in to cater for that. We are also using this measure to exempt instruments executed in respect of land acquisition for purposes of strategic investment and other strategic projects to support investment promotion in our country.

We are using this Bill to exempt instruments for financing of strategic investment projects from Stamp Duty and to vary the Stamp Duty chargeable on certain instruments, among other things. I beg to move.

**THE DEPUTY SPEAKER:** Thank you. Honourable members, the motion is that the Bill entitled, The Stamp Duty (Amendment) Bill, 2018 be read for the second time. That is the motion I propose for your debate but as you are aware, this matter was referred to our Committee on Finance, Planning and Economic Development. To kick off the debate, we will listen to a report from the committee and then proceed.

4.36

**THE VICE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Ms Loy Katali):** Thank you, Mr Speaker. The Committee on Finance, Planning and Economic Development has scrutinised the Stamp Duty (Amendment) Bill, 2018 and we are ready to report.

Mr Speaker, I seek your guidance. Now that the minister in charge of finance has given the justification, I request that I leave out the methodology and go straight to the committee observation and recommendations:

**THE DEPUTY SPEAKER:** You can proceed with your recommendations to the House.

**MS KATALI:** Thank you, Mr Speaker.

The committee observed that:

1. The Bill seeks to impose Stamp Duty on instruments used in Islamic financial transactions. This will be done by a statutory instrument issued by the Minister prescribing the instruments liable to pay Stump Duty. However, no information was provided to the committee to support this proposal. Therefore, this proposal should not be passed.
2. Stamp Duty is proposed to be increased from Shs10,000 to Shs 15,000 on all instruments that currently attract Stamp Duty of Shs 10,000. Most of the instruments currently attract Stamp Duty of Shs 10,000 with exception of those that attract *ad valorem* duty. The increment of Shs 5,000 will discourage people from registering instruments thus promoting informal transactions.
3. The Bill seeks to exempt the Stamp Duty chargeable in respect of an instrument executed by Government by, or on behalf of a company or Government for the sole purpose of implementing strategic investment projects.

The beneficiaries will include developers of industrial parks or free zones whose investment capital is at least US$l00 million; operators operating an industrial park and free zones with investment capital of US$15 million; investors putting up a hotel or tourist facility with investment capital of US$5 million; or investors putting up a hospital facility with investment capital of US$5 million.

This proposal is intended to encourage investment in capital intensive projects by exempting payment of stamp duty at the commencement of the project. This proposal will create a discrepancy between investors, especially those investing in hospitals, hotels and tourist facilities. Investors in industrial parks and those in free zones already receive land as an investment incentive.

Recommendations

Mr Speaker, the committee recommends that:

1. All investors in the hotel and tourism facility and hospitals should not pay Stamp Duty on all their instruments;
2. The instruments liable to pay Stamp Duty under Islamic financial transactions should be passed by Parliament as a schedule to the Bill;
3. The investment incentives should be transferred to the investment Code Bill; and
4. The Stamp Duty (Amendment) Bill, 20l8 be passed into law subject to proposed amendments.

Mr Speaker, I beg to report.

**THE DEPUTY SPEAKER:** Thank you, Chairperson. Honourable members, I have proposed a question for your debate and it starts now on the principles of this Bill. To guide, these are financial Bills which are brought annually with one intention; to raise the revenue side of our budget - and this is one such Bill. Therefore, the debate should be structured in that way.

4.41

**MR GASTER MUGOYA (NRM, Bukooli County North, Bugiri):** Thank you very much, Mr Speaker. My concern is only on the component of banking where we have areas that do not have recognised banks that receive Stamp Duty. For example, in Bugiri District, we have Centenary Bank.

However, the management of Centenary Bank at times say they are not authorised to receive Stamp Duty and so our business people end up travelling up to Diamond Trust Bank.

My humble prayer is that Government should liberalise the component of banking such that all the banks in the country can receive Stamp Duty, if we are to collectively receive the same.

4.42

**MR PAUL AKAMBA (Independent, Busiki County, Namutumba):** Thank you, Mr Speaker. Allow me to thank the committee for the report. However, the recommendations of the committee are not very clear as to the criteria that will be used in the exemptions.

Mr Speaker, if we leave the recommendations as they are, then it will mean that a certain class of people will benefit from this law. It would be proper for the minister to come out clearly with a proposal of how this is going to be.

When we exempt on certain transactions, for instance, lease of land, increase of share capital and transfer of land, then I do not get the rationale.

I would agree with the proposal that the tourism industry should be exempted but which criteria are we going to use here? We know that the tourism industry will be bringing in foreign exchange. However, most of these investors that we want to exempt from Stamp Duty on debenture and further charges, repatriate all the money and, therefore, is of no benefit to Ugandans.

I would like to suggest that these taxes in form of Stamp Duty are paid for this nation to benefit. We still have a lot of things that need to be attended to.

We have just been lamenting here there is no equipment in the hospitals. These are some of the areas that we would use to generate *–(Interruption)*

**MR NIWAGABA:** I have had the privilege of reading the committee report and its recommendations. If you critically look at Clause 2 which tends to introduce the exemptions, the committee is recommending that it be deleted and for very good reasons.

These are incentives to investors and we have, as this august House, considered the investment code which has been put on hold pending the agreement between members on what those incentives we need to give to investors and put under the investment code are.

Therefore, I believe, my colleague, if you read the report very well you would find and actually agree with the committee that the incentives under this Bill have been recommended to be deleted and transferred to the Investment Code Bill.

For that reason, I pray that we proceed to the committee of the whole House and look at this Bill, finish it and go to another one.

**THE DEPUTY SPEAKER:** Is that a motion? *(Laughter)*

**MR NIWAGABA:** I was actually bringing a motion that this House – I move a motion that a question be put that the Bill be read for the second time and the House goes to committee stage.

**THE DEPUTY SPEAKER:** Honourable members, the circumstances of these laws are such that they are financial Bills whose principles we know. If there are issues that will require changes, we could change them at the committee stage.

The motion has been moved that a question be put. In the assessment of the Speaker, that is the way to go. I now put the question to that motion. Let the question be put.

*(Question put and agreed to.)*

**THE DEPUTY SPEAKER:** I now put the question that the Bill entitled, “The Stamp Duty (Amendment) Bill, 2018” be read the second time.

*(Question put and agreed to.)*

BILLS

COMMITTEE STAGE

THE STAMP DUTY (AMENDMENT) BILL, 2018

Clause 1

**THE DEPUTY CHAIRPERSON:** I put the question to Clause 1.

*(Question put and agreed to.)*

*Clause 1, agreed to.*

Clause 2

**MS KATALI:** Thank you. The committee recommends deletion. The justification is that the committee was constrained to support the proposal for the reason that there was no information provided to the committee to justify the proposal.

**THE DEPUTY CHAIPPERSON:** Honourable members, the motion is for deletion. Can I put the question to the motion for deletion of Clause 2 of the Bill?

**MR MAGYEZI:** Thank you. The reason that the committee is giving is lack of information from the minister and yet we have our earlier resolution to promote Islamic banking.

Honourable chairperson, don’t you think that instead of going straight to the recommendation of the committee, we can actually request the minister to provide the information so that we can take the decision when it is guided?

**THE DEPUTY CHAIRPERSON:** It is not up to the chairperson to ask the minister. It is up to the minister to seek authority to speak in this House. I put the question to the motion for deletion of Clause 2 of the Bill?

*(Question put and agreed to.)*

*Clause 2, deleted.*

Clause 3

**MS KATALI:** These are some of the incentives that are going to the Investment Code Bill but we made a few amendments.

1. In paragraph (a) by substituting for the words, “Two hundred” with the words, “One hundred”.
2. In paragraph (b) (1), by substituting the word, “Thirty” with the word, “Fifteen”.
3. In paragraph (c), by substituting the word, “Fifteen” with the word, “Eight”.
4. In paragraph (d), by substituting the word, “Ten” with the word, “Five”.

The justification is to reduce the threshold for capital investment in order to attract investors in the country.

**THE DEPUTY CHAIRPERSON:** Thank you, honourable members. It is clear. Can I put the question to these amendments proposed by the committee that you have all heard? I put the question to the amendments as proposed by the committee in clause 3.

*(Question put and agreed to.)*

*Clause 3, as amended, agreed to.*

The Title

**THE DEPUTY CHAIRPERSON:** Honourable members, I put the question that the Title to the Bill stands as Title to this Bill.

*(Question put and agreed to.)*

*Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

4.48

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Chairman, I beg to move that the House do resume and the Committee of the whole House reports thereto.

**THE DEPUTY CHAIREPRSON:** Honourable members, the motion is for resumption of the House to enable the committee of the whole House report. I put the question to that motion.

*(Question put and agreed to.)*

*(The House resumed, the Deputy Speaker presiding\_)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

4.48

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Stamp Duty (Amendment) Bill, 2018” and passed it with amendments.

MOTION FOR ADOPTION OF THE REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

4.49

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Speaker, I beg to move that the report from the committee of the whole House be adopted.

**THE DEPUTY SPEAKER:** Honourable members, the motion is for the adoption of the report of the Committee of the whole House. I put the question to that motion.

*(Question put and agreed to.)*

*Report adopted.*

BILLS

THIRD READING

THE STAMP DUTY (AMENDMENT) BILL, 2018

4.51

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Speaker, I beg to move that the Bill entitled, “The Stamp Duty (Amendment) Bill, 2018” be read a third time and do pass.

**THE DEPUTY SPEAKER:** Honourable members, the motion is that “The Stamp Duty (Amendment) Bill, 2018” be read for the third time and do pass. I put the question to that motion.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE STAMP DUTY (AMENDMENT) ACT, 2018”

**THE DEPUTY SPEAKER:** Thank you and congratulations. Chairperson, would you like to lay some documents?

**MS KATALI:** Thank you, Mr Speaker. I beg to lay on the Table the original copy of the report from the committee and the minutes from the various meetings that we had.

**THE DEPUTY SPEAKER:** Let the records capture that. Thank you and congratulations, honourable minister.

BILLS

SECOND READING

THE VALUE ADDED TAX (AMENDMENT) BILL, 2018

4.53

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Speaker and honourable colleagues, I beg to move that the Bill entitled, “The Value Added Tax (Amendment) Bill, 2018”, be read a second time.

**THE DEPUTY SPEAKER:** Is the motion seconded? It is seconded by the Member from Kitgum District, Maj Susan Lakot of the UPDF, the Member for Igara, the Member for Mukono and the Member for Nakifuma. Would you like to speak to your motion?

*(Motion seconded)*

**MR BAHATI:** Mr Speaker, one of the objects of this Bill is to provide for Withholding Tax on payment for goods and services in relation to VAT.

Like we have done in the Withholding Tax, we have seen improvement in collection when departments that are paying suppliers of goods and services withhold tax on behalf of these suppliers and remit it to URA straight from the source.

We are proposing in this Bill that where a supplier is charging tax, the Government can withhold the 18 per cent and remit it to URA without paying it to the supplier and then waiting for the supplier to remit it to URA. This will ease costs of administration and also increase our revenue mobilisation.

We had also indicated in the Bill – which I know, given the fact that the two other Bills have passed – to handle issues of Islamic financial transactions. We now need to see how to manage that.

The Bill also provides a new definition of electronic services. It requires a taxpayer to file tax returns to provide for the due date of payment of tax and to include the African Trade Insurance Agency on the list of public international organisations.

We intend to utilise this Bill to provide tax incentives to investors by exempting certain supplies from Value Added Tax and to amend the definition of “educational materials” and provide the rate of interest chargeable as penalty and related matters and also make it very clear that we are not taxing essential materials such as the holy books like the Bible and Koran. I beg to move.

**THE DEPUTY SPEAKER:** Honourable members, the motion that I propose for your debate is that “The Value Added Tax (Amendment) Bill, 2018” be read for the second time. To kick off our debate – this matter was referred to the committee – could the committee, please, report briefly.

4.57

**THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Henry Musasizi):** Mr Speaker, the Committee on Finance, Planning and Economic Development considered the Bill entitled, “The Value Added Tax (Amendment) Bill, 2018”. On behalf of the committee, I would like to report back to the House on the observations and recommendations made by the committee.

Mr Speaker, the observations are:

1. The Bill obliges designated persons to withhold half (50 per cent) of the Value Added Tax due on payment of taxable supplies of goods and services and to remit the collections to Uganda Revenue Authority. This intervention will limit the rampant practice of charging VAT and not remitting it to Government.
2. The Bill seeks to empower the minister to issue regulations for tax accounting of Islamic financial transactions. However, no information was provided to the committee to support this proposal. Therefore, this proposal should not be passed.
3. The Inter-Governmental Agreement on the East African Crude Oil Pipeline between Uganda and Tanzania includes departures from the provisions of the VAT Act such as zero rating on international transportation of crude oil through the pipeline.

The Bill will domesticate the Inter-Governmental Agreement on the East African Crude Oil Pipeline since this agreement is a treaty as provided for in the Ratification of Treaties Act, 1998.

1. The African Trade Insurance Agency is a multilateral institution created by African states and other international financial institutions such as the African Development Bank and the Common Market for Eastern and Southern Africa to provide export credit insurance, political risk insurance, investment insurance and other financial products to help reduce the business risks and costs of doing business in Africa.

The Bill includes the agency in the Public International Organisations in order to relieve it from incurring VAT on its purchases for official use. This will effect the terms of the treaty, which established it and align the VAT treatment supplies to the agency with that of similar agencies.

1. The Bill intends to exempt from VAT the supply of Bibles and Korans, movie production as well as goods and services to specified strategic investments.

Nearly all Bibles and Korans which are used in the country are imported into Uganda as donations. This exemption will provide relief to donors and the religious bodies which provide Bibles and Korans for furtherance of the objectives of their organisations.

The exemption on movie production is intended to promote production of movies in Uganda which have other benefits such as employment creation as well as promotion of the image of the country, local content and tourism.

1. While Uganda earned Shs171 billion in the financial year 2016/2017 when 90 per cent of cotton lint was exported raw, the less than l0 per cent of cotton lint processed into textiles and garments registered a sales turnover of over Shs100 billion. This means that exportation of the 90 per cent resulted into a value loss of Shs900 billion in financial year 2016/2017.

Uganda can turn around its textile sector with deliberate intervention like VAT exemption, among others. Ethiopia, which produces hardly 25 per cent of Uganda's cotton lint, has been able to transform the textile sector into one now earning US$1 billion from textile and apparel exports; has created 37,000 industrial jobs which is targeted to grow to 99,653 industrial jobs, attracted major foreign direct investments; 130 medium and large-scale factories of which only 37 are foreign-owned and attracted global textile and apparel buyers like H&M, Tesco and Primark.

1. Following the oil and gas discovery and eventual refining, Uganda is slated to become a major producer of polyester as a by-product of oil. It is, therefore, crucial that the textile value chain is strengthened to enable optimisation of returns from the oil and gas sector.

An average size vertically-integrated textile mill consumes at least 1-2.5MW of electricity. It is, therefore, pertinent that Uganda establishes as many such mills to deal with major power production that is going to happen following the commissioning of the Karuma and Isimba hydropower plants. Exempting vertically-integrated textile production from input and output VAT eliminates any need to have any budget support to finance the tax exemptions for the textile subsector as is currently the case while at the same time representing robust opportunity to attract foreign direct investments needed for local value addition.

1. There is need to increase the mineral sector contribution to GDP that is way below five per cent and yet the country is hugely endowed with a variety of minerals. This is based on the need to rediscover the past glory of the mineral sector when it contributed 30 per cent of exports between 1950 and 1970. Mining has remained too underdeveloped to be able to significantly contribute to national development.

There must be tangible efforts to commercialise and modernise the sector through a range of incentives that can drive the required technological and capital investments. Localising sourcing of steel and cement industrial inputs can directly reduce Uganda's annual dollar demand for imports by at least 20 per cent. This innovation avails a more sustainable approach to macro-economic stability.

1. Hides and skin have a long value chain that has sufficient locally-available raw materials to process into value added products. Less than l0 per cent of the raw materials are processed into finished consumer goods with the bulk only exported in raw form. Over US$200 million is spent annually on the importation of leather products and textiles in Uganda. There is need to localise supply to conserve forex and more sustainably, stabilise macro-economic fundamentals.

The committee recommends that “The Value Added Tax (Amendment)Bill, 20l8”, be passed into law subject to the proposed amendments. I beg to move.

**THE DEPUTY SPEAKER:** Thank you very much, honourable chairperson. Honourable members, I have already proposed the question for your debate and, as I already guided, the principles of the Bill are clear. Therefore, if there are issues that need to be examined, we could examine them now.

**MR MUSASIZI:** Mr Speaker, before I resume my seat, I would like to lay on the Table a copy of the original report together with the minutes the committee considered while scrutinising the Bill.

**THE DEPUTY SPEAKER:** Let the records capture the minutes and the copy of the report.

**MR OTHIENO:** Thank you, Mr Speaker. I want to thank the chairperson and the committee for a good work.

Mr Speaker, I am a Catholic and I appreciate that we should exempt the Bibles and the Korans from taxation. However, I need to understand the rationale deeper. In my faith, we not only use the Bible but also catechism books, the rosary and other things. For us, the catechism books are very central to our faith; it is what deepens our faith.

Therefore, I would like to seek clarification as to why the exemption is only being applied to the Bibles. Is it because the pastors are using it very much for making money? We know that the Bibles are being sold and they are one of the most expensive books in this country.

When it comes to catechism books, I would like to know whether this exemption applies across all religious books like the catechism and hymn books. I need clarification, Mr Speaker. Thank you.

4.09

**MR ASHRAF OLEGA (NRM, Aringa County, Yumbe):** Thank you, Mr Speaker. I thank the committee for this report. However, I have one concern under the committee’s observation, which reads, “The Bill seeks to empower the minister to issue regulations for tax accounting of Islamic financial transactions. However, no information was provided…”

I would like to know: Who was supposed to provide the information? Why couldn’t the committee ask that person to give that information? My prayer is that if we want to support the Islamic banking operation, we should empower the minister. However, what I am seeing is that the committee’s observation is that it should be deleted. What is happening? I am getting worried.

4.09

**MR JONATHAN ODUR (UPC, Erute County South, Lira):** Thank you, Mr Speaker. My concern is about the exemption of movies because the report does not state explicitly the type of movies that we seek to exempt.

In this country, we have had production of different movies that impact on our morals. I remember some years ago, there was something called “*V-Monologues*”, which caused a lot of problems. It would have been better if the committee was specific –*(Interjections)*– I only remember the monologue part. We should be clear about the type of movies we are exempting. Maybe, you could specifically state like tourism, which promotes our development so that we do not open flood gates for everyone to do what they want. Thank you.

4.09

**MR KENNETH LUBOGO (NRM, Bulamogi County, Kaliro):** Thank you very much, Mr Speaker. I want to disagree with some areas in this report or the Bill for that matter.

The Bill seeks to allow 50 per cent withholding of VAT by some designated persons on supplies. However, I would like to request the honourable minister to respond to the issue that I am going to raise.

First of all, VAT is a chain tax. If you are saying that somebody should be able to withhold 50 per cent of VAT payable; inotherwords, we would be denying another person his or her output to VAT.

For example, if somebody supplied sugar to Coca-Cola and then you say Coca-Cola should withhold 50 per cent of the VAT, that is payable to the sugar supplier, it would imply that the sugar supplier shall not be able to recover his or her input or VAT. I am wondering how you are doing this.

Otherwise, what happens is that someone is supposed to recover his or her VAT and then remit the excess. How are you applying VAT in this way? Are you not defeating the very purpose of VAT?

On the issue of textiles, it has been stated that 90 per cent of the cotton was exported in lint form and we lost about Shs 900 billion.

Mr Speaker, we had textile industries in this country but Government has deliberately not supported the textile industry. We had African Textile Mills in Mbale – I do not know whether it is functioning but I doubt. We also had Textile Mills in Lira. I am also wondering at what capacity it is operating. What is true is that Government has not come out strongly to support the textile sector.

I would like the minister to clarify what I am raising. For example, if there is exemption on textiles yet 90 per cent of the cotton is exported as lint, is this going to scale up the uptake of cotton? Is this excess lint going to be consumed? Do we even have the capacity to consume it here?

Mr Speaker, I oppose the issue of withholding 50 per cent of VAT by designated persons. However, I would support if indeed the exemption of textiles would boost the uptake of the lint. I thank you very much.

4.12

**MR MICHAEL TUSIIME (NRM, Mbarara Municipality, Mbarara):** Thank you very much, Mr Speaker. Mine will also be an addition to what hon. Lubogo has raised on the first observation of the committee, in regard to designating withholding agents to deduct 50 per cent of VAT payable by those particular agents.

My conviction is that the intention of this particular observation the committee raised, was an intervention to limit the rampant practice of charging VAT and not remitting it to Government.

I am perturbed and wondering how this will be effective when Government itself that is a withholding agent on some other taxes, is non-complainant. We might be thinking we are getting a solution for non-compliance - this is a measure majorly about not the way taxes are paid but how they are collected, the desire and willingness to pay.

As we stand, Government is in arrears of about Shs 600 billion of the taxes it withheld and has not remitted to Uganda Revenue Authority (URA). If we empower the minister to be the one to designate withholding agents yet we know for a fact that Government is the largest spender and it is the same Government that is going to withhold these taxes at 50 per cent and not remit, I think we are making an amendment of law in futility.

Secondly, I would like to know what informed the committee not to propose amendments in the law that requires enforcement of fiscal discipline to enhance enforcement laws and create punitive action for the accounting officers, particularly for the Government agencies that withhold tax and not remit it.

For the record, for different taxes that Government withholds, it is embarrassing to note that for a tax under Pay-As –You-Earn - money that is collected from employees - to a tune of about Shs 120 billion has not been remitted to URA. VAT collected from suppliers of Government to a tune of Shs 480 billion has so far not been remitted to URA. Withholding Tax to a tune of Shs 18 billion has also not been remitted to URA.

When you talk about domestic arrears, we sit here as Parliament and appropriate money for payment of utilities. If I may use Umeme as an example, to date, Government has arrears of Shs 138 billion payable to Umeme, which accounts for Shs 24 billion in VAT.

Therefore, it defeats my understanding for why we should now officially transfer another tax head on top of Withholding Tax and Pay-As-You-Earn to the same agency that is non-compliant.

I would like to know what the committee considered, if it did not look at the compliance. If the intention was to increase and enhance tax collection, they should have considered compliance and see that the earlier allowed designated agents are doing a good job.

With Government being the major one, does it make sense for us now move to the third tax head to allow Government to withhold, when it does not comply or abuses the statutory regulations? Thank you, Mr Speaker.

**MR BAHATI:** Thank you very much, Mr Speaker and honourable colleagues. I would like to thank hon. Tusiime for the information he has provided to the House.

However, I would like to make some adjustments in his submission.

It is true that we have a problem of Pay-As-You-Earn in some departments as the Committee on Presidential Affairs reported about Kampala Capital City Authority (KCCA) and others. This is because people have not been disciplined. You get money for salaries, which includes Pay-As-You-Earn and the rest and then you deduct people’s money for Pay As You Earn and National Social Security Fund (NSSF). You use it for other things and do not remit it. This is indiscipline.

We are looking at the law to hold these people accountable because that is wrong. That is not your money for the department to use and it is illegal. Therefore, we would like to use the current law to punish those who are doing that.

On the issue of Withholding Tax, which is related to VAT being withheld, we have performed very well. In this case, if you are a VAT-registered company and you supply a Government department with goods worth Shs 100 and add VAT of Shs18, the Shs 18 will be deducted and instead of giving it to you so that you take it to URA, it will be remitted to URA directly and a receipt will be given to you so that when you are calculating your input of VAT and balancing your books, you are able to receive the receipt from Government.

We expect that this measure alone will increase our revenue by Shs 45 billion. This is a Government department submitting Government taxes, which should have been paid to the taxpayer but doing it on their behalf. We have seen that when we give this money to the taxpayers, sometimes there is a temptation to use it as if it is your sales and you do not even submit the returns.

We think that despite the fact that a few individuals in Government have been indisciplined not to remit to URA, this should not stop us from making a very important decision like this. I would like to beg that this House really considers this matter as serious because it will help us in compliance with taxpayers.

Therefore, there is no intention to deny any person to claim their input because a receipt will be given to you directly. This is the information I wanted to give - we have not had a major problem on Withholding Tax and we do not expect any major problem with withholding VAT but we have had indisciplined Government officials on Pay As You Earn. You can imagine people deducting people’s money for Pay As You Earn and they do not remit.

**MR PATRICK NSAMBA:** Thank you very much, honourable minister, for giving way. I think hon. Tusiime has brought up fears that whereas the intention is good, the record of Government Ministries, Departments and Agencies (MDAs) is that the Withholding Tax is not remitted. He has clearly come up with figures.

I think it is better that instead of simply giving us false hope here that we should take on this and I really think is a good measure - however, when we hear such facts coming up, which I thought you were coming here to challenge and say, “No, it is not Shs 120 billion, rather it is this.”

Honourable minister, can you allay our fears that there are serious measures that you are doing as Government to ensure that as we take on this decision, it is not other monies that will be misused by Government agencies?

**MR BAHATI:** Let me first make some comments. Mr Speaker, we have dealt with Withholding Tax for a very long time and we have not had any problem. The problem we have had with VAT, which we collected last year and Parliament helped us to collect, was on issues to do with donor-funded projects; where Government was required to have counterpart funding to cater for the VAT of donor-funded projects.

We agreed as a nation in this House that we should now assume that this VAT was paid because we were not having resources to cater for counterpart funding. Therefore, the VAT which the honourable member from Mbarara Municipality is referring to largely is to do with the VAT on donor-funded projects. Thank you.

**THE DEPUTY SPEAKER:** Can we proceed, honourable members? Are we satisfied with the principles of these Bills? Can we now go to the actual to see what adjustments we can make to this law? The purpose of this law is clear. It is revenue generation but there should not be revenue wastage. That is what the Members are cautious about. Can I now put the question to this?

Honourable members, I now put the question to the motion that the Bill entitled, “The Value Added Tax (Amendment) Bill, 2018” be read the second time.

*(Question put and agreed to.)*

BILLS

COMMITTEE STAGE

THE VALUE ADDED TAX (AMENDMENT) BILL, 2018

Clause 1

**THE DEPUTY CHAIRPERSON:** I put the question that clause 1 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 1, agreed to.*

**MR NIWAGABA:** Mr Chairman, I have had the benefit of listening to my colleagues. However, I am not convinced with the minister’s explanation. The whole regime of Withholding Tax is under Part 13 of the Income Tax Act, for purposes of income tax.

Now, if we start bringing up another principle of withholding VAT as an additional; giving the people that withhold tax to continue withholding taxes where at times the taxpayer would want to have a tax refund, we will be giving those agents power to withhold tax too much money which they will misuse.

Secondly, it is going to put a lot of tax burden on the taxpayers and make businesses at times fail unnecessarily. Therefore, I would invite honourable members that we delete Clause 2 in its entirety.

**MR BAHATI:** I hope that the Attorney-General –

**THE DEPUTY CHAIRPERSON:** This looks like this matter is for Ndorwa people only. *(Laughter)*

**MR BAHATI:** I hope he is not opposing the measure to raise Shs 40 billion so that we can implement our manifesto in a way. *(Laughter)*

Hon. Niwagaba, I think you need to get it clear. When you supply Government, what we are proposing is that you get – I had given an example earlier on where I said for every Shs 100, you are adding Shs 18 for VAT. What we have been doing is to pay you Shs 118 but we expect you to account for the 18 per cent as VAT. Therefore, we are saying that this VAT is not going to be paid to you; it will be paid directly to URA and you are given a receipt. You will then go and account for it. This measure is going to collect Shs 40 billion. We need to implement the manifesto of the people of Uganda. Thank you. (*Applause*)

**THE DEPUTY CHAIRPERSON:** Can I put the question now?

**MR NANDALA-MAFABI:** Mr Chairperson, the minister is right that he will collect Shs 45 billion. However, he is making an assumption that the person who is going to trade is going to make more than 50 per cent profit. If I bought things worth Shs 1 million and paid 18 per cent, I will have Shs 180,000 as input tax. If I sell the goods at Shs 1.2 million, the profit will be Shs 200,000 which will attract VAT of 18 per cent. Therefore, the difference will only be Shs 200,000 and this is going to disadvantage the -

My proposal is: why don’t you make it lower because this is too high? It is assuming the taxpayer is going to make profits of more than 50 per cent.

**MR MUSASIZI:** Mr Chairperson, we need to understand this. Assuming you sell goods worth Shs 10,000, the invoice issued at this stage includes VAT of 18 per cent. When the buyer sells the goods to another person, they will also charge VAT in this regard. What this proposal is seeking to do is that at every point where a sale is made, instead of paying you an amount that is inclusive of VAT, let us pay you and withhold the VAT. Instead of giving it to you, we give it to a tax body.

Mr Chairperson, I would like to invite the House to rethink this proposal and consider if it is intended for the good of helping our tax body collect money or it is intended to really suffocate the taxpayers. My view is that this measure is going to improve our tax efficiency mechanisms and therefore, it should be supported. Thank you.

**MR ANYWARACH:** Mr Chairperson, if you have been in business, like some of us struggle to be, you will find a difficulty with what the chairperson has explained.

This tax is value added tax. When you go to the factory to buy goods, they will charge 18 per cent of VAT. When I carry these goods to Arua as a wholesaler and URA comes to look at my books, they will demand for another 18 per cent from the people buying from me. These people could be retailers or wholesalers, depending on my price in Arua. My customer will carry the goods to Nebbi and another 18 per cent of VAT is charged on his retail price. Mr Speaker, we should not set a situation where we are going to confuse the whole tax collection system.

As hon. Nandala-Mafabi has said, their presumption is that for every point of VAT collection, you are actually making profits, 50 per cent of which you are going to withhold. However, look at a situation where someone in a factory is making that 50 per cent that he is able to withhold and look at the retailer in Nebbi who picked the goods from Arua; how are we going to harmonise this?

I think the law as it is is okay; they should not bring confusion. Let us have the law as it is now. Anyway, what do you want to address so that you can specifically say that this solution addresses this squarely and is much better than the position of the law as it is? Thank you very much.

**THE DEPUTY CHAIRPERSON:** Can somebody explain the 50 per cent?

**MR MUSASIZI:** Mr Chairperson, the proposal is to withhold 50 per cent of VAT, meaning if VAT is 18 per cent you withhold 9 per cent. That is the 50 per cent.

**THE DEPUTY CHAIRPERSON:** What happens to the other 9 per cent?

**MR MUSASIZI:** Mr Chairperson, the 9 per cent shall be accounted for by the taxpayer himself.

Mr Chairperson, I think it is important for us, as a committee, to explain how VAT works. Value added tax or VAT is a tax charged on the value added on goods and services. Like hon. Anywarach tried to explain, it starts from the factory where you supply goods plus VAT. Normally, that is called input. The person to whom you are supplying the goods will sell the goods at a mark-up plus VAT, and that is called output VAT. Therefore, the difference between what the wholesaler is charging and what the manufacturer is charging is what is payable to URA.

The VAT process keeps moving through the chain of supply of goods. It starts from the producer and ends with the final consumer who will suffer the biggest burden. This is a fact and most of us who are in trade know this. Normally, when you make VAT-able supplies, you will issue an invoice, which includes VAT. The supplier, instead of remitting this VAT to URA, will just account for the VAT as his turnover. At the end of the day, URA has been under collecting because of the taxpayers’ failure to account and remit VAT to URA –(*Interruption*)

**MR OKUPA:** Mr Chairperson, the chairman of the committee should make people understand clearly how these things operate. The input tax is on the purchases and output tax is on the sales. The difference is what is always remitted. Can you explain this argument of 50 per cent in relation to zero rated, exempt and standard goods under VAT law?

**MR MUSASIZI:** Hon. Ssewungu, I can take your clarification and respond at once. (*Laughter*)

**MR SSEWUNGU:** Thank you, hon. Musasizi. Mr Chairperson, the clarification I seek from the committee is: As you propose this amendment, have you taken note of the sections of the VAT law that are going to be affected by the amendment?

Secondly, you are creating a conduit where people will steal money from. You know what is done with VAT - how it is computed and how you give VAT returns. When you say that Ssewungu Company, which is manufacturing iron sheets, is going to remit 9 per cent and yet in the - (*Interjections)*– 50 per cent? That is what he has said.

Let me first ask him this because he will get lost; you have been confusing him, and I know something about VAT. Honourable chairperson, are you taking note of the sections of the law that you are going to affect if you make this amendment?

**MR TUSIIME:** Thank you, Mr Chairperson, for labouring to explain the stages of VAT. My concern is that this is a matter of compliance. However, you have not even taken care of the issue of accounting for VAT. Accounting for VAT arises in three scenarios - at the time of sale, at the time of issuance of an invoice and at the time of payment, whichever comes earlier.

From your explanation, your focus is on collection and assuming that the only withholding agent we are dealing with in this Bill is Government. We are talking agents to be designated, including members of the public, who we assume would have been compliant.

Secondly, in the process of accounting for VAT, one requires to file a return, which is a statement that indicates what you have incurred versus what you have sold. For purposes of requisitioning for input tax that works as a refund, it means you would have to be dependent on the withholding agent having to file a return himself.

There are two scenarios here: What if the designated agents are not VAT registered or if they are exempt like embassies? *(Interjections)-* I am coming to that, because I am privileged to have a professional orientation in taxes, particularly in VAT. The intention of the committee is around the various efforts to collect tax and remit to URA. However, you are distorting the processes of accounting for VAT, refund and compliance.

Lastly, at what stage of VAT is that proposal focusing on? Is it at the time of supply, payment or issuance of an invoice?

**MR MUSASIZI:** Mr Chairperson, if I may start by reading the proposal by the minister. It says, “The minister shall, by notice in the *Gazette*, designate persons who shall withhold tax on payment of a taxable supply and the persons designated shall remit to the Uganda Revenue Authority 50 per cent of the tax payable.”

Mr Chairperson, I would like to note, from hon. Tusiime’s submission, that first of all you cannot be appointed a VAT withholding tax agent when you are not a VAT registered taxpayer. For the record, we need to clarify that.

Secondly, it is important that we help improve efficiency mechanisms and resolve the challenges that tax administrators normally face. I pray that we do not lose the spirit of this proposal. However, I would like to propose that we improve it like this *- (Interjections) -* Can I propose, Sir?

**THE DEPUTY CHAIRPERSON:** First deal with the issues.

**MR MUSASIZI:** Mr Chairperson, the challenge hon. Okupa and hon. Ssewungu have is, at what point VAT is charged and whether the VAT withheld shall not constrain efforts of reclaiming it. That is where the biggest challenge is. Our argument is that when a withholding agent withholds VAT, he should issue a receipt, which enables the taxpayer to claim the input VAT at this stage.

Hon. Nsamba has asked, “Why 50 per cent?” That is where the anomaly is coming from, Mr Chairperson. I would like to propose that instead of the 50 per cent proposed by the minister, we make it 100 per cent such that the whole 18 per cent is able to be claimed at that point. I beg to move.

**THE DEPUTY CHAIRPERSON:** Honourable members, that is why I asked that question. What you are proposing to do is simple. The current regime simply says, as a taxpayer you invoice and you are the one who accounts for the money. However, now they are saying do not account for that money, transmit it to URA. Therefore, it was begging the question: why should I transmit only 50 per cent instead of 100 per cent? To me, that is where the confusion was; the rest of it was clear. That was the bit that I did not understand – saying that you have been misusing 100 per cent, now we allow you to misuse 50 per cent. Can we clear this?

Let me summarise it the way I have understood it. What used to happen is that you would only issue documentation to say that you have charged this amount of VAT and have accounted for it this way. If there is a balance, you claim it and you do the balancing yourself. The new law is proposing that whatever you charge, you should remit the whole 18 per cent to URA. That is being proposed now. It was nine per cent but now – Please, can I analyse if I have understood it? We now transmit the whole 18 per cent to URA. On transmission, a receipt is generated and comes to you.

We are all taxpayers I suppose and we are all registered as taxpayers, so we know the transactions that happen online. Those notifications will come with receipts that you have paid. You will then use the receipts to make whatever claims from URA. Is that clear, honourable members? Can I put the question on this? To the amendment first -

**MR NIWAGABA:** Just to clarify, maybe then we should not leave it to the discretion of the minister to designate the persons. Rather, let it apply across the board.

**THE DEPUTY CHAIRPERSON:** I was hoping that what this was saying is that the minute you get registered, you become an agent. I thought it was automatic. Can you explain this? Otherwise, that means you are going to have a group of 15 taxpayers represented by one person then you go back to the same problems we have been having.

**MR ANYWARACH:** Mr Chairperson, the proposal by the chairperson of the committee for 100 per cent is very dangerous. The 50 per cent of VAT is like withholding security for a taxpayer. If there is any mistake in computation, it is very hard to claim money back from URA.

Technically, the 50 per cent is right but you have two sets of suppliers. There are those who supply goods and services directly to the Government in the name of companies that are pre-qualified. These are automatically VAT registered suppliers and URA is enjoying the benefits of collecting VAT from them because they remit it directly. They now want to export that experience to the ordinary day-to-day trade and that is where the difficulty comes.

That is why my brother from Mbarara is struggling with three things - compliance, collections and accountability. If you create so many points where somebody can collect VAT and say you have to withhold 50 per cent and remit the other 50 per cent, you are going to create so many conduits of corruption and that is the fear. Therefore, in trade, VAT should be left under the old law. If you want us to make amendments on 100 per cent, let us do it for those you prequalify as your suppliers of services and goods to Government and we shall support it one hundred per cent. Otherwise, we are going to spoil the whole tax regime. Thank you.

**MR BAHATI:** Mr Chairperson, the reason why we would like the minister to designate companies and organisations that should withhold is because you cannot allow everybody to withhold. We want people that have a history of paying tax and of integrity so that when they supply goods and withhold the money, they will actually remit it.

That is why we are bringing in the minister to designate certain companies, beginning with Government departments and other agents that we are sure about that when they withhold people’s money, they will submit it to URA. Otherwise, if you leave it everywhere -

**THE DEPUTY CHAIRPERSON:** Honourable minister, are you proposing a dual system in the same tax regime?

**MR BAHATI:** It is not a dual system.

**THE DEPUTY CHAIRPERSON:** It is.

**MR BAHATI:** It is working with withholding tax. Not everybody can withhold. As we speak, it is only Government departments and those big companies that we have worked with and we are sure of that withhold tax.

**MR SSEWUNGU:** Let me give the minister some information. The VAT Act is clear about when someone can withhold VAT. Honourable minister, you have failed to enforce the penalties for those who do not follow the law after they are supposed to withhold VAT. If you follow the law and enforce the penalties, you will not even need to amend this law; it becomes automatic. Enforce the penalties on those who do not abide by the VAT Act to remit VAT to URA. Thank you.

**THE DEPUTY CHAIRPERSON:** We need to understand this very carefully. We are not comparing withholding tax with VAT because every person who pays VAT is registered and yet for withholding tax, you might find a person who is not ordinarily registered but pays withholding tax. We have foreigners who are being paid for their consultancy contracts but they withhold tax. They have no relationship with URA directly, but it is the person designated to withhold tax that does it. The situation of VAT is different.

How am I, the person who is charging VAT, going to be linked to some other agent who has withheld my VAT? I have no transaction relationship with that person, so how do we do it? I am directly registered with URA and my certificate is displayed. How are you going to link me with another designated VAT withholding person? What sense will it make for me?

If you are telling me to remit the money after charging VAT and then seek a refund later, this would ordinarily make sense because laws have to make ordinary sense. Please explain to us why I need another agent. Are you going to group maybe 20 VAT payers and appoint one person to coordinate them?

**MR BAHATI:** Mr Chairperson, can I propose that we stay this section and move on?

**THE DEPUTY CHAIRPERSON:** We will stay the whole Bill.

**MR BAHATI:** Mr Chairperson, it has worked very well with withholding tax *-(Interjections)-* Honourable colleagues, there is wisdom in listening.

Not every person withholds tax. The only people who withhold tax are those designated by Government. These are Government departments and companies that we know are credible. This measure is aimed at improving compliance of VAT. This is because what has been happening is people charge VAT but when the money comes in, some do not even account for it. Some use it to manage their cash flow. Any business person here knows what I am talking about. Therefore we are saying, let us take a step to start improving on compliance to ensure that VAT is remitted. That is why we are saying, if you are dealing with designated companies that we have put in place and Government departments, we can start with those to improve on compliance -

**THE CHAIRPERSON:** What about those VAT registered persons who are not dealing with those designated people?

**MR BAHATI:** They pay normally.

**THE DEPUTY CHAIRPERSON:** That is why I am inquiring whether you are creating a dual system.

**MR BAHATI:** It is not discriminatory, Mr Chairperson. It helps to improve compliance of tax collection.

**THE DEPUTY CHAIRPERSON**: Can we stand over this matter, honourable members?

**MEMBERS:** Yes!

**THE DEPUTY CHAIRPERSON:** Okay, it is stood over.

Clause 3

**MR MUSASIZI:** Mr Chairperson, we propose that clause 3 be deleted. The justification is that the committee was constrained to support the proposal because there is no information provided to the committee to justify the proposal.

**THE CHAIRPERSON:** Was it deleted in the previous Bill for the same reasons?

**MR MAGYEZI:** Mr Chairperson, we are now dealing with VAT. I therefore would not like to say that since we did it that way in the other case - In this one, I am looking at Islamic finance transactions and the proposal is that the minister should provide the regulations for tax measures under those transactions and yet we are saying that the minister should not be given this authority. I wonder what we are telling the ministry to do in terms of Islamic banking. I think it should be provided -

**THE CHAIRPERSON:** Hon. Magyezi, you cannot regulate what the main law has not provided for. What are you regulating? Regulations are given to implement provisions of an existing law but if the provisions are lacking, what are you regulating?

**MR BAHATI:** I would like to inform hon. Magyezi that there was a debate on this last week but we abandoned it. We are going to repackage it better in other laws.

**THE CHAIRPERSON:** Honourable members, the motion is for deletion of clause 3. I put a question to that motion.

*(Question put and agreed to.)*

*Clause 3, deleted.*

*Clause 4, agreed to.*

*Clause 5, agreed to.*

*Clause 6, agreed to.*

Clause 7

**MR NIWAGABA:** Mr Chairperson, I have an issue with clause 7(3), which states, “*Where an objection to, or a notice of appeal against an assessment has been lodged, the tax payable under the assessment remains due and payable…*”

This particular clause negates the essence of an appeal under the Tax Appeals Tribunal Act and also negates the principle under the Act, which requires payment of 30 per cent of the tax assessed after lodging an objection. For those reasons, I beg to move that clause 7(3) be deleted.

**THE CHAIRPERSON:** Honourable members, we had this discussion before, regarding what happens to the tax obligation when there is an appeal. Is it collectable? We had this discussion and a decision was taken so why is it coming here? Can you deal with it, please.

We discussed this at length and I remember this House said, if I have lodged an appeal, it would be prejudicial to my appeal if you make me pay. I think the agreement was that I can pay part of it – maybe 30 per cent - instead of 100 per cent because I have an appeal pending. If you find me liable, then I pay the 70 per cent; otherwise, you refund my 30 per cent. Didn’t we agree to that?

**MR MUSASIZI:** Mr Chairperson, I would like to thank hon. Niwagaba for bringing this out. The committee would have looked at this and suggested a deletion because, like you have stated, this proposal had previously come here and the House took a decision on it. It was agreed that if you have lodged an appeal against an assessment, you pay 30 per cent of the tax as the appeal process gets underway. I would like to propose that you put the question basing on what hon. Niwagaba has suggested.

**THE CHAIRPERSON:** No, he has proposed deletion of the subclause.

**MR MUSASIZI:** No, 30 per cent is already provided for in the Tax Procedures Code. Therefore, I do not see why we need it here. I would like to second hon. Niwagaba’s proposal that this subclause be deleted.

**THE CHAIRPERSON:** The Chair is seconding the amendment; what is the problem, Member for Kalungu County West? He is not conceding but seconding. *(Laughter)* Honourable members, can I now propose that subclause (3) of clause 7 be deleted? Is it subclause (3)? It is not this because subclause (3) is of section 34(a).

**MR NIWAGABA:** Mr Chairperson, clause 7 amends section 34(a), so for purposes of this Bill, we are looking at clause 7, subclause (3).

**THE CHAIRPERSON:** Honourable members, I now put the question for deletion of subclause (3) of clause 7.

*(Question put and agreed to.)*

**THE CHAIRPERSON:** I now put the question that clause 7, as amended, stand part of the Bill.

*(Question put and agreed to.)*

*Clause 7, as amended, agreed to.*

**MR NANDALA-MAFABI:** Mr Chairperson, this issue was debated last year and we agreed but they have brought it back. They assumed that Members of Parliament would be asleep and it passes. Is this in good faith? Wouldn’t it be procedurally right that we reprimand the Minister of Finance, Planning and Economic Development? When something has been decided upon, he should not hide and bring it back. These are bad manners that he should stop.

**THE CHAIRPERSON:** I think since you raised it as a procedural matter; we are proceeding properly. *(Laughter)*

Honourable members, I now put the question that clause 8 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 8, agreed to.*

*Clause 9, agreed to.*

*Clause 10, agreed to.*

*Clause 11, agreed to.*

Clause 12

**MR MUSASIZI:** Mr Chairperson, we propose to amend clause 12 as follows:

1. In paragraph (mm) substitute the words, “two hundred” with the words “one hundred”.
2. In paragraph (nn) substitute the words, “two hundred” with the words “one hundred”.
3. In paragraph (oo) substitute the words, “two hundred” with the words “one hundred”.
4. In paragraph (pp)(i) substitute the words “thirty” with the word “fifteen” and substitute paragraph (pp)(iv) with “60 per cent of the employees are citizens.”

**THE CHAIRPERSON:** Which one is that?

**MR MUSASIZI:** Paragraph (pp)(i) -

**THE CHAIRPERSON:** No, we have dealt with (pp)(i) but you said (iv).

**MR MUSASIZI:** Paragraph (pp) (iv) says, “directly employs a minimum of one hundred citizens”. We propose to replace one hundred per cent with 60 per cent.

**THE DEPUTY CHAIRPERSON:** So you propose to delete one hundred -

**MR MUSASIZI:** Yes, and replace it with, “60 per cent of the employees are citizens.”

**THE DEPUTY CHAIRPERSON:** Please read what it will read like. Read it the new way you want it to read.

**MR MUSASIZI:** I would like it to read as follows: Substituting paragraph (pp) (iv) with “60 per cent of the employees are citizens.”

**THE DEPUTY CHAIRPERSON:** No, read the whole thing.

**MR MUSASIZI:** “Directly employees a minimum of 60 per cent citizens.”

**THE DEPUTY CHAIRPERSON:** You see, this thing of just substituting may not work, so you need to redraft properly so that it captures the spirit of what you want to say. That is why I was asking you to read the whole thing properly because by just putting 60 per cent, it does not read well.

**MR NANDALA-MAFABI:** Thank you, chairperson. We are saying, “directly employ 60 per cent of citizens.” I think we need to qualify this further. You can have 100 employees and 70 would be Ugandan casual labourers and the 30 per cent would be at the top management. The purpose would not have been achieved in that case.

I think what we would do here is have it read, “Directly employs a minimum of 60 per cent at all levels in the organisation.” The justification is to take care of all levels, from the top to the bottom.

**THE DEPUTY CHAIRPERSON:** Is that clearer, chair? Can you state it again, please?

**MR NANDALA-MAFABI:** I propose that (pp) (iv) reads, “directly employs a minimum of 60 per cent of citizens at all levels in the organisation.”

The justification is: to avoid putting more Ugandans at the bottom and at the top you put foreigners who would take all the money as expatriates. This would also help us in the transfer of knowledge. Therefore, I would like us to say, “directly employs a minimum of 60 per cent of citizens at all levels in the organisation.”

**MR MAGYEZI:** I have an amendment on that, Mr Chairperson. From the way hon. Nandala-Mafabi has put it, it commands a company to employ a minimum of 60 per cent of the citizens. That is very dangerous. I would propose, “a minimum of 60 per cent of the employees at all levels are citizens of Uganda.”

**THE DEPUTY CHAIRPERSON:** No, when you put it like that, it does not flow with what is here. It has to fit here properly because the phrase starts with “directly employs”. Where are the drafts people here?

**MR KAKOOZA:** The proposal is good but is it sustainable? This is because at all levels, you will find that a private company has its special interests and yet you are putting this in the law. Is it sustainable at all levels?

**THE DEPUTY CHAIRPERSON:** Do we have a good draft now?

**MR MUSASIZI:** Mr Chairperson, let us see whether this makes meaning. We propose to amend (pp) (iv) to read as follows: “directly employs a minimum of 60 per cent of citizens at all levels.”

**MR NIWAGABA:** “Levels” is difficult because it presupposes that every company has different levels of employment. A company may not have that policy. Therefore, just leave it at a minimum number for citizens; as simple as that.

**MR MUSASIZI:** Mr Chairperson, I agree with hon. Niwagaba. I have been having difficulty in taking the idea of having 60 per cent at all levels because the practical bit of it is difficult. That is what hon. Kakooza’s argument was emphasising.

**THE DEPUTY CHAIRPERSON:** Therefore, are you withdrawing your proposal of 60 per cent?

**MR MUSASIZI:** No. It should read, “directly employs a minimum of 60 per cent of citizens.”

**THE DEPUTY CHAIRPERSON:** Okay. Can I put the question to that amendment? I put the question to that amendment.

(*Question put and agreed to*.)

**MR MUSASIZI**: We have further amendments, Mr Chairperson -

5. in paragraph (tt) by substituting the word “fifteen” with the word “eight”.

6. in paragraph (qq) by substituting the word “ten” with the word “five”.

7. by inserting paragraphs (ss), (tt), (uu), (vv), (ww) and (xx) after paragraph (rr) to read as follows:

“(ss) the supply of wet processing operations and garmenting, cotton lint, artificial fibres for blending (polyester staple fibre, viscose rayon fibre) yarn other than cotton yarn, textile dyes and chemicals garment accessories, textile machinery spare parts, industrial consumables for textile production, electricity, textile manufacturing machinery and equipment and services necessary to support textile production;

(tt) the supply of fabrics and garments made in Uganda by vertically integrated textile mills that operate spinning, weaving/knitting, wet processing operations and garmenting;

(uu) the supply of services to conduct a feasibility study design and construction; the supply of locally produced materials for construction of premises, infrastructure, machinery and equipment or furnishings and fittings which are not manufactured on the local market to a hotel or tourism facility developer whose investment capital is US$ 15 million with a room capacity exceeding one hundred guests;

(vv) the supply of all production inputs in iron ore smelting into billets and the supply of billets for further value addition in Uganda;

(ww) the supply of all production inputs into limestone mining and processing into clinker in Uganda and the supply of clinker for further value addition in Uganda;

(xx) the supply of all production inputs necessary for processing of hides and skins into finished leather products in Uganda and the supply of leather products wholly made in Uganda.

8. in paragraph (3) by inserting the word “husking” immediately after the word “filleting”

Justification

1. To reduce the threshold for capital investment in order to attract investors in the country.

2. To attract investors into the textile, iron ore and hides and skins industry.

3. Husking is a low value added activity that should be included under the unprocessed foodstuffs.

**THE DEPUTY CHAIRPERSON:** Chair, there is the issue of using brackets in the body of legislation. I do not know whether that is the new practice being adopted? The use of brackets inside legislation is strongly discouraged. Here you say, “…for blending (polyester staple fibre, viscose rayon fibre) yarn other than…” People have moved away from the use of brackets inside the body of legal provisions. Of what significance are the words in brackets because the essential meaning is that, they can be lifted and thrown away and the law will remain. What purpose are they serving?

**MR BAHATI:** Mr Chairperson, since we know that the artificial fibres for blending will include those things, including a few of them that have not been included in the brackets, I wanted to propose to the chairman that we delete the words in the bracket and leave it at that.

**THE DEPUTY CHAIRPERSON:** Remove the brackets all together.

**MR BAHATI:** Yes, we remove the brackets together with the words. However, I also had an amendment on this clause. Clause 12(a)(ll) says, *“the supply of Bibles and Qurans”*. We wanted to add “and text books”. These are for exemption. We have had issues to do with text books for educational materials and we would like to make it clear that Bibles, Qurans and textbooks are not taxed.

Secondly, we have no problem with the chairman’s amendment No.7. However, if you read it properly, you are talking about chemicals garment accessories and below that you are talking about industrial consumables for textile production and services necessary to support textile production. We want to propose that we stop at “textile machinery spare parts”. That would be sufficient because accessories cover almost all industrial consumables for textile production. As for electricity, we have already provided a law to cap it at five cents for the manufacturers. Therefore, we think that if we stopped here, we shall have provided enough for them.

Thirdly, the committee’s proposal in (vv) says, “the supply of all production inputs into iron ore smelting into billets and the supply of billets for further value addition in Uganda” In (ww), they say, “the supply of all production inputs into limestone…” These are so wide. When you want to provide this exemption, you need to be a little bit specific so that you do not cause confusion when you are administering the law.

We should be clear about what it is, so that we do not allow temptations where a number of companies could use loopholes in the law. Also, given the fact that some of the things that the chairperson is proposing are in other laws - we are exempting machinery for the sake of investment - we could delete (vv) and (ww) and then the rest will be sufficient to support the industry in that area.

**MR MUSASIZI:** Mr Chairman, the intention is to exempt all those inputs involved in the production process. Therefore, I do not agree with the proposal to eliminate industrial consumables for textile production, electricity, textile manufacturing machinery and equipment and services necessary to support textile production from our amendment. I, therefore, stand to support our amendment and other amendments as they are. From our side, we see no problem with them.

**THE DEPUTY CHAIRPERSON:** What are you proposing about electricity?

**MR MUSASIZI:** Mr Chairman, electricity has the VAT component and this is what we are seeking to exempt.

**THE DEPUTY CHAIRPERSON:** Okay. Honourable minister, are we clear on this now?

**MS ATIM JOY:** Thank you, Chairperson. I just wanted a clarification on (uu)- “the supply of services to conduct a feasibility study…” My greatest concern is on the second part: “supply of locally produced materials for construction of premises, infrastructure, machinery and equipment or furnishings and fittings which are not manufactured on the local market to a hotel or tourism facility developer whose investment capital is $15 million with a room capacity exceeding one hundred guests”.

Mr Chairperson, yes, we want to invest, and this country generates a lot of income from tourism and hotels. However, we also want to promote local tourism and hotels much as most of the equipment and other things are imported. How are we going to promote those who are encouraging local tourism but their funds and capital cannot does not reach US$ 100 million?

It is like we are promoting investors but we are not supporting domestic investors. Are we supporting the local investors in this country or we are just encouraging those who can afford this?

**MR MUSASIZI:** Mr Chairman, it is not actually US$ 100 million as the honourable member from Lira says. It is actually US$ 15 million. I do not think it is realistic to have an investment of 100 guests for tourism purposes at less than US$ 15 million.

**MR KAKOOZA:** I think the honourable member’s concern is about the local people who get interested in tourism and the hotel industry. When you look at the other laws, there are tax incentives for investors and even the locals; you find that they are exempted from paying some taxes. When you look at the machines in hotels, whether local or not, they are tax exempt as an incentive. This is published on the URA website. Of course once they protect them, it is general for both local and foreign investors. It has been published by URA.

**MR ANYWARACH:** Mr Chairperson, I would like to propose an additional amendment. I do not know whether we should call it “s” or “ss”. Why don’t we also exempt radio broadcast equipment? My justification is that this is equipment which is bought once in a life time but it does business that eventually helps with sensitisation and secondly –

**MS FRANCA AKELLO:** Mr Chairman, our Rules of Procedure provide that when a Member has interest in an issue, he or she must declare it before giving a proposal in Parliament. I know that hon. Joshua Anywarach has a radio station and that is his clear interest. Is he in order to propose an exemption in his area of interest without declaring his interest? *(Laughter)*

**THE DEPUTY CHAIRPERSON:** Honourable members, the Member rose on a point of order and cited that the Member raising the matter has interest in the matter being discussed. If we did not have interest in any of these matters, we would not be in this House. *(Laughter)* I think it is because we are very interested in these matters that we are here.

**MR ANYWARACH:** Mr Chairman, I do not have words to say thank you. This is the very reason the doctors we have in this Parliament would give us a very informed position of the law on medical or health related matters. My sister also has a hotel; I do not see why the hotels should be exempted. *(Laughter)*

My point particularly is this: If you bring in an antenna or a transmitter and you mount it high, it stands risks from the weather; it can be hit by lightning –

**THE DEPUTY CHAIRPERSON:** Honourable minister, these matters are being addressed to you, not to the chairman. They would like to introduce a new exemption. I do not see you following that line and yet I need your response.

**MR ANYWARACH:** Mr Chairperson, these equipment like the antenna is subjected to very harsh weather and in most cases they can be struck by lightning, depending on how you do your earthing and so on. It even affects the transmission or the transmitter.

Mr Chairman, for a fact, radio business is not big business –

**THE DEPUTY CHAIRPERSON:** Now you are debating the matter.

**MR ANYWARACH:** I am justifying

**THE DEPUTY CHAIRPERSON:** The proposal has been made to exempt radio broadcasting equipment.

**MR BAHATI:** Mr Chairman, I would like to implore the honourable to give us time to study that proposal. What we are proposing here and the incentives we are talking about are incentives for strategic sectors. They are incentives that we provide for investment. Look at a radio station, you just need a minimum of maybe Shs 400 million to set up a radio station. We are talking about millions of dollars - serious investments in strategic areas that can make a difference for the people of Uganda. Of course, I cannot discount the power of information but if you are going to exempt radio and television stations, then we are going to exempt millers – We are talking about serious investments in serious strategic areas.

**MR ANYWARACH:** Mr Chairman, my understanding is that we have not deleted the whole section on exemption; we are just amending. We even see the supply of milk, including milk treated in any way to preserve it, the supply of dental, medical and veterinary equipment which is worth Shs 2 million. The minister is saying that the investments we are talking about are serious, to the tune of US$ 100 million and so on. Is the minister in order to mislead the House when actually dental equipment can cost Shs 1 million or Shs 2 million and radio investment can be over Shs 400 million and yet it takes long to break even? Is he in order to mislead the House? *(Laughter)*

**THE DEPUTY CHAIRPERSON:** I think it is a question of threshold. If some of the threshold the minister is proposing is actually below the radio equipment, then the minister is shooting himself in the foot because you cannot use that argument. I think you could use the argument that it has not been studied and its implications are not known. Maybe that would be easier to explain, but saying that the investments are not serious and yet there are exemptions where the threshold is much lower than the Shs 400 million –*(Laughter)* I think let us conclude this, Members.

**MR BAHATI:** Normally, we first study these proposals we have presented here, look at the tax implications and also see how they affect other sectors. I propose that we study that and we can then look at it in the next financial year. Thank you.

**THE DEPUTY CHAIRPERSON:** Thank you. Honourable members, I need to conclude this matter. Proposals have been made and I need an agreement from the minister and the chair on (vv) and (ww) and on the last part of (ss). The minister proposed deletion and the chairman seems to maintain his ground that industrial consumer goods for textile production and electricity should remain. We need to resolve this.

Paragraph (vv) is about production inputs into iron ore smelting into billets and there is also (ww). The chairman is maintaining the position of the committee. Can we resolve this? If it cannot be resolved, we stand it over.

**MR BAHATI:** For clause 12(a)(ll), I think there is consensus on the textbooks. We did not have much difference on (ss), except that if you mention industrial consumables and yet they are not defined. Also, if you talk about services necessary to support textile production, this may include consultancy services, for example. Therefore, if there is a way, we should define these services to restrict them to textile production.

On the issue of electricity, maybe as a common ground we can remove electricity because if you exempt electricity for textiles only, what about other industries which are also very keen about this? I suggest that we remove electricity because it cuts across. Electricity is for all sectors and it is not only for textiles. We can also remove “services necessary to support textile production”. I think that could be a good compromise.

**THE DEPUTY CHAIRPERSON:** Honourable chairperson, what would you say about electricity and services necessary to support textile production?

**MR MUSASIZI:** Mr Chairman, I do not want to collide with the minister on the Floor on obvious issues. Therefore, I concede on electricity and other services necessary to support textile production.

**THE DEPUTY CHAIRPERSON:** What does it read now? The people extracting the records have to be clear on what it is.

**MR MUSASIZI:** Let me see whether this reading will have meaning: “The supply of wet processing operations and garmenting, cotton lint, artificial fibres for blending, yarn other than cotton yarn, textile dyes and chemicals garment accessories, textile machinery spare parts, industrial consumables for textile production, and textile manufacturing machinery and equipment.”

**THE DEPUTY CHAIRPERSON:** Is that okay now, honourable members? Can I put the question to this now? I put the question to this amendment.

*(Question put and agreed to.)*

**THE DEPUTY CHAIRPERSON:** Can I now put the question to the rest of the amendments proposed by the committee?

**MR ANYWARACH:** Mr Chairman, this is just a point of correction. I think we cannot define what is not in the law. In clause 4 we said, *“Amendment of section 16 of the principal Act*

(a) *in subsection (5) by substituting for paragraph (a) the following paragraph…”*

Section 16 of the principal Act is therefore amended. However, Mr Chairman, if you look at section 16(5), it says, *“Where a person is required to pay a fee for receiving a signal or service for a supply of television, radio, telephone or other communication services, the supply takes place where that person receives the signal or service.”*

I am wondering why we are defining “electronic services” when it is not stipulated expressly under subsection (5) *–(Interjection)-* Please, follow it. We are saying we are amending section 16(5)(a) and we are introducing a definition of electronic services. Now, “electronic services” –

**THE DEPUTY CHAIRPERSON:** Which clause are we looking at?

**MR ANYWARACH:** Clause 4 of the Bill.

**THE DEPUTY CHAIRPERSON:** That is not how we do this, please. We are still on clause 12 and you have moved to clause 4.

**MR ANYWARACH:** I thought you were going to put the question on the whole Bill. That is why I was rising to seek your procedural guidance.

**THE DEPUTY CHAIRPERSON:** Can I now put the question to the proposed amendments in clause 12. Some have already been adopted and some have been read without adoption. I now put the question to the amendments as proposed by the committee.

*(Question put and agreed to.)*

*Clause 12, as amended, agreed to.*

*Clause 13, agreed to*

Clause 2

**THE DEPUTY CHAIRPERSON:** We had stood over clause 2.

**MR BAHATI:** We had a caucus of the whole House. I do not know whether the Shadow Attorney-General has something to say.

**MR NIWAGABA:** Well, I had a discussion with my younger brother. *(Laughter)* The recommendation from Government is to the effect that they would want this particular clause to apply to Government and its agencies, banks, insurance companies and Non-Governmental Organisations (NGOs) on the ground that most of those companies and Government agencies deal with individuals who later on do not pay VAT to URA. If we restrict it to those particular entities, I believe we would have no strong objection.

**MR OKUPA:** Mr Chairperson, I was privy to the discussion. Originally, we used to even have that provision under VAT. If you were dealing with Government, the Government would withhold the VAT and remit it directly to URA. However, the problem at that time was that – Michael, hon. Nandala and I are witnesses – the accounting officers would withhold the money and use it. I do not know what the difference will be this time.

**THE DEPUTY CHAIRPERSON:** Hon. Okupa, are we now agreeing that we adopt this?

**MR OKUPA:** Yes, we are agreeing but that is a caution. On the issue of non-governmental organisations, what level are we talking about? The other ones – Government, MDAs, banks, insurance companies – are known. However, when it comes to the NGOs, there are even small ones. What are we going to do because they cut across and are not like banks. We may have to remove the NGOs or define the category of NGOs we are including –

**THE DEPUTY CHAIRPERSON:** Honourable member, they are not in the Bill. If they are not in the Bill, why are we debating this? That will be another process because they are not in the Bill. I do not know where to qualify NGOs in the Bill because they are not in the Bill. If you agreed on the principle, let us deal with the principle. For the details of which NGOs – which are not in the Bill anyway– I cannot be entertaining a debate on something that is not part of what we are going to adopt now. Can I put the question to clause 2 now? There is no amendment in clause 2- Oh, there was the 100. We had adopted that amendment, hadn’t we?

**MR MUSASIZI:** No.

**THE DEPUTY CHAIRPERSON:** Okay, let me put the question to the amendment as proposed by the committee. Was it subclause (2)?

**MR NIWAGABA:** That is clause 2, which we had proposed to be deleted. However, following the debate and the discussion, we said that we could agree to a withholding tax of VAT for specific named agencies like Government and its agencies, banks, insurance companies and NGOs. Maybe, to help on the qualification for NGOs, we could restrict them to international NGOs working and operating in Uganda *– (Interjections)-* and at 100 per cent.

**THE DEPUTY CHAIRPERSON**: So, the designation will be by the minister. That is the principle we are adopting in this.

**MR NIWAGABA:** It means we have actually designated ourselves as Parliament. We want to identify those particular taxpayers who will withhold VAT for purposes of this Act.

**THE DEPUTY CHAIRPERSON:** Honourable members, we run the risk of being too restrictive because nobody has examined it. We can leave out something that should be there. That is the risk we run into now. Nobody has studied this. The discussion you have had is not a study of the whole picture. We are making legislation.

If you are agreeing that the minister has the authority to designate but ask for that designation to be brought back to the House, that is another matter. However, to say we can exhaustively deal with the list of those agencies is impossible. As we are constituted now, we cannot do it.

**MR BAHATI:** Mr Chairperson, I wanted to get this clear. I would like to ask my brother that since I have trusted him to be my Attorney-General, he should also trust us to do a good job. *(Laughter)*

**THE DEPUTY CHAIRPERSON:** Can I now put the question please? I put the question to the amendment to clause 2(b) paragraph (2).

*(Question put and agreed to.)*

*Clause 2, as amended, agreed to.*

*The Title, agreed to*

**MR BAHATI:** Mr Chairperson, I am sorry for the small hiccup but we are trying to get the right clause. We wanted to propose a new amendment under clause 1 (l) (b) with the following definition: “Mining operations include…” –

**THE DEPUTY CHAIRPERSON:** You have to propose to insert a new clause, which will be clause 14.

**MR BAHATI:** I propose to insert a new clause 14.

**THE DEPUTY CHAIRPERSON:** Unless you are inserting it between clause 1 and clause 2 but it is all together a new clause because it is not in the Bill.

**MR BAHATI:** I propose to insert a new clause 14, for purposes of defining mining operations. “Mining operations include every method of process…”

**THE DEPUTY CHAIRPERSON:** You are proposing to amend –

**MR BAHATI:** Yes, to amend clause 1(l)(b).

**THE DEPUTY CHAIRPERSON:** Are you proposing to amend section 1? Honourable members, it is re-defining the word “mining operations”. Is that all that you are proposing - mining operations, as a new definition?

**MR BAHATI:** I request the Attorney-General to listen very carefully. I am proposing clause 14 to amend section 1 (l)(b) of the Value Added Tax Act as follows:

“Mining Operations include every method or process by which any mineral is one from the soil or from any substance or constitute of the soil and includes mineral exploration and development operations undertaken pursuant to a mining lease or mineral agreement entered into under the Mining Act, 2003”.

Mr Chairperson, the purpose of this is to align the definition of mining operations with that of petroleum operations. The current definition of mining operations restricts the operations to only the process of extracting minerals from the soil and excludes planning, installation, transportation, storage, de-commissioning and construction. I beg to move.

**THE DEPUTY CHAIRPERSON:** Honourable members, is that clear? Can I put the question to this?

**MR MAWANDA:** Mr Chairman, in mining methods, there is a component of exploration. In the process of exploration, you use your own capital and you have not yet even identified whether the mineral is there or not; you are still looking for it. It is after exploration that you ascertain that the mineral is there and then you take the results to the ministry to start processing a mining lease. Therefore, mining exploration cannot be taxed.

**THE DEPUTY CHAIRPERSON:** No; this is the definition.

**MR NIWAGABA:** I will support you. The Mining Act is clear as to the licences issued at each stage. Exploration is one of the stages for which you obtain a licence and so is location. I think the intention of the amendment is to exempt VAT for operations related to mining, especially in areas which we have already exempted like iron ore and the like. I believe it is an innocent definition, which I invite Members to support and we move.

**THE DEPUTY CHAIRPERSON:** I put the question to the proposed introduction of a new clause 14, with the words that have been read. I put the question to that.

*(Question put and agreed to.)*

**THE DEPUTY CHAIRPERSON:** I now put the question that the new clause 14 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 14, agreed to.*

MOTION FOR THE HOUSE TO RESUME

6.56

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** I beg to move that the House do resume and the Committee of the whole House reports thereto.

**THE DEPUTY CHAIRPERSON:** Honourable members, the motion is for resumption of the House to enable the Committee of the whole House report. I put the question to that motion.

*(Question put and agreed to.)*

*(The House resumed, the Deputy Speaker presiding.)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

6.57

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Speaker and honourable colleagues, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Value Added Tax (Amendment) Bill, 2018” and passed it with amendments.

MOTION FOR ADOPTION OF THE REPORT OF THE COMMITTEE OF THE WHOLE HOUSE

6.57

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Speaker, I beg to move that the report from the Committee of the whole House be adopted.

**THE DEPUTY SPEAKER:** Honourable members, the motion is for adoption of the report of the Committee of the whole House. I put the question.

*(Question put and agreed to.)*

*(Report adopted.)*

BILLS

THIRD READING

VALUE ADDED TAX (AMENDMENT) BILL, 2018

6.58

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Speaker, I beg to move that the Bill entitled, “The Value Added Tax (Amendment) Bill, 2018” be read a third time and do pass.

**THE DEPUTY SPEAKER:** Honourable members, the motion is that the Bill entitled, “The Value Added Tax (Amendment) Bill, 2018” be read the third time and do pass. I put the question to that motion.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE VALUE ADDED TAX (AMENDMENT) ACT, 2018”

**THE DEPUTY SPEAKER:** Thank you and congratulations, chairperson and honourable minister. *(Applause)*

Are we in a position to finish the other Bill? Honourable members, this particular Bill actually does not have any issues on its apparent face. Can we finish with it? We have already stayed this late; another 15 minutes will not be long. This is the Traffic and Road Safety Act amendment. Are there issues with this one? Honourable members, House adjourned to tomorrow, 2 o’clock.

*(The House rose at 6.59 p.m. and adjourned until Wednesday, 30 May 2018 at 2.00 p.m.)*