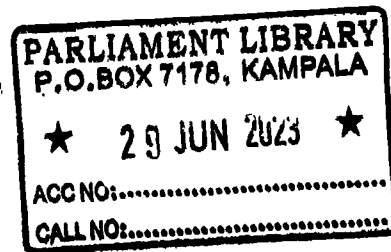
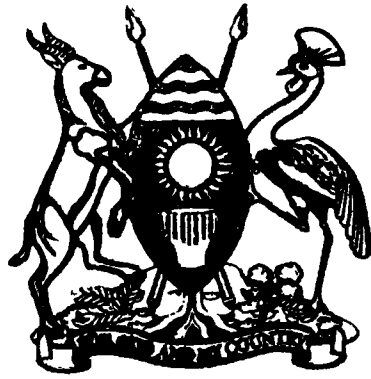




THE REPUBLIC OF UGANDA

THE VALUE ADDED TAX (AMENDMENT) ACT, 2023





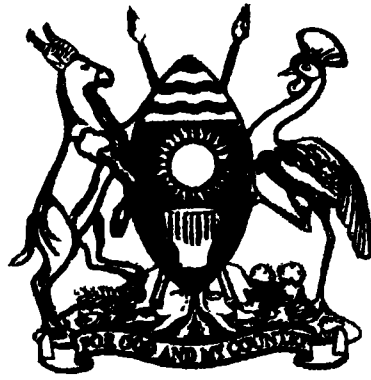
THE REPUBLIC OF UGANDA

I SIGNIFY my assent to the bill.

Yoweri Museveni

President

Date of assent: 23rd June 2023

**THE REPUBLIC OF UGANDA****THE VALUE ADDED TAX (AMENDMENT) ACT, 2023**

An Act to amend the Value Added Tax Act, Cap. 349 to expand the definition of electronic services; to provide for the limit on input tax to activities related to output tax being accounted for and disallow input tax credit to registered foreign supplier; to provide for declaration of value added tax on imported services by large un-registered persons and un registered government entities; to provide for ZEP-RE (PTA Reinsurance Company) as a listed institution; and for related matters.

DATE OF ASSENT:

Date of Commencement:

BE IT ENACTED by Parliament as follows:

1. Commencement

This Act shall come into force on 1st July, 2023.

2. Amendment of Value Added Tax Act

The Value Added Tax Act, Cap. 349, in this Act referred to as the principal Act, is amended in section 10 by inserting immediately after subsection (3), the following—

“(4) The supply of goods by auction is treated as a supply of goods made by the auctioneer as the supplier in the course of auctioning goods.” and

- (5) For avoidance of doubt, the treatment of the supply of goods by the auctioneer under subsection (3) is separate from the treatment of the supply of the auction services by the auctioneer.””

3. Amendment of section 16 of principal Act

Section 16 of the principal Act is amended—

- (a) by substituting for subsection (2), the following—

“(2) Notwithstanding subsection (1), a supply of services by a person who carries on business outside Uganda and who does not have a place of business in Uganda shall take place in Uganda, if the recipient of the supply is not a taxable person or a person who makes a supply with a total annual value in excess of the amount specified in section 7(2) or a government entity that is not registered under section 7 (5) of this Act, and—

- (a) the services are physically performed in Uganda by a person who is in Uganda at the time of the supply;
- (b) the services are in connection with immovable property in Uganda;
- (c) the services are radio or television broadcasting services received at an address in Uganda;
- (d) the services are electronic services delivered to a person in Uganda at the time of the supply;
- (e) the supply is a transfer, assignment or grant of a right to use a copyright, patent, trademark or similar right in Uganda; or

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- (f) the services are the supply of telecommunications services initiated by a person in Uganda, other than a supply initiated by—
 - (i) a supplier of telecommunications services; or
 - (ii) a person who is roaming while temporarily in Uganda.”;
- (b) by inserting immediately after subsection (4), the following—

“(4a) Electronic services shall be delivered to a person in Uganda at the time of supply as referred to in subsection (2) (d); and
- (c) in subsection (5), by substituting for paragraph (a), the following—

“(a) electronic services” means services supplied through an online or digital network by a supplier from a place of business outside Uganda to a recipient in Uganda including—

 - (i) websites, web-hosting or remote maintenance of programs and equipment;
 - (ii) software and the updating of software;
 - (iii) images, text and information;
 - (iv) access to databases;
 - (v) music, films and games; including games of chance;
 - (vi) political, cultural, artistic, sporting, scientific and other broadcasts and events; including television;

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- (vii) advertising platforms;
- (viii) streaming platforms and subscription based services;
- (ix) cab-hailing services;
- (x) cloud storage; and
- (xi) data ware housing.”

4. Amendment of section 28 of principal Act

Section 28 of the principal Act is amended—

- (a) in subsection (5), by inserting immediately after paragraph (c), the following—
 - “(d) payment for entertainment made by a taxable person for membership of a person in a club, association or society of a sporting, social or recreational nature; or
 - (e) goods or services incurred by a taxable person provided for under section 16 (2) of this Act.”; and
- (b) by inserting immediately after subsection (6), the following—
 - “(6a) For the purposes of subsection (1), (2), or (3) “business use” or “use in the business” applies only to the related business, generating a taxable supply.”

5. Amendment of section 65A of principal Act

Section 65A of the principal Act is amended by repealing subsection (2).

6. Amendment of section 73 of principal Act

Section 73 of the principal Act is amended by inserting immediately after subsection (2), the following—

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“(3) Notwithstanding subsection (1), a taxpayer under section 16 (2) of this Act may file a return and may pay the tax in the return in United States dollars.”

7. Amendment of First Schedule to principal Act

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

“ZEP-RE (PTA Reinsurance Company)”

8. Amendment of Second Schedule to principal Act

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

(a) in subparagraph (q) by repealing item (viii);

(b) by substituting for subparagraph (qa), the following—

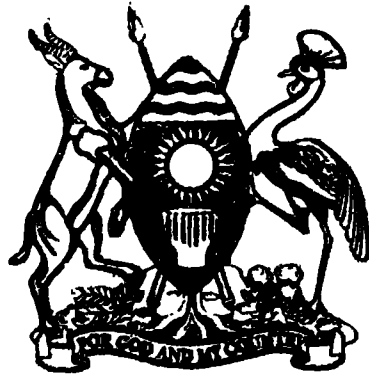
“(qa) the supply of animal feeds and mixed components such as eggshells, feed additives, wheat bran, maize bran, premixes, concentrates and seed cake;

(c) by substituting for subparagraph (ww), the following—

“(ww) the supply of billets for further value addition in Uganda;

(d) by repealing subparagraphs (yy) and (fff); and

(e) in subparagraph (ooo), by deleting the words “from cassava”;



THE REPUBLIC OF UGANDA

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

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

.....
Clerk to Parliament

Date of authentication: 11/5/2023