

ACTS

SUPPLEMENT No. 10
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29th December, 2003.

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Act 21

Finance Act

2003

THE FINANCE ACT, 2003.

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FINANCE (NO. 2) ACT, 2002

THE FINANCE ACT, 2003

An Act to provide for the alteration of certain taxes and duties, to amend certain written laws relating to those taxes and duties, and for other related purposes.

DATE OF ASSENT: 27th December, 2003.

Date of Commencement: See section 1(2).

BE IT ENACTED by Parliament as follows:

PART I—PRELIMINARY.

1. Short title and commencement

(1) This Act may be cited as the Finance Act, 2003.

(2) This Act shall be deemed to have come into force on 1st July 2003, except for Chapter 27 of the Second Schedule, which shall be deemed to have come into force on 13th June 2003.

PART II—DRAWBACK OF DUTY AND IMPORT COMMISSION.

2. Drawback of duty on sugar.

(1) Subject to this section, drawback of import duty, excise duty and import commission on sugar used as a raw material by manufacturers specified in the First Schedule to this Act may, on the production of the goods and the fulfilment of such conditions as may be prescribed by the Commissioner-General, be allowed.

(2) Where a manufacturer of any goods claims or proposes to claim drawback in respect of sugar used as a raw material in the production of the goods, then, as a condition for the grant of the drawback the manufacturer shall—

- (a) enter the goods in the prescribed form and in the prescribed manner and produce the goods for examination by the proper officer before their sale or the performance of the conditions on which drawback is allowed;
- (b) make and subscribe a declaration on the prescribed form to the effect that the conditions under which drawback may be allowed have been fulfilled; and
- (c) present the claim for drawback within a period of three months from the date of the production of the goods or the performance of the conditions on which drawback may be allowed.

(3) A drawback shall not be allowed in respect of any goods where—

- (a) the value of the goods for home consumption is less than the amount of the drawback which may be allowed; or
- (b) the duties and import commission on them are less than two hundred thousand shillings.

PART III—AMENDMENTS TO THE FINANCE ACT, (No. 2) 1996, CAP. 185.

3. Amendment of section 1 of the Finance Act (No. 2) 1996, Cap. 185.

The Finance Act (No. 2) 1996 is amended in section 1 by substituting for subsection (2), the following subsection—

“(2) The import commission charged under subsection (1) shall not apply to—

- (a) plant and machinery imported free of duty;
- (b) scholastic materials and pharmaceutical products which are exempt or zero-rated for purposes of value-added tax;
- (c) instruments and appliances used in medical, surgical, dental or veterinary services or laboratories imported free of duty;

- (d) raw materials;
- (e) agricultural and horticultural inputs imported free of import duty;
- (f) goods subject to conditional exemptions specified in Part II of the Second Schedule to the Finance (No. 2) Act 2002; and
- (g) imports by Government.”

PART IV—AMENDMENTS TO THE FINANCE (NO.2) ACT 2002.

4. Substitution of First Schedule to the Finance (No. 2) Act 2002.

For the First Schedule to the Finance (No. 2) Act, 2002, there is substituted the provisions of the Second Schedule to this Act.

5. Amendment of Second Schedule to the Finance (No. 2) Act 2002.

The Second Schedule to the Finance (No.2) Act 2002 is amended in the manner specified in the Third Schedule to this Act.

6. Repeal of sections 5, 6, 7 and 8 of the Finance (No.2) Act 2002.

Sections 5,6,7 and 8 of the Finance (No.2) Act 2002 are repealed.

PART V—TAXES REMITTED UNDER THE EXCISE TARIFF ACT CAP. 338 AND THE CUSTOMS TARIFF ACT, CAP. 337.

7. Remission of excise duty.

(1) The excise duty payable under section 3 of the Excise Tariff Act by a manufacturer in Uganda of locally manufactured goods is remitted.

(2) The remission granted under subsection (1) does not apply to the goods specified in Part 1 of the Fourth Schedule to this Act.

8. Partial remission of tax on specified products.

(1) The import duty under the Customs Tariff Act, and the excise duty under the Excise Tariff Act, payable by a manufacturer in Uganda in respect of the items with HS Codes specified in Part II of the Fourth Schedule is remitted to *7 per cent* and nil, respectively.

(2) The remission under subsection (1) is granted on condition that—

(a) the items are to be used as raw materials for the manufacture of products for which the manufacturer is registered for value added tax purposes; and

(b) the manufacturer maintains premises which are subject to customs control.

(3) A manufacturer who uses the items referred to in this section in contravention of a condition specified in subsection (2) shall pay the normal import duty on those items and is liable to applicable penalties specified in the Customs Management Act, 1970 and the East African Excise Management Act, 1970.

9. Remission of import duty and excise duty on pharmaceutical products.

(1) The import duty under the Customs Tariff Act, and the excise duty under the Excise Tariff Act payable by a manufacturer in Uganda of pharmaceutical products or disposable syringes in respect of the items with HS Codes specified in Part III of the Fourth Schedule to this Act is remitted.

(2) The remission under subsection (1) is granted on condition that the Drugs Verification Committee established under the National Drug Policy and Authority Act, must verify that—

- (a) the importer of the items is registered with the Pharmacy Board established by the Pharmacy and Drugs Act, as a manufacturer of pharmaceutical products or disposable syringes; and
- (b) the items are for use as packaging materials for pharmaceutical products, or as raw materials for the manufacture of disposable syringes.

(3) A manufacturer who uses the items referred to in this section in contravention of any condition stated in subsection (2) shall pay the specified import duty and excise duty on those items and is liable to applicable penalties specified in the Customs Management Act, 1970 and the East African Excise Management Act, 1970.

10. Conditional remission of import duty and excise duty on raw materials.

(1) The import duty under the Customs Tariff Act and the excise duty under the Excise Tariff Act, payable by a manufacturer in Uganda in respect of the items with HS Codes specified in Part IV of the Fourth Schedule to this Act is remitted.

(2) The remission under subsection (1) is granted on condition that—

- (a) the items are to be used as raw materials for the manufacture of products for which the manufacturer is registered for value added tax purposes; and
- (b) the manufacturer maintains premises which are subject to customs control.

(3) A manufacturer who uses the items referred to in this section in contravention of a condition specified in subsection (2) shall pay the specified import duty on those items and is liable to applicable penalties specified in the Customs Management Act, 1970 and the East African Excise Management Act, 1970.

FIRST SCHEDULE

Section 2

MANUFACTURERS ENTITLED TO CLAIM DUTY DRAWBACK IN ACCORDANCE WITH SECTION 2 OF THIS ACT.

Manufacturers of soft drinks, juices, beer, sweets and biscuits.

SECOND SCHEDULE.

Section 4

FEES PAYABLE UNDER THE TRAFFIC AND ROAD SAFETY ACT
CAP. 361.

PART I—LICENCE FEES PAYABLE

The annual license fees payable are—

<i>Vehicle category</i>	<i>Licence fee payable</i>
(a) Motor Cycles	Shs 400 per cc of engine size
(b) Sedan cars, salon cars, estate cars but excluding dual purpose goods passenger vehicles	Shs 200 per cc of engine size
(c) Passengers vehicles including light omnibuses, and medium omnibuses having seating accomodation not exceeding 28 passengers	Shs 200 per cc of engine size
(d) Medium omnibuses having seating acomodation for more than 28 passengers and heavy omnibuses	Shs 110 per cc of engine size
(e) Goods vehicles(including dual purpose/	

passenger vehicles) heavy, light goods vehicles

<i>Engine size(c.c's)</i>	<i>Licence fee payable(Shs)</i>
0-1000	120,000
1001-1500	150,000
1501-2000	200,000
2001-2500	230,000
2501-3000	300,000
3001-3500	350,000
3501-4000	400,000
4001-5000	450,000
5001-6000	500,000
6001-7000	550,000
Over 7001	600,000

(f) Trailers and semi trailers

<i>Gross vehicle weight(kgs)</i>	<i>Licence fee payable (Shs)</i>
0-1000	60,000
1001-2000	90,000
2001-3500	120,000
3501-5000	190,000
5001-7500	270,000
7501-10000	350,000
10001-20000	430,000
20001-30000	490,000
30001-40000	540,000
Over 40001	590,000

(g) Prime movers and recovery vehicles

<i>Engine size(c.c)</i>	<i>Licence fee payable(shs)</i>
0-2500	200,000
2501-5000	400,000
5001-10000	560,000
Over 10000	600,000

(h) Agricultural tractors

<i>Net vehicle weight (kgs)</i>	<i>Licence fee payable(shs)</i>
0-3000	20,000
Over 3000	50,000

(i) Agricultural trailers

<i>Gross vehicle weight (kgs)</i>	<i>Licence fee payable(shs)</i>
0-3000	20,000
3000 above	40,000

(j) Engineering plant, tractors and other related vehicles

<i>Engine size (c.c)</i>	<i>Licence fee payable</i>
0-3000	270,000
3001-5000	320,000
5001-7000	490,000
Over 7001	640,000

A license issued for a motor vehicle, trailer or engineering plant on first registration shall be for a period of four, eight or twelve months.

PART II—FEES FOR VARIOUS DOCUMENTS AND SERVICES

<i>Item</i>	<i>Fee(Shillings)</i>
1. Registration fees for motor vehicles	80,000

2.	Re-registration fees for motor vehicles	70,000
3.	Registration fees for motor cycles	50,000
4.	Re-registration fees for motorcycles	40,000
5.	Registration fees for personalized number plates	3,000,000
6.	Registration for personalized number plates for motorcycles	500,000
7.	Alteration of particulars of motor vehicles (each item)	5,000
8.	Certified copies of record	5,000
9.	Search fees	5,000
10.	Dealers motor vehicle license per year	140,000
11.	O.T.V license	60,000
12.	Transfer fees	
	(a) Motor cycles	30,000
	(b) Motor cars and dual purpose vehicles, excluding light goods vehicles	40,000
	(c) Other motor vehicles, trailers, tractor, or engineering plant	60,000
13.	Duplicate receipt and license certificate	10,000
14.	Duplicate registration book	10,000
15.	Duplicate driving permit	25,000
16.	Vehicle examination fees(inspection fees)—	
	(a) Motor cycles	2,000
	(b) Motor cars and dual purpose vehicles, excluding light goods vehicle	5,000
	(c) Other motor vehicles, trailers, tractor, or engineering plant	5,000
	(d) Agricultural tractors	3,000
17.	Driving permit (original)—	
	(a) one year	25,000
	(b) three years	45,000
	Driving permit (renewal)—	
	(a) one year	20,000
	(b) three years	30,000
18.	Driving permit exchange—	
	(a) one year	25,000
	(b) three years	45,000
19.	Driving permit provisional	8,000
20.	Accident report	50,000
21.	Sketch plan	15,000
22.	Test fees(per class)	18,000
23.	Endorsement of third party interest	30,000
24.	Extension (per class)	20,000
25.	Duplicate number plates order form	10,000
26.	Form fees (per form)	1,500
27.	Cancellation fees	10,000
28.	De-registration for export—	
	(a) Motor cycles	120,000
	(b) Salon cars	250,000
	(c) Commercial vehicles	350,000
	(d) Agricultural tractors	1,500,000
	(e) Omnibuses	300,000
	(f) Engineering plant and other related vehicles	1,000,000