

CHAPTER 186

THE FINANCE ACT, 1997-1998.

Arrangement of Sections.

Section

1. Amendments to the East African Excise Management Act.
2. Amendments to the East African Customs and Transfer Tax Management Act.

CHAPTER 186

THE FINANCE ACT, 1997-1998.

Commencement: 12 June, 1997; 1
July, 1997.

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

1. Amendments to the East African Excise Management Act.

The East African Excise Management Act is amended—

- (a) by substituting for section 56A the following—

“56A. (1) If any excise duty is not paid on or before the due date, the licensee shall be liable to pay a penal tax on the tax due at a rate of two percent for the period the return is outstanding.

(2) The penal tax under subsection (1) shall be treated as tax of the same nature as the tax to which it relates and shall be payable as that tax”;

- (b) in the Fourth Schedule by inserting immediately after paragraph 5 the following:

“6(1) Notwithstanding anything in this Act, if the Commissioner General is satisfied that an arrangement has been entered into or carried out where—

- (a) a person has obtained a tax benefit in connection with the arrangement; and
(b) having regard to the substance of the arrangement, it would be concluded that the person, or one of the persons, who entered into or carried out the scheme did so for the sole or dominant purpose of enabling the person to obtain the tax benefit,

the Commissioner-General may determine the liability of the person who has obtained the tax benefit as if the scheme had not been entered into or carried out, or in a manner as in the circumstances the Commissioner-General considers appropriate for the prevention or reduction of the tax benefit. (2) In this paragraph— “arrangement” includes any agreement, promise, or undertaking whether express or implied and whether or not enforceable, or intended to be enforceable, by legal proceedings, and any plan, proposal, course of action, or course of conduct; “tax benefit” includes—

- (a) a reduction in the liability of any person to pay tax; or
- (b) an increase in the entitlement of a person to a credit or refund; and
- (c) any other avoidance or postponement of liability for the payment of tax.”.

2. Amendments to the East African Customs and Transfer Tax Management Act.

The East African Customs and Transfer Tax Management Act is amended in—

- (a) Section 48 by substituting for subsection (1) the following—

“(1) All warehoused goods which have not been removed from a warehouse in accordance with this Act within three months from the date on which they were warehoused may, with the written permission of the Commissioner General, be re-entered for a further period of three months:

Provided that in the case of motor vehicles and raw materials the periods will be six months.”.

- (b) Section 28 by inserting immediately after subsection (4) the following subsections—

“(5) All goods of a value of F.O.B. equivalent to ten thousand United States dollars or more to be imported into Uganda and which will be entered for home consumption shall be subject to preshipment inspection.

(6) Any person who contravenes the provisions of subsection (5) shall pay a fine of three percentum of the value of the goods.”.

History: Act 2/1998; Act 7/1999, s. 13.

Cross References

East African Excise Management Act, Laws of the Community, 1970
Revision, Cap. 28. East African Customs and Transfer Tax
Management Act, Laws of the
Community, 1970 Revision, Cap. 27.