



THE REPUBLIC OF UGANDA

**THE PUBLIC FINANCE MANAGEMENT  
(AMENDMENT) ACT, 2021**

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*Act No. 23 of 2021*

**ACTS SUPPLEMENT**

*to The Uganda Gazette No. 92, Volume CXIV, dated 24th December, 2021*

Printed by UPPC, Entebbe, by Order of the Government.

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**Act 23**      *Public Finance Management (Amendment) Act*      **2021**

**THE PUBLIC FINANCE MANAGEMENT (AMENDMENT)  
ACT, 2021**

**An Act to amend the Public Finance Management Act, 2015 to enable the National Oil Company to retain proceeds from the sale of petroleum arising from the State participating interest in the applicable petroleum agreements for purposes of meeting its financial obligations arising from the applicable petroleum agreements and Joint Operating Agreements in each calendar year, based on estimated budgets; for meeting obligations on its own behalf as well as on behalf of the State as provided for in the relevant petroleum agreements and the law applicable to the East African Crude Oil Pipeline Project; to provide for the deposit by the National Oil Company of the balance from the proceeds retained into the Petroleum Fund and for the appropriation of funds to the National Oil Company for approved investments.**

**DATE OF ASSENT:** 20th December, 2021

*Date of Commencement:* 24th December, 2021

**BE IT ENACTED** by Parliament as follows:

**1. Amendment of section 3 of Act 3 of 2015**

The Public Finance Management Act, 2015 in this Act referred to as the principal Act is amended in section 3, by substituting for the definition of “petroleum revenue” the following—

“Petroleum revenue” means tax paid under the Income Tax Act on income derived from petroleum operations, Government share of production, signature bonus, surface rentals, royalties, proceeds from the sale of Government share of production, any dividends due to Government, proceeds from the sale of Government’s commercial interests and any other duties or fees payable to the Government from contract revenues under a petroleum agreement but excludes cash calls appropriated by Parliament from time to time, cost oil attributable to State participation and the tariff payable under the law relating to the East African Crude Oil Pipeline Project.”.

## **2. Amendment of section 57 of principal Act**

The principal Act is amended in section 57 by inserting immediately after subsection (5) the following—

“(5a) Notwithstanding any provision of this Act, the National Oil Company shall retain a portion of the proceeds from the sale of petroleum arising from the State participating interest in applicable petroleum agreements for purposes of—

- (i) meeting its financial obligations arising from applicable petroleum agreements and Joint Operating Agreements in each calendar year, based on the estimated budgets; and
- (ii) meeting obligations borne by the National Oil Company on its own behalf and on behalf of the Government as provided for in the Host Government Agreement, Tariff and Transportation Agreements and the law relating to the East African Crude Oil Pipeline project.



- (5b) The National Oil Company shall present the budget estimates referred to in subsection 5(a) (i) to Parliament and upon approval by Parliament, the National Oil Company shall use the proceeds retained.
- (5c) The budget estimates presented under subsection (5b) shall be processed by Parliament within fifteen days from the date of submission and where a decision is not made by Parliament within the fifteen days, the budget estimates shall be deemed approved.
- (5d) The National Oil Company shall deposit the balance of the proceeds retained after expending monies for the purposes of subsection (5a) into the Petroleum Fund and shall submit a copy of the record of the monies deposited to the Minister, the Uganda Revenue Authority, the Secretary to the Treasury, the Accountant General and the Auditor General.

### 3. Amendment of section 58 of principal Act

The principal Act is amended in section 58 by—

- (a) numbering the current provision as subsection (1);
- (b) inserting immediately after paragraph (b), the following—
- “(c) for approved investments of the National Oil Company.”; and
- (c) inserting immediately after subsection (1), the following—
- “(2) For the purposes of this section “approved investments” means investments approved by the Board of Directors of the National Oil Company and Cabinet.”

**Cross Reference**

Income Tax Act, Cap. 340