

CHAPTER 183

THE FINANCE ACT (No. 2), 1994.

Arrangement of Sections.

Section

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CHAPTER 183

THE FINANCE ACT (No. 2), 1994.

Commencement: 17 June, 1994.

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

PART I—AMENDMENTS TO THE EAST AFRICAN CUSTOMS AND TRANSFER TAX MANAGEMENT ACT.

1. Construction of Part I.

This Part of the Act shall be read as one with the East African Customs and Transfer Tax Management Act in this Part referred to as the Act.

2. Amendment to section 103.

The Act is amended in section 103 by substituting subsections (4) and (5) as follows—

“(4) Where the conditions of the importation of goods have been complied with then, on the exportation of the goods any deposit or security given under subsection (2) shall be refunded or discharged, as the case may be.

(5) Where the conditions of the importation of the goods have been contravened, then the goods shall become liable to duty, as from the date of their importation and the owner shall be required to pay duty and on payment of the duty any deposit given under subsection (2) shall be brought into account or, if security was given, security shall be discharged.

(6) Save where goods are allowed to remain in Uganda under subsection (5)—

(a) an importer who fails to export temporarily imported goods at the end of the period specified in subsection (3); or

(b) any person who sells, alters or replaces or otherwise modifies any goods or part thereof; commits an offence and is liable, on conviction, to a fine not exceeding one million shillings and any goods which are the subject of the offence, shall be liable to forfeiture.

(7) The Minister may, by statutory instrument, declare that the goods specified in the instrument shall not be imported in accordance with this section, or declare that the goods may be imported subject to proportion of duty or dumping duty.”.

3. Deletion of section 124.

The Act is amended by deleting section 124.

4. Amendment to section 146.

Section 146 of the Act is amended in paragraph (a) by inserting a new subparagraph (iii) as follows—

“(iii) any uncustomed goods;”.

5. Miscellaneous punishments amendments.

The fines and punishments specified under the second column of the Schedule to this Act are substituted for the fines and punishments appearing in the sections indicated in the first column.

PART II—MISCELLANEOUS PROVISIONS.

6. Recovery of tax from successor and duty to notify discontinuance of business.

(1) Where a person carrying on any business liable to duty, levy or tax has been succeeded by another person, and when the duty, levy or tax due and payable by the person succeeded cannot be recovered from him or her, it shall be payable by and recovered from the person succeeding him or her.

(2) If the person succeeding fails to pay the duty, levy or tax on the date fixed by the Commissioner General, then the provisions of the law relating to the collection and recovery of duty, levy or tax shall apply to the

collection and recovery of the amount due as if it were the duty or tax due and payable by the person succeeding.

(3) Any person intending to discontinue any business liable to duty or tax shall give to the Commissioner General a notice of his or her intention thirty days before the date of discontinuance, and where a person fails to give the notice required by this section, the Commissioner General may direct that a sum not exceeding two hundred thousand shillings be recovered from that person by way of penalty.

7. Disputes.

(1) If any dispute arises as to what duty, levy or tax is payable on any goods, the importer, manufacturer or producer shall pay the amount demanded by the proper officer but may, within thirty days from the date of payment, lodge an objection by notice to the Commissioner General for determination of the matter in dispute.

(2) A notice of objection under subsection (1) shall clearly specify the grounds of objection.

(3) Where the Commissioner General is satisfied that owing to absence from Uganda, sickness or other reasonable cause, the person objecting was prevented from giving notice within the thirty days prescribed under subsection (1) and that there has been no unreasonable delay by that person in lodging the objection, the Commissioner General may accept the notice of objection.

(4) The Commissioner General may, under exceptional circumstances, accept a notice of objection if he or she is satisfied that the person objecting is not in a position to pay the full amount and the objecting person agrees to pay an interest of 10 percent higher than the ruling commercial bank lending rate and has given sufficient security for the amount unpaid.

(5) The Commissioner General shall communicate his or her decision in writing on any objection lodged by a person under this section not later than two months after the date on which he or she received the objection.

(6) Any person objecting to the decision of the Commissioner General under subsection (1) may, not later than three months from the date

of receipt of the Commissioner General's decision, appeal to the commissioner of appeals.

(7) If in any objection under subsection (1) or an appeal under subsection (6), the commissioner of appeals determines that a lesser or no amount was properly payable in respect of duty or tax on the goods, the amount overpaid shall be refunded by the Commissioner General.

(8) Subsections (1) to (3) and subsection (5) shall, so far as applicable, apply in the case of disputes as to amount of refund, rebate or drawback payable in respect of any goods, and to other duties or tax arising from the operation of the appropriate enactment.

8. Commissioner of appeals.

The Minister may, by notice published in the Gazette, appoint a commissioner of appeals.

9. Commercial transaction levy for goods vehicles.

All goods transportation vehicles shall, at the renewal of a licence, pay a commercial transaction levy as is provided below—

- (a) for twelve months, forty-five shillings per kilogram of gross weight;
- (b) for eight months, thirty shillings per kilogram of gross weight;
and
- (c) for four months, fifteen shillings per kilogram of gross weight.

Punishments and fines amended.

| Section | Punishment or fine |
|-----------|--|
| 7(1) | Fine not exceeding five hundred thousand shillings or to imprisonment not exceeding five years |
| 7(2) | Fine not exceeding five million shillings or to imprisonment not exceeding five years |
| 50(3) | Fine not exceeding five hundred thousand shillings or to imprisonment not exceeding five years |
| 53(8) | Five hundred thousand shillings any day, or part of a day |
| 88(3) | One million shillings |
| 94(4) | One million shillings |
| 128(4)(a) | One million shillings |
| 128(4)(b) | Two million shillings |
| 129(2)(a) | One million shillings |
| 129(2)(b) | Two million shillings |
| 131(3) | Five hundred thousand shillings |
| 141(3) | Insert between the words “to” and “imprisonment” the words, “a fine of one million or” |
| 144 | Three years |
| 148 | Five years or a fine not exceeding five million shillings |
| 149 | One year or a fine not exceeding five hundred thousand shillings |
| 150 | One million shillings |

History: Statute 17/1994, s. 8; Statute 9/1996, ss. 14, 22; Act 3/1996, s. 8; Act 12/1997, s. 42; Act 2/1998, s. 14; Act 1/1999, ss. 13, 17, 18.

Cross Reference

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

