
ACTS

SUPPLEMENT No. 11

25th August, 2023

ACTS SUPPLEMENT

to The Uganda Gazette No. 56, Volume CXVI, dated 25th August, 2023

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

Act 24

Excise Duty (Amendment) (No. 2) Act

2023

THE EXCISE DUTY (AMENDMENT) (No. 2) ACT, 2023

An Act to amend the Excise Duty Act, 2014 to provide equivalent excise duty treatment of Islamic financial business to conventional financial services.

DATE OF ASSENT: 17th August, 2023

Date of Commencement: 25th August, 2023

BE IT ENACTED by Parliament as follows:

Amendment of the Excise Duty Act, 2014

The Excise Duty Act, 2014 is amended in Schedule 2 by substituting for item 14, the following—

“14	Ledger fees, ATM fees, withdrawal fees, periodic charges and other transaction and non-transaction charges, excluding loans or the equivalent under Islamic banking-related charges, periodically charged by a financial institution or micro finance deposit-taking institution.	15% of the fees charged.”
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Act 18

Foreign Exchange (Amendment) Act

2023

THE FOREIGN EXCHANGE (AMENDMENT) ACT, 2023

ARRANGEMENT OF SECTIONS

Section

1. Amendment of Foreign Exchange Act, 2004
2. Amendment of section 5 of principal Act
3. Insertion of section 5A in principal Act
4. Amendment of section 6 of principal Act
5. Amendment of section 9 of principal Act
6. Insertion of sections 15A and 15B in principal Act
7. Amendment of section 17 of principal Act
8. Insertion of section 17A in principal Act
9. Amendment of section 18 of principal Act
10. Insertion of section 22 in principal Act
11. Transitional

THE FOREIGN EXCHANGE (AMENDMENT) ACT, 2023.

An Act to amend the Foreign Exchange Act, 2004 to provide for the enhancement of the minimum capital requirements to carry on foreign exchange business; to provide for the use of technology in operations; to provide for the levying of administrative penalties; to provide for the strengthening of the vetting requirements; to harmonise the regulatory regime pertaining to foreign exchange bureaux and money remittance companies within the East African Community; and for related matters.

DATE OF ASSENT: 17th August, 2023

Date of Commencement: 25th August, 2023

BE IT ENACTED by Parliament as follows:

1. Amendment of Foreign Exchange Act, 2004

The Foreign Exchange Act, 2004, in this Act referred to as the principal Act, is amended in section 3—

- (a) by substituting for the definition of “foreign exchange business”, the following—

““foreign exchange business” means the business of physical or virtual buying and selling of foreign currency;”;

- (b) by inserting immediately after the definition of “Governor”, the following—

““licensee” means a person licensed in accordance with this Act and regulations made under this Act to transact foreign exchange business or money remittance business;”; and

- (c) by inserting immediately after the definition of “Minister”, the following—

““money remittance business” means the business of foreign currency transfers consisting of the acceptance of monies for the purpose of transmitting the monies to persons resident in Uganda or another country;”.

2. Amendment of section 5 of principal Act

Section 5 of the principal Act is amended—

- (a) in subsection (1), by substituting for the words “any other law”, the words “an Act of Parliament”;
- (b) by inserting immediately after subsection (2), the following—

“(2a) The Bank of Uganda may, by statutory instrument and in consultation with the Minister, revise the fees prescribed under subsection (2).”;

- (c) by substituting for subsection (3), the following—

“(3) The minimum paid up share capital to carry out foreign exchange business shall be two thousand five hundred currency points.”;

- (d) by substituting for subsection (4), the following—

“(4) The minimum paid up share capital to carry out money remittance business shall be ten thousand currency points.”;

- (e) by inserting immediately after subsection (4), the following—

“(4a) The Governor may, by statutory instrument made in consultation with the Minister, revise the minimum capital requirements for foreign exchange business and money remittance business.”;

- (f) in subsection (5), by substituting for the words “or renew a licence issued under subsection (2)”, the words “a licence”;

- (g) by substituting for subsection (6), the following—

“(6) A licence issued under this section shall remain valid, unless suspended or revoked by the Bank of Uganda.”;

- (h) by repealing subsection (7);

- (i) by substituting for subsection (8), the following—

“(8) The Bank of Uganda may, when issuing a licence under this section, impose such conditions or restrictions on the licence as the Bank of Uganda considers appropriate.”; and

- (j) by substituting for subsection (9), the following—

“(9) Notwithstanding any other law, only a body incorporated under the Companies Act, 2012 or under any other Act of Parliament, with a minimum of two shareholders, shall qualify for a licence under this section.”

3. Insertion of section 5A in principal Act

The principal Act is amended by inserting immediately after section 5, the following—

“5A. On-going capital requirements

(1) The minimum capital fund for foreign exchange business and money remittance business, unimpaired by losses, shall not be less than the minimum capital required under section 5(3) and 5(4) respectively.

(2) Where a foreign exchange business or money remittance business is undercapitalised, the Bank of Uganda shall immediately take the following actions—

- (a) require the directors to submit a written explanation detailing the causes of the undercapitalisation and the measures being taken by the foreign exchange business or money remittance business to rectify the undercapitalisation;
- (b) where the foreign exchange business or money remittance business remains undercapitalised for two consecutive quarters, the Bank of Uganda shall order the shareholders or directors of the foreign exchange business or money remittance business to recapitalise the foreign exchange business or money remittance business within a period not exceeding one hundred and eighty calendar days from the

date on which the order is received by the foreign exchange bureau or money remittance business; and

- (c) where the shareholders or directors fail to recapitalise the foreign exchange business or money remittance business within the time prescribed under paragraph (b), the Bank of Uganda shall revoke the licence of the foreign exchange business or money remittance business.

(3) For the purposes of this section, an undercapitalised foreign exchange bureau or money remittance business is one which does not comply with the capital requirements prescribed in section 5(3) and 5(4).”

4. Amendment of section 6 of principal Act

The principal Act is amended in section 6—

- (a) in subsection (2), by repealing the words, “extended or renewed”;
- (b) in subsection (3), by repealing the words, “extended or renewed”; and
- (c) in subsection (3) (b), by repealing the words, “extension, or renewal”.

5. Amendment of section 9 of principal Act

Section 9 of the principal Act is amended—

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

“(2) All payments in foreign currency within Uganda, to or from Uganda, between residents and non-residents or between non-residents, shall be made through an entity licensed by the Bank of Uganda.”; and

- (b) in subsection (3) by substituting for the words “the business of money transfers”, the words “money remittance business”.

6. Insertion of sections 15A and 15B in principal Act

The principal Act is amended by inserting immediately after section 15, the following—

“15A. Furnishing of information

(1) Every licensee under this Act shall furnish to the Bank of Uganda, at such times and in such form as the Bank of Uganda may prescribe, all information and data relating to their operations in Uganda, including periodic returns.

(2) A licensee who, without reasonable cause, fails to comply with subsection (1) or who submits inaccurate information or returns, shall pay an administrative penalty as may be levied by the Bank of Uganda.

(3) An administrative penalty levied on a licensee under subsection (2) shall not exceed one thousand currency points and shall be used by the Bank of Uganda to offset supervision costs and such monies shall be retained by the Bank of Uganda.

15B. Compliance with reporting requirements under Anti-Money Laundering Act, 2013

A licensee under this Act shall comply with the reporting requirements under the Anti-Money Laundering Act, 2013.”

7. Amendment of section 17 of principal Act

The principal Act is amended in section 17(1) by substituting for the words “two hundred currency points”, the words “one thousand currency points”.

8. Insertion of section 17A in principal Act

The principal Act is amended by inserting immediately after section 17, the following—

“17A. Administrative penalties

The Bank of Uganda may, by statutory instrument, prescribe and levy administrative penalties on licensees for the contravention of this Act or regulations made under this Act.”

9. Amendment of section 18 of principal Act

The principal Act is amended in section 18—

- (a) by inserting immediately after subsection (1), the following—

“(1a) Without limiting the general effect of subsection (1), the Bank of Uganda may make regulations relating to—

- (a) licence fees;
 - (b) security deposits;
 - (c) minimum and ongoing capital requirements for licensees;
 - (d) reporting requirements; and
 - (e) anything required or authorised by the Act to be prescribed by regulations.”; and
- (b) in subsection (2) (a) by substituting for the words “two hundred currency points”, the words “one thousand currency points”.

10. Insertion of section 22 in principal Act

The principal Act is amended by inserting immediately after section 21, the following—

“22. Act not to apply to financial institutions

For the avoidance of doubt, this Act does not apply to a financial institution licensed under the Financial Institutions Act, 2004 to conduct financial institutions business in Uganda.”

11. Transitional

A foreign exchange bureau or money remittance business in existence at the commencement of this Act, shall—

- (a) within sixty days from the commencement of this Act, comply with sections 15A and 15B; and
- (b) within one hundred and eighty days after the commencement of this Act, comply with the requirements of section 5 (3) and 5 (4).

Cross References

Anti-Money Laundering Act, 2013, Act 12 of 2013.

Companies Act, 2012, Act 1 of 2012.

Financial Institutions Act, 2004, Act 2 of 2004.