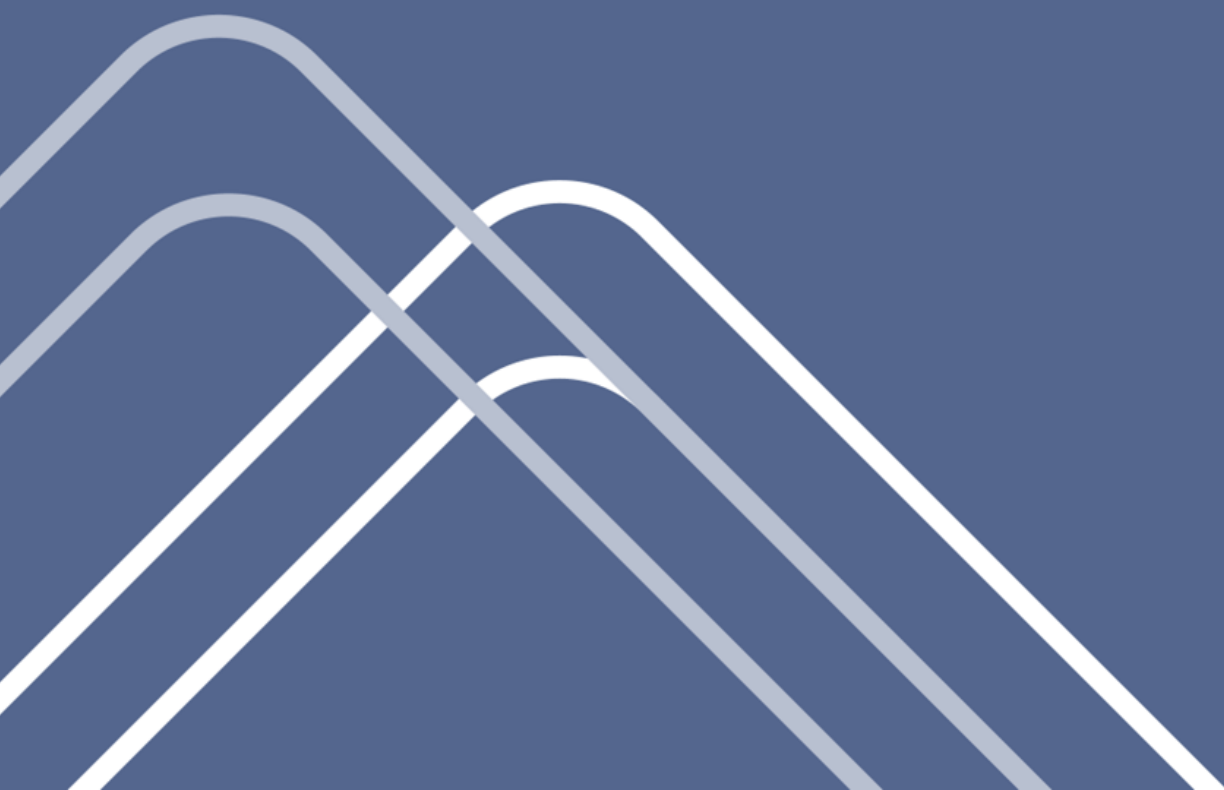


DOING BUSINESS IN UGANDA



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INTRODUCTION

UHY is an international organisation providing audit, accountancy, business management and consultancy services through financial business centres in nearly 100 countries worldwide. Business partners work together throughout the network to conduct transnational operations for clients as well as offering specialist knowledge and experience within their own national borders. Global specialists in various industry and market sectors are also available for consultation.

This detailed report providing key issues and information for investors considering a business operation in Uganda has been provided by the office of UHY's representative there:

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You are welcome to contact Mr. Nitin H. Unadkat (nitin@uhy-ug.com) for any inquiries you may have.

Information in the following pages has been updated so that it is effective at the date shown, but inevitably it is both general and subject to change and should be used for guidance only. For specific matters, investors are strongly advised to obtain further information and take professional advice before making any decisions. This publication is current at June 2026.

We look forward to helping you do business in Uganda.

BUSINESS ENVIRONMENT

BACKGROUND

Uganda is a landlocked country in East Africa, bordered by Kenya to the east, Tanzania to the south, Rwanda to the southwest, the Democratic Republic of Congo to the west, and South Sudan to the north. The country straddles the equator and is known for its remarkable natural landscape, including Lake Victoria — the largest lake in Africa — the Rwenzori Mountains, and abundant wildlife.

Population	Approximately 50 million (2024 estimate)
Capital City	Kampala
Currency	Ugandan Shilling (UGX)
Official Language	English and Swahili (Luganda widely spoken)
Government	Presidential Republic
Head of State	H.E. Yoweri Kaguta Museveni
GDP (nominal)	USD 64.3 billion (2025 estimate)
GDP Growth Rate	6.3% (2024); projected 6.2% (2025)
Inflation Rate	3.3% (2024)
Major Exports	Coffee, tea, fish, gold, tobacco, cotton, cut flowers
Major Imports	Capital goods, vehicles, petroleum, medicines, industrial machinery
Time Zone	East Africa Time (UTC+3)

ECONOMIC OVERVIEW

Uganda has demonstrated strong economic resilience in recent years. The economy grew by an estimated 6.3% in 2024, up from 4.9% in 2023, driven by strong performance across all sectors, particularly agriculture (7.8%) and services (5.8%). Growth is forecast to remain buoyant at 6.2% in 2025 and is projected to climb above 7% in 2026, propelled by agriculture, services, and anticipated commercial oil production.

Foreign Direct Investment (FDI) reached a record USD 3.4 billion in 2024, growing by 12.5%, largely driven by investments in oil and gas. Uganda is implementing its Fourth National Development Plan (NDP IV) from July 2025, focusing on sustainable industrialisation, employment, and wealth creation. Micro, Small, and Medium Enterprises (MSMEs) form the backbone of Uganda's economy, accounting for over 90% of private sector firms.

INFRASTRUCTURE

Transportation

Entebbe International Airport, located 40 km from Kampala, is the main international gateway. The Entebbe-Kampala Expressway connects the airport to the capital. The country is linked to the port of Mombasa, Kenya via the Northern Corridor road network, the primary trade artery for landlocked Uganda.

Energy

Uganda has significant hydroelectric capacity. Key generating plants include Bujagali (250 MW), Karuma (600 MW), and Isimba (183 MW). Power availability, though improving, remains a concern for businesses and backup generators are commonly used.

Banking and Financial Services

Uganda's banking and financial sector is regulated by the Bank of Uganda (BOU). The sector is generally healthy with over 25 commercial banks. Mobile money has transformed financial inclusion, with over 50.5 million accounts and total transactions in 2024 exceeding USD 70 billion. In February 2024, Uganda was removed from the FATF Grey List following improvements in AML/CFT frameworks.

Communications

Uganda has a growing telecommunications sector. Major operators include MTN Uganda and Airtel Uganda. 4G LTE services are available in major urban centres. The government has invested in the Uganda National Backbone Infrastructure (NBI) to extend connectivity.

Education

Uganda has a system of free universal primary and secondary education. Universities include Makerere University (one of Africa's oldest), Kyambogo University, and Uganda Christian University. The healthcare system comprises public and private providers; private facilities are widely used, particularly in urban areas.

HOLIDAYS IN UGANDA

1 January	New Year's Day
26 January	NRM Liberation Day
8 March	International Women's Day
Variable	Good Friday & Easter Monday
1 May	International Labour Day
3 June	Uganda Martyrs' Day
9 June	National Heroes' Day
9 October	Independence Day
25 December	Christmas Day
26 December	Boxing Day
Variable	Eid al-Fitr & Eid al-Adha

FOREIGN INVESTMENT

Uganda actively welcomes foreign direct investment and has developed a supportive legal and institutional framework. The Uganda Investment Authority (UIA) is the primary government agency for promoting and facilitating investment. FDI reached a record USD 3.4 billion in 2024.

LEGAL FRAMEWORK

The Constitution of Uganda and the Investment Code Act (ICA) 2019 are the principal instruments regulating foreign investment. Key protections include:

- The right to property is guaranteed to all persons, domestic and foreign.
- Expropriation of property is prohibited except in the national interest and must be accompanied by fair market value compensation.
- Foreign investors have the right to repatriate capital, profits, and dividends without restriction.
- Uganda maintains open capital accounts with no restrictions on capital transfers in or out of the country.
- In February 2024, Uganda was removed from the FATF Grey List, enhancing confidence in the financial system.

INVESTMENT INCENTIVES

The following investment-based incentives are available under Uganda's Domestic Tax Laws (2025). Capital thresholds differ for foreign investors and Ugandan citizen/resident investors:

Incentive Category	Foreign Investor Threshold	Citizen / Resident Threshold
Developers of Industrial Parks or Free Zones (10-Year Income Tax Holiday, VAT & Stamp Duty exemptions)	USD 50 million	USD 10 million
Operators in Strategic Sectors (10-Year Income Tax Holiday, VAT & Excise exemptions)	USD 10 million	USD 300,000 (or USD 150,000 if upcountry)
New Small Businesses (3-	Not Applicable	Up to UGX 500 million

Year Income Tax Holiday)		
Hotel or Tourism Facility Developers (VAT, Excise & Stamp Duty exemptions on materials)	USD 8 million	USD 8 million
Hospital Facility Developers (VAT, Excise & Stamp Duty exemptions on materials)	USD 5 million	USD 5 million
Technical or Vocational Institute Operators (VAT, Excise & Stamp Duty exemptions on materials)	USD 10 million	USD 1 million
Large-Scale Manufacturers (VAT exemptions on feasibility studies and construction)	USD 30 million	USD 5 million
Electric Vehicle & Battery Manufacturers (Excise Duty exemptions on materials)	USD 35 million	USD 5 million
Exporters of Finished Consumer / Capital Goods (10-Year Income Tax Holiday)	80% of production must be exported	80% of production must be exported

Key Qualifying Sectors for Strategic Operators

To qualify for the Strategic Operator thresholds (USD 10 million for foreigners / USD 300,000 for citizens), the investment must be in one of the following sectors:

Agro-processing

Manufacturing of medical appliances, pharmaceuticals, or building materials

Automobile, electric vehicle, or battery manufacturing

Logistics and warehousing

Information technology or commercial farming

RESTRICTED SECTORS

Certain activities are reserved for Ugandan citizens or are not eligible for investment incentives:

Wholesale and retail trade (for the Ugandan market only)

Personal and public relations services

Postal services and car hire services

Bakeries, confectioneries, and food processing exclusively for the local market

Taxi services

SPECIAL ECONOMIC ZONES

Uganda has established Special Economic Zones (SEZs) and Industrial Parks to attract investment. The Kampala Industrial and Business Park (KIBP) in Namanve is the largest, covering over 1,000 hectares. Additional parks are located in Luzira, Jinja, Mbale, and Mbarara. Companies operating in SEZs benefit from reduced customs duties, tax exemptions, and streamlined regulations.

DISPUTE RESOLUTION

Uganda is a member of the International Centre for Settlement of Investment Disputes (ICSID) and has signed a number of Bilateral Investment Treaties (BITs). The Commercial Court in Kampala handles commercial disputes. The Competition Act 2023 established a framework for dealing with anti-competitive practices. Arbitration and Alternative Dispute Resolution (ADR) mechanisms are available and growing in use.

SETTING UP A BUSINESS

Business registration in Uganda is administered by the Uganda Registration Services Bureau (URSB) through its Online Business Registration System (OBRs), making the process largely digital and accessible.

TYPES OF BUSINESS ENTITIES

Sole Proprietorship

The simplest form of business in Uganda. Owned and operated by a single individual and registered under the URSB by filing a business name. The owner bears unlimited personal liability.

Partnership

A business owned by two or more persons, governed by the Partnership Act. Partners share profits, losses, and management responsibilities. Unlimited liability applies unless a Limited Liability Partnership (LLP) structure is adopted.

Private Limited Company (Ltd)

The most common structure for small to medium-sized businesses and foreign investors. Shareholders' liability is limited to their investment. A minimum of one director and one shareholder is required.

Public Limited Company (PLC)

Suitable for larger enterprises planning to raise capital from the public. Must have a minimum of two directors and at least seven shareholders. Shares may be listed on the Uganda Securities Exchange (USE).

Branch of a Foreign Company

Foreign companies may establish a branch in Uganda by registering with the URSB as an external company. The branch is taxed at 30% on Uganda-sourced income, plus an additional 15% branch repatriation tax on profits remitted abroad.

NGO / Company Limited by Guarantee

Used by not-for-profit organisations. Regulated by the NGO Bureau under the National NGO Act 2016. Suitable for charities, associations, and international organisations.

REGISTRATION PROCESS

Step 1: Reserve a business name through the URSB OBRS portal.

Step 2: Prepare incorporation documents — Memorandum & Articles of Association, Form A1, Form A2, and Form 7.

Step 3: Submit documents online through the OBRS and pay the requisite registration fees.

Step 4: Obtain a Certificate of Incorporation from URSB.

Step 5: Register for a Tax Identification Number (TIN) with the Uganda Revenue Authority (URA).

Step 6: Register for VAT if annual turnover exceeds UGX 250 million.

Step 7: Register as an employer with the National Social Security Fund (NSSF) if employing five or more workers.

Step 8: Obtain sector-specific licences where required (financial services, petroleum, pharmaceuticals, telecommunications).

COMPANY CAPITAL

Uganda imposes no minimum share capital requirement for a private limited company. For foreign investors seeking UIA incentives, a minimum investment required as applies. Public companies must meet disclosure requirements for listing on the Uganda Securities Exchange.

FOREIGN OWNERSHIP

There are no general restrictions on foreign ownership of companies in Uganda, except in sectors reserved for Ugandan citizens. Foreign nationals require a work permit to be employed in Uganda, unless covered by the EAC Common Market Protocol.

LABOUR

Uganda's employment and labour relations are governed by a comprehensive set of laws. The Employment Act Cap. 219 is the primary legislation, supplemented by the Labour Disputes Act, Occupational Safety and Health Act, Workers' Compensation Act, and the NSSF Act.

EMPLOYMENT CONTRACTS

All employees must be offered a written contract of employment. Contracts may be for a fixed term, specific task, or of indefinite duration, and must comply with minimum standards under the Employment Act regarding working hours, leave entitlements, termination, and notice periods.

WORKING HOURS AND LEAVE

Normal working hours: 8 hours per day, 48 hours per week.

Overtime must be compensated at at least 1.5 times the normal hourly rate.

Annual leave: Minimum 21 working days per year after 12 months of continuous employment.

Sick leave: Up to 30 days on full pay per year, with a further 30 days on half pay.

Maternity leave: 60 working days (12 weeks) on full pay. Paternity leave: 4 working days.

WAGES AND SALARIES

Uganda does not currently have a nationally mandated minimum wage, though the government periodically reviews this. Employers are required to deduct Pay As You Earn (PAYE) income tax and NSSF contributions from employee salaries.

NATIONAL SOCIAL SECURITY FUND (NSSF)

Employers with five or more employees must register with the NSSF and make monthly contributions:

Employee Contribution	5% of gross monthly salary
Employer Contribution	10% of gross monthly salary
Total Contribution	15% of gross monthly salary

WORK PERMITS

Foreign nationals require a valid work permit to be employed in Uganda, issued by the Directorate of Citizenship and Immigration Control. Citizens of EAC partner states may benefit from reduced restrictions under the EAC Common Market Protocol. Permit categories include Class G (specific employment) and Class K (investors).

TAXATION

Uganda's tax system is administered by the Uganda Revenue Authority (URA). The principal taxes applicable to businesses are corporate income tax, PAYE, Value Added Tax (VAT), withholding tax, and customs and excise duties. Uganda's fiscal year runs from 1 July to 30 June.

INCOME TAX

Corporate Income Tax

The standard corporate income tax rate is 30% on chargeable income (gross income less allowable deductions). Resident companies are taxed on worldwide income; non-resident companies are taxed only on Uganda-sourced income. Branches of foreign companies pay 30% corporate tax plus a 15% branch repatriation tax. Small businesses with turnover below UGX 150 million are subject to presumptive tax at simplified rates of 1–1.5% of turnover. Capital gains are taxed as ordinary income at 30%.

Personal Income Tax (PAYE)

Uganda operates a progressive personal income tax system. Employment income is collected via Pay As You Earn (PAYE). Annual tax brackets for resident individuals:

Up to UGX 2,820,000	0% (nil)
UGX 2,820,001 – 4,020,000	10%
UGX 4,020,001 – 4,920,000	20%
UGX 4,920,001 – 120,000,000	30%
Above UGX 120,000,000	40%

Non-residents are taxed at a flat rate of 30% on Uganda-sourced income.

CUSTOMS LAW

Value Added Tax (VAT)

Standard VAT rate: 18% on the supply of most goods and services. Exports are zero-rated (0%).

Exempt supplies include healthcare, education, financial services, unprocessed agricultural products, and certain petroleum products.

Mandatory VAT registration threshold: UGX 250 million annual turnover.

VAT returns must be filed monthly, by the 15th of the following month.

All VAT-registered taxpayers must enrol in the Electronic Fiscal Receipting and Invoicing Solution (EFRIS).

Withholding Tax

Withholding tax (WHT) applies to various payments to residents and non-residents:

Dividends (non-residents)	15%
Interest (non-residents)	15%
Royalties (non-residents)	15%
Management fees (non-residents)	15%
Rent (residents)	15%
Professional fees (residents)	6%
Payments to contractors (residents)	6%

Uganda has Double Taxation Agreements (DTAs) with a number of countries including the UK, Netherlands, Italy, South Africa, India, Mauritius, Denmark, Norway, and Zambia.

Customs and Excise Duties

Uganda is a member of the East African Community (EAC) and applies the EAC Common External Tariff (CET). Import duties range from 0% on raw materials and capital goods to 25% on finished consumer goods. Excise duties apply to beer, spirits, tobacco, fuel, and telecommunications services.

Tax Administration

Corporate income tax returns: due within six months of the end of the accounting year.

PAYE: must be remitted to URA by the 15th of the following month.

VAT returns: filed monthly, by the 15th of the following month.

Withholding tax: remitted to URA by the 15th of the month following deduction.

Quarterly provisional tax payments required for companies with tax liability exceeding UGX 1 million.

ACCOUNTING AND REPORTING

The accounting and financial reporting framework in Uganda is governed by the Companies Act 2012 and the Accountants Act 2013. The Institute of Certified Public Accountants of Uganda (ICPAU) is the professional accountancy body mandated to regulate accounting standards, and is a member of IFAC and PAFA.

ACCOUNTING STANDARDS

Uganda has adopted International Financial Reporting Standards (IFRS) for all entities:

ICPAU adopted IFRS (then IAS) in 1998; they apply without modification for all entities required to use them.

Public Interest Entities (PIEs) — listed companies, banks, insurance companies, and large entities — must apply full IFRS as issued by the IASB.

Non-PIEs (smaller private companies) may apply IFRS for SMEs, adopted by ICPAU in 2009.

ICPAU has announced the adoption of IFRS Sustainability Disclosure Standards (ISSB Standards) in line with global trends.

Public sector entities are required to apply International Public Sector Accounting Standards (IPSAS).

AUDIT REQUIREMENTS

All companies registered in Uganda are required to have their financial statements audited annually by a registered auditor. Auditors must be registered with ICPAU and must comply with International Standards on Auditing (ISA). Auditors of PIEs must communicate Key Audit Matters (KAM) in their report in compliance with ISA 701.

FINANCIAL YEAR AND FILING

Companies in Uganda may adopt any financial year, though the calendar year (January to December) and the government fiscal year (July to June) are most common. Audited financial statements and annual returns must be filed with the URSB within prescribed periods following the financial year end.

ELECTRONIC INVOICING

The Uganda Revenue Authority has implemented the Electronic Fiscal Receipting and Invoicing Solution (EFRIS). All VAT-registered businesses are required to enrol in EFRIS and issue electronic invoices and receipts. This enables direct electronic communication with the URA, improving tax compliance.

UHY IN UGANDA



UHY Thakkar & Associates, Certified Public Accountants

Uganda

CONTACT DETAILS

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CONTACTS

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Position:	Managing Partner
Email:	sam@uhy-ug.com

Year established:	2014
PCAOB registered?	No
Number of partners:	2
Total staff:	9

BRIEF DESCRIPTION OF FIRM

UHY Thakkar & Associates has been in operation since 2014 and is currently one of the fastest growing Certified Public Accountants and management consultancy firms in Uganda. We offer a wide range financial consulting services all intended to assist clients to undertake and run successful business and development initiatives in Uganda and other countries of East and Central Africa as well as across the globe.

The firm joined UHY in 2015.

SPECIALIST SERVICE AREAS

- Receivership and liquidations
- Company valuations
- Due Diligence assignments
- Tax planning
- Investment appraisals
- Filing of annual returns
- Risk base auditing
- Audit of Oil and Gas sector

PRINCIPAL OPERATING SECTORS

- Oil and Gas
- Construction
- Transport
- Mining
- Transport and logistics

LANGUAGES

- English

UHY Thakkar & Associates, Certified Public Accountants

Uganda

CURRENT PRINCIPAL CLIENTS

Meera Investments Ltd, Crane Paper Bags Ltd, Altix East Africa Limited, East African Cranes Ltd, Kibimba Limited, Strategic Logistics Ltd, Speke Hotel 1996 Ltd

BRIEF HISTORY OF FIRM

UHY Thakkar & Associates is an Audit and Consultancy firm in Uganda certified by the Institute of Certified Accountants of Uganda. Established in 2014 as ST & Associates, and in September 2015 it was confirmed by UHY International as a member firm.

Let us help you achieve further business success

UHY Thakkar & Associates is an independent member of Urbach Hacker Young International Limited ("UHY International"), a UK company, and forms part of the UHY International network of legally independent accounting and consulting firms.

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