

Uganda

## Excise Duty Act Chapter 336

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# Uganda

## Excise Duty Act Chapter 336

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**Commenced on 1 July 2014**

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*[Amended by [Excise Duty \(Amendment\) Act, 2020 \(Act 21 of 2020\)](#) on 27 November 2020]*

*[Amended by [Law Revision \(Miscellaneous Amendments\) Act, 2023 \(Act 17 of 2023\)](#) on 28 July 2023]*

*[Amended by [Excise Duty \(Amendment\) \(No. 2\) Act, 2023 \(Act 24 of 2023\)](#) on 25 August 2023]*

### **An Act to provide for excise duty and related matters.**

*[Act 11/2014; Act 7/2015; Act 12/2016; Act 11/2017; Act 9/2018; Act 12/2018; Act 12/2019; Act 21/2020; Act 6/2021; Act 16/2021; Act 17/2023; Act 24/2023]*

## **Part I – Preliminary**

### **1. Interpretation**

In this Act, unless the context otherwise requires—

“**aircraft**” includes every description of craft used in aerial navigation; “**assessment**” means—

- (a) the ascertainment of excise duty under this Act;
- (b) the ascertainment of the amount of interest and any other amount payable by a person under this Act; or
- (c) a decision of the Commissioner which, under this Act, is subject to objection and appeal;

“**Authority**” means the Uganda Revenue Authority established by the Uganda Revenue Authority Act;

“**beer**” includes ale, porter, and any other description of beer and any liquor which is made or sold as a description of, or substitute for, beer and which contains more than two percent of proof spirit but does not include—

- (a) liquor as defined in the law relating to liquor; or
- (b) any kind of beer prescribed by regulations;

“**cigar**” means a cigar, cheroot, or cigarillo prepared from tobacco;

“**cigarette**” means a cigarette prepared from tobacco and includes any form of tip and the paper;

“**citizen**” means—

- (a) a natural person who is a citizen of a Partner State of the East African Community; or
- (b) a company or a body of persons incorporated under the laws of a Partner State of the East African Community in which at least fifty-one percent of the shares are held by a person who is a citizen of a Partner State of the East African Community;

- “**Commissioner**” means the Commissioner General appointed under the Uganda Revenue Authority Act;
- “**currency point**” has the value assigned to it in Schedule 1 to this Act;
- “**distiller**” means a manufacturer of spirits by distillation of a fermented liquor or enguli or by any other process;
- “**distillery**” means a distiller’s factory;
- “**distiller’s warehouse**” means a place of security provided by a distiller and approved by the Commissioner under this Act;
- “**document**” includes magnetic tapes, disks and microfilms;
- “**enguli**” means a spirituous liquor including a drink containing liquor, which is conveyed into a receiver in a distillery entered under this Act as an enguli receiver;
- “**excisable goods**” means goods manufactured in Uganda and imported into Uganda and specified in Schedule 2 to this Act but does not include goods exempt from duty;
- “**excisable services**” means the services specified in Schedule 2 to this Act;
- “**excise duty**” means a duty imposed under this Act;
- “**export**” means to take or cause to be taken out of Uganda;
- “**goods exempt from duty**” means the goods specified in Schedule 3 to this Act;
- “**import**”, as used in relation to goods, has the meaning assigned to it in the Value Added Tax Act;
- “**importer**”, as used in relation to goods, has the meaning assigned to it in the Value Added Tax Act;
- “**manufacture**” includes the production of excisable goods or any intermediate or uncompleted process in the production of excisable goods or the rectifying or denaturing of spirits;
- “**materials**” means the goods from which excisable goods are capable of being manufactured and any residue from the process of manufacture;
- “**officer**” includes a person, other than a labourer, employed in the service of the Authority and whose right or duty it is to require the performance of any act in this Act;
- “**over-the-top services**” means the transmission or receipt of voice or messages over the internet protocol network and includes access to virtual private networks;
- “**own use**”, in relation to services, means applying the services for non-business use;
- “**owner**” in respect of any excisable goods, materials, aircraft, vessel, vehicle, plant, or other thing, includes a person who is or holds himself or herself out to be the owner, manufacturer, agent or the person in possession of, or beneficially interested in, or having control of, or power of disposition over, such goods, materials, aircraft, vessel, vehicle, plant, or other thing;
- “**plant**” includes utensils, presses, machinery, mills, implements, appliances and fittings;
- “**premises**” includes a building, house, room or place;
- “**registered person**” means a person registered to manufacture excisable goods, import excisable goods or to provide excisable services under this Act;
- “**rectifier**” means a person who re-distills spirits removed from a spirits receiver for the purpose of purifying or adding flavour but does not include the re-distillation of *enguli*
- “**return**” means a return of excise duty;
- “**specially denatured spirits**” means spirits denatured in accordance with a formula prescribed by regulations made under this Act for specially denatured spirits;

“**spirits**” means spirits of any description and includes all liquor mixed with spirits and all mixtures and compounds or preparations made with spirits but does not include denatured spirits or *engulv*, “sugar” includes a saccharine substance, extract, or syrup, rice, flaked maize or any other description of com which in the opinion of the Commissioner is prepared in a manner similar to flaked maize and any other material capable of being used in brewing except malt, com, hops, hop concentrate or hop oil;

“**supply**” as used in relation to services, has the meaning assigned to it in the Value Added Tax Act;

“**telecommunications services**” means a service for the transmission, emission, or reception of signals, writing, images, sounds, or information of any kind by wire, radio, optical, or other electromagnetic systems and includes the related transfer or assignment of the right to use capacity for such transmission, emission, or reception, the provision of access to global or local information networks, but does not exclude a private network for the exclusive use of the person;

“**Tribunal**” means the Tax Appeals Tribunal established by [the Tax Appeals Tribunals Act](#);

“**value added services**” means content, products or services offered in the telecom sector via the mobile platform and includes short messaging service and multimedia messaging service which afford the user flexibility in accessing other services including mobile betting, games, paying for services, products or promotions but does not include standard voice calls, peer to peer short messaging service and multimedia messaging service, fax transmission, internet, mobile money transactions and games promoted by a value added service provider licensed by the National Lotteries and Gaming Regulatory Board;

“**value added tax**” means value added tax imposed under the Value Added Tax Act;

“**wash**” means the fermented liquor from which spirits are produced by distillation;

“**wine**” means liquor of a strength not exceeding fifty degrees of proof which is made from fruit and sugar and which fruit or sugar is mixed with any other material and which had undergone a process of fermentation in its manufacture and includes mead.

## 2. Associate

- (1) For the purposes of this Act, where a person who is not an employee acts in accordance with the directions, requests, suggestions or wishes of another person whether or not they are in a business relationship and whether those directions, requests, suggestions or wishes are communicated to the first-mentioned person, both persons are treated as associates of each other.
- (2) Without limiting the general effect of subsection (1), the following are treated as an associate of a person—
  - (a) a relative of the person, unless the Commissioner is satisfied that neither person acts in accordance with the directions, requests, suggestions or wishes of the other person;
  - (b) a partner of the person, unless the Commissioner is satisfied that neither person acts in accordance with the directions, requests, suggestions or wishes of the other person;
  - (c) a partnership in which the person is a partner where the person, either alone or together with an associate or associates under another application of this section, controls fifty percent or more of the rights to income or capital of the partnership;
  - (d) the trustee of a trust under which the person, or an associate under another application of this section, benefits or may benefit;
  - (e) a company in which the person, either alone or together with an associate under another application of this section, controls fifty percent or more of the voting power in the company either directly or through one or more interposed companies, partnerships or trusts;
  - (f) where the person is a partnership, a partner in the partnership who, either alone or together with an associate or associates under another application of this section, controls fifty percent or more of the rights to income or capital of the partnership;

- (g) where the person is the trustee of a trust, any other person who benefits or may benefit under the trust; or
- (h) where the person is a company—
  - (i) a person who, either alone or together with an associate or associates under another application of this section, controls fifty percent or more of the voting power in the company, either directly or through one or more interposed companies, partnerships or trusts; or
  - (ii) another company in which the person referred to in subparagraph (i), either alone or together with an associate or associates under another application of this section, controls fifty percent or more of the voting power in that other company, either directly or through one or more interposed companies, partnerships or trusts.

## **Part II – Imposition, liability and payment of excise duty**

### **3. Imposition of excise duty**

- (1) Subject to this Act, the excisable goods and excisable services specified in Schedule 2 to this Act shall be chargeable with the excise duty specified in that Schedule.
- (2) Unless otherwise provided in this Act, excise duty—
  - (a) in the case of an excisable service, is to be paid by the person providing the service;
  - (b) in the case of a manufactured excisable good, is to be paid by the person manufacturing the excisable good; and
  - (c) in the case of an imported excisable good, is to be paid by the person importing the excisable good.
- (3) A manufacturer of an excisable good becomes liable to pay excise duty on that manufactured excisable good when the manufactured good is removed from the manufacturer's premises.
- (4) A person providing an excisable service becomes liable to pay excise duty on that service on the earlier of the following—
  - (a) the date on which the performance of the service is completed;
  - (b) the date on which payment for the service is made; or
  - (c) the date on which an invoice is issued.
- (5) A telecommunications service operator providing data used for accessing over-the-top services is liable to account for and pay excise duty on the access to the over-the-top services.
- (6) An importer of excisable goods shall pay excise duty at the time of import.

## **Part III – Registration of manufacturers, importers and providers of excisable goods and services**

### **4. Registration of manufacturers, importers and providers of excisable goods and services**

- (1) For the purpose of facilitating the administration of excise duty, a manufacturer, importer or provider of excisable goods or excisable services other than retailers shall apply for registration and the registration of the premises in which the manufacture, provision or dealing in excisable goods or excisable services, other than premises where retailing takes place.

- (2) The application under subsection (1) shall be in a form prescribed by the Commissioner.
- (3) The Commissioner may, within one month after receiving the application under subsection (1), register or refuse to register a manufacturer, importer or provider of excisable goods or excisable services or the premises in which the manufacture, provision or dealing in excisable goods or excisable services takes place.
- (4) The Commissioner may require the applicant to meet specified conditions before registration of the applicant or the premises.
- (5) The Commissioner may issue a certificate of registration, with or without conditions.
- (6) Where the Commissioner refuses to register the applicant or the premises, the Commissioner shall give reasons in writing for the refusal within one month referred to in subsection (3).
- (7) Where the Commissioner registers a manufacturer, importer or provider of excisable goods and services or premises under this section, the Commissioner shall, issue to the applicant a certificate of registration.
- (8) The certificate of registration shall be in a form prescribed by the Commissioner.
- (9) The Commissioner shall establish and maintain a register containing the relevant details of all registered persons and their premises of operation under this section.
- (10) The Commissioner shall cancel a certificate issued under this section if satisfied that the registered person and the premises no longer meet the conditions for the grant of the certificate.
- (11) A registered person shall not use the premises for a purpose other than the purpose for which the premises were registered.
- (12) A person who operates without a certificate of registration issued under this section is liable to pay a fine of twenty currency points for each day of default from the date on which the person commences the manufacture, provision or dealing in excisable goods or excisable services.

## Part IV – Control of excisable goods

### 5. Provision of facilities for excise control

- (1) The Commissioner may, for the purpose of ensuring compliance with this Act, require an officer to be stationed on the registered premises of a registered person under this Act.
- (2) The Commissioner may, for the purposes of subsection (1), require the registered person to provide and maintain, to the satisfaction of the Commissioner, suitable office accommodation and equipment in the registered premises.
- (3) A registered person shall provide and maintain at the registered premises storing excisable goods, scales and weights, lights, ladders and other equipment, as may be necessary to enable an officer to take account of, or check by weight, gauge, or measure, all excisable goods or materials in the registered premises.

### 6. Entry

- (1) A registered person shall, before commencing manufacture of excisable goods, make entry in the prescribed manner of each building, room, place, and item of plant in the registered premises, which the registered person proposes to use in the manufacture, preparation for sale, or storage, of materials or excisable goods.
- (2) An entry under subsection (1) shall specify the purpose for which a building, room, place or item of plant, is to be used and, unless the Commissioner otherwise permits, the mark by which it is to be distinguished.

- (3) The Commissioner may, by notice in writing to the registered person, require a new entry to be made by the registered person within one month of the date of the notice.
- (4) A registered person shall not, in the course of manufacture, preparation, sale or storage, of any materials or excisable goods—
  - (a) make use of any building, room, place, or item of plant, in relation to which entry is required under this section unless there is in force a valid entry;
  - (b) make use of a building, room, place, or item of plant, for any purpose other than that for which it was entered; or
  - (c) effect, without the prior permission of the Commissioner, an alteration to any building, room, place or item of plant.
- (5) A registered person who contravenes subsection (4) commits an offence and is liable, on conviction, to a fine not exceeding seventy-two currency points or to imprisonment for a term not exceeding three years, or both.
- (6) Where a person is convicted under subsection (5), the court shall order the forfeiture of any excisable goods, materials or plant in respect of which the offence has been committed.

## 7. Storage of excisable goods after manufacture

- (1) All manufactured excisable goods shall, after the process of manufacture has been completed, be immediately removed to a room to be known as the “stock room”.
- (2) The stock room shall be within the registered premises.
- (3) The stock room shall not be used for any purpose other than that of storing manufactured excisable goods after they have been manufactured.
- (4) All manufactured excisable goods kept in the stock room shall be stored in a manner that facilitates the taking of a full account of all the goods.
- (5) A registered person who contravenes this section commits an offence and is liable, on conviction, to a fine not exceeding seventy-two currency points or to imprisonment for a term not exceeding three years and the court convicting the offender shall forfeit the excisable goods to the State.
- (6) A stock book shall be kept in the prescribed form and shall be available for inspection by the Commissioner.
- (7) The Commissioner may take copies of any entry in the stock book.

## 8. Deficiency or excess in stock

- (1) Where, upon the Commissioner taking stock of the manufactured excisable goods in the registered premises of a registered person—
  - (a) the registered person fails to account to the Commissioner for any excisable goods manufactured by him or her, the excise duty on those manufactured excisable goods shall immediately become due and payable; or
  - (b) any excisable goods are found in excess of the quantity which, according to the stock book of the registered person must be in the stock room, those goods shall be forfeited to the State.
- (2) A registered person—
  - (a) who fails to account to the Commissioner for any excisable goods manufactured by the registered person; or

- (b) in whose registered premises excisable goods are found in excess of the quantity which, according to the stock book, should be in the registered premises,

unless the registered person explains the deficiencies or excess to the satisfaction of the Commissioner, the registered person commits an offence and is liable, on conviction, to a fine not exceeding seventy-two currency points or to imprisonment for a term not exceeding three years, or both.

## **Part V – Payment of excise duty, returns, assessments and appeals**

### **9. Payment of excise duty**

- (1) A person liable to pay excise duty shall pay the duty on the date the person files a return with the Commissioner, or shall, in the case of an assessment, pay the excise duty within forty-five days after receipt of the notice of assessment.
- (2) Where excisable goods on which excise duty has been paid are converted into other excisable goods liable to excise duty, the converted excisable goods shall be liable only to the difference between the excise duty on the converted goods and the excise duty originally paid before the conversion.
- (3) Where excisable goods on which excise duty has been paid are converted into approved healthcare or medical products, a refund of the excise duty shall be provided to the manufacturer of the approved healthcare or medical products.
- (4) The Commissioner may, if satisfied that the excisable goods have been exported, remit the excise duty chargeable on those goods.
- (5) The Commissioner may, if satisfied that a plastic product—
  - (a) is for use in packaging of products for export;
  - (b) is for use in packaging medicaments; or
  - (c) is manufactured from recycled plastics, remit or refund the excise duty paid under this Act.
- (6) The Commissioner shall not remit the excise duty paid on a plastic product manufactured from recycled plastic referred to in subsection (5)(c), unless the recycled plastic used in the manufacture of the plastic product is equivalent to at least twenty percent of the raw material used.
- (7) In this section, “approved healthcare or medical product” means a product that has been approved by the Minister responsible for finance in consultation with the Minister responsible for health, in accordance with Regulations made under section 16.

### **10. Application of information technology**

Subject to conditions, the Commissioner may prescribe the formalities or procedures under this Act which may be carried out by use of information technology.

### **11. Refunds**

- (1) A person liable to pay excise duty may apply to the Commissioner for a refund of any excise duty paid in error or in excess of the excise duty assessed or due.
- (2) An application for a refund under this section shall be made to the Commissioner in the form and manner prescribed by the Commissioner.
- (3) Where the Commissioner is satisfied that excise duty has been overpaid, the Commissioner shall—
  - (a) apply the excess in reduction of any other duty due from the person liable to pay excise duty; or

- (b) at the written option of the person liable to pay excise duty, apply the balance of the excess, if any, in reduction of any outstanding liability of the person liable to pay excise duty in regard to other taxes not in dispute.
- (4) In this section, “any other duty” means a duty other than excise duty.
- (5) Where the Commissioner is required to refund an amount of excise duty to a person under this Act, the Commissioner shall pay simple interest on the amount of the refund at the rate of two percent per month commencing thirty days after the date of the application for the refund and ending on the last day on which a refund is made.
- (6) Notwithstanding subsection (4), a person liable to excise duty who causes delay in determining a correct refund payable to him or her, and leading to a belated refund process, is only entitled to interest with effect from sixty days from the date on which the person filed the delayed return, lodged an application with the Tribunal or the High Court, or submitted to the Commissioner all necessary and satisfactory information required in relation to the refund in question, whichever is the later.
- (7) The Commissioner shall, within thirty days after making a decision on a refund application under subsection (1), serve on the person applying for the refund a notice in writing of the decision.
- (8) A person dissatisfied with a decision referred to in subsection (7) may challenge the decision under the objection and appeal procedure in this Act.

## 12. Liability to duty on re-importation

Where a remission or refund of excise duty has been granted in respect of excisable goods or excisable services which have been exported and those excisable goods or excisable services are subsequently unloaded in Uganda for home consumption, those excisable goods or excisable services are liable to excise duty in force at the time of the unloading.

## 13. Excisable goods or excisable services granted remission liable to duty on disposal

- (1) Subject to this Act, a person who has been granted a remission or refund in respect of excisable goods or excisable services or is in possession of excisable goods for which a remission or refund has been granted, shall not subsequently deal with those excisable goods or supply those excisable services in a manner inconsistent with the purpose for which the remission or refund was granted.
- (2) A person who deals with excisable goods or supplies or excisable services in a manner inconsistent with the purpose for which the remission or refund was granted, is liable to pay the excise duty which would have been paid if the remission or refund had not been granted.
- (3) Where excisable goods to which subsection (1) applies are sold or disposed of without payment of the excise duty to which they are liable, the excisable goods shall be forfeited to the State.
- (4) Any person who knowingly disposes of or knowingly acquires excisable goods or knowingly provides or knowingly receives excisable services to which subsection (1) applies without the duty on the goods or services having been paid, commits an offence and is liable, on conviction, to a fine not exceeding forty-eight currency points or to imprisonment for a term not exceeding two years, or both.

## Part VI – Miscellaneous

### 14. Prices quoted to include excise duty

The price advertised or quoted for an excisable good or service shall include excise duty and the advertisement or quotation shall state that the price includes excise duty.

## 15. General penalty

- (1) A person who fails to apply for registration under section 4 is liable to pay a penalty equal to the amount of duty payable during the period commencing with the last day of the application period until the person files an application for registration with the Commissioner, or until the Commissioner grants the certificate of registration, whichever is earlier.
- (2) Any person who fails to furnish a return within the time specified under this Act is liable to pay a penalty amounting to whichever is the greater of the following—
  - (a) ten currency points; or
  - (b) an interest charge for the period for which the return is outstanding calculated in accordance with subsection (3).
- (3) Any person who fails to pay excise duty imposed under this Act by the due date is liable to pay interest on the unpaid duty at a rate of two percent per month, compounded, for the excise duty which is outstanding.
- (4) Where a person pays interest under subsection (3), and the duty to which it relates is found not to have been due and payable by the person and is refunded, the interest relating to the amount of the refund, shall be refunded to that person with an interest of two percent per month, compounded.
- (5) Any person who fails to maintain proper records for any period required by this Act is liable to pay a penalty equal to the amount of duty payable by the person for that period or ten currency points per filing period, whichever is the higher.
- (6) Where a person knowingly or recklessly—
  - (a) makes a statement or declaration to an officer of the Authority which is false or misleading in a material particular; or
  - (b) omits from a statement made to an officer of the Authority, any matter or thing without which the statement is misleading in such a manner that—
    - (i) the duty payable by the person exceeds the duty that was assessed as payable, based on the false or misleading information; or
    - (ii) the amount of the refund claimed was false, that person is liable to pay a penalty equal to the amount of the excess duty, refund or claim.
- (7) Where the interest due and payable under subsection (3) exceeds the aggregate of the principal tax, any interest in excess of the principal tax shall be waived.

## 16. Regulations

- (1) The Minister may, by statutory instrument, make regulations to better carry into effect the provisions of this Act.
- (2) Without limiting the general effect of subsection (1), regulations made under this section may—
  - (a) provide for the fees to be paid for a certificate of registration issued under this Act;
  - (b) provide for the form of the returns to be made by a registered person;
  - (c) provide for the securing and collection of excise duty on spirits;
  - (d) prescribe the maximum and minimum strength of a wort, wash or spirits;
  - (e) regulate the remission of excise duty including the remission of excise duty on spirits; and
  - (f) regulate the receipt, storage, warehousing, removal and delivery of spirits, prior to the payment of excise duty.

- (3) Regulations made under this section may provide that a person who contravenes a provision of the regulations commits an offence and is liable, on conviction, to a fine not exceeding seventy-two currency points, or both.

### 17. Power to amend Schedule 1

The Minister responsible for finance may, by statutory instrument, with the approval of Cabinet, amend Schedule 1 to this Act.

### 18. Repeal and savings

- (1) The East African Excise management Act, 1970 and the Excise Tariff Act, [Cap. 338](#) are repealed.
- (2) Notwithstanding subsection (1)—
- (a) all excise duty due in respect of a transaction that took place before the commencement of this Act shall be due and payable as if the repealed Act were still in force but in case of a default the person shall be dealt with under this Act;
  - (b) all appointments made under the repealed legislation and subsisting at the date of commencement of this Act are taken to be appointments made under this Act;
  - (c) all forms and documents used in relation to the repealed legislation may continue to be used under this Act, and all references in those forms and documents to provisions of and expressions appropriate to the repealed legislation are taken to refer to the corresponding provisions and expressions of this Act.

## Schedule 1 (Sections 1, 17)

### Currency point

A currency point is equivalent to twenty thousand shillings.

## Schedule 2 (Sections 1, 3(1))

### Excise duty in respect of excisable goods and services

#### Part I – Excise duty in respect of excisable goods and services

No.	Item	Excise Duty/ Rate of excise duty
1.	Cigarettes	
	(a) Soft cap	
	(i) locally manufactured	Ushs. 55,000 per 1000 sticks
	(ii) imported	Ushs. 75,000 per 1000 sticks

No.	Item	Excise Duty/ Rate of excise duty
	(b)Hinge lid	
	(i) locally manufactured	Ushs. 80,000 per 1000 sticks
	(ii) imported	Ushs. 100,000 per 1000 sticks
	(c)Cigars, cheroots, cigarillos containing tobacco	200%
	(d)Smoking tobacco, whether or not containing tobacco substitutes in any proportion	200%
	(e)Homogenised or reconstituted tobacco	200%
	(f)Other	200%
2.	Beer	
	(a)Malt beer	60% or Ushs. 2050 per litre, whichever is higher
	(b)Beer whose local raw material content excluding water is at least 75% by weight of its constituent	30% or Ushs. 650 per litre, whichever is higher
	(c)Beer produced from barley grown and malted in Uganda	30% or Ushs. 950 per litre, whichever is higher
	(d)Opaque beer	20% or Ushs. 230 per litre, whichever is higher
	(e)any other alcoholic beverage locally produced	20% or shs 230 per litre, whichever is higher
3.	Spirits	
	(a)Un-denatured spirits made from locally produced raw materials used in the production of disinfectants and sanitizers for the prevention of the spread of CO VID-19	Nil
	(b)Undenatured spirits made from imported raw materials	100% or Ushs. 2500 per litre, whichever is higher

No.	Item	Excise Duty/ Rate of excise duty
	(c) Ready to drink spirits	80% or Ushs. 1700 per litre, whichever is higher
4.	Wine	
	(a) Wine made from locally produced raw materials	20% or Ushs. 2000 per litre, whichever is higher
	(b) Other wine	80% or Ushs. 8000 per litre, whichever is higher
5.	Non-alcoholic beverages	
	(a) Non-alcoholic beverages not including fruit or vegetable juices	12% or Ushs. 250 per litre, whichever is higher
	(b) Fruit juice and vegetable juice, except juice made from at least 30% of pulp from fruit and vegetables grown in Uganda	12% or Ushs. 250 per litre, whichever is higher
	(c) Powder for reconstitution to make juice or dilute-to-taste drinks, excluding pulp	15% of the value
	(d) Any other non-alcoholic beverage locally produced other than the beverage referred to in subparagraph (a) made out of fermented sugary tea solution with a combination of yeast and bacteria	12% or shs 250 per litre, whichever is higher
6.	Mineral water, bottled water and other processed water purposely for drinking	10%
7.	Cement	Ushs. 500 per 50 kgs
8.	Fuel	
	(a) Motor spirit (gasoline)	Ushs. 1450 per litre
	(b) Gas oil (automotive, light, amber for high speed engine)	Ushs. 1130 per litre
	(c) Other gas oils	Ushs. 630 per litre
	(d) Gas oil for power generation to national grid	Nil

No.	Item	Excise Duty/ Rate of excise duty
	(e) Illuminating kerosene	Ushs. 200 per litre
	(f) Jet A1 and aviation fuel	Ushs. 630 per litre
	(g) Jet A1 and aviation fuel imported by registered airlines, companies with designated storage facilities or with contracts to supply airlines Jet A1 and aviation fuel imported by registered airlines, companies with designated storage facilities or with contracts to supply airlines	Nil
9.	Cane or beet sugar and chemically pure sucrose in solid form	Ushs. 100 per kg
10.	Cane or beet sugar for industrial use	0%
11.	Plastics	
	Plastic products and plastic granules	2.5% or USD 70 per ton, whichever is higher
12.	Cosmetics and perfumes except creams used by the albinal in the treatment of their skin	10%
13.	Telecommunication services	
	(a) Airtime on mobile cellular, landlines and public pay phones	12% of the fee charged
	(b) Internet data, except data for provision of medical services and education services	12% of the fee charged
	(c) Money transfer or withdrawal services, including transfers and withdrawal services by operators licensed or permitted to provide communications or money transfers or withdrawals but not including transfers and withdrawal services provided by banks	15% of the fees charged
	(d) Value added services	12% of the fee charged
	(e) Mobile money transactions of withdrawals of cash	0.5% of the value of transaction
	(f) Incoming international calls, except calls from the Republic of Kenya, the Republic of Rwanda and the Republic of South Sudan	USD 0.09 per minute

No.	Item	Excise Duty/ Rate of excise duty
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 microfinance deposit-taking institution	15% of the fees charged
15.	Lubricants under HS codes 2710.19.51, 2710.19.52, 3403.19.00 and 3403.99.00 including motor vehicle lubricants, but not aircraft lubricants	15%
16.	Sugar confectioneries; chewing gum, sweets and chocolates	Nil
17.	Furniture	
	(a) Specialised hospital furniture	Nil
	(b) Furniture manufactured in Uganda using local materials but excluding furniture which is assembled in Uganda	Nil
	(c) Other furniture	20%
18.	Cooking oil	Ushs. 200 per litre
19.	Motorcycles; at first registration	Ushs. 200,000
20.	Construction materials for development of industrial parks or free zones by a developer whose investment is at least USD 50,000,000 in the case of a foreigner and USD 10,000,000 in the case of a citizen	Nil
21	Construction materials of a factory or warehouse exclusive of those available on the local market, locally produced raw materials and inputs to an operator within the industrial park, free zone, single factory or other business outside the industrial park or free zone who meets the following requirements—	Nil
	(a) a minimum investment capital of USD 10,000,000 in the case of a foreigner or USD 3,000,000 in the case of a citizen; or USD 150,000 for a citizen whose investment is placed upcountry;	

No.	Item	Excise Duty/ Rate of excise duty
	<p>(b) processes agricultural goods; manufactures or assembles medical appliances, medical sundries or pharmaceuticals, building materials, automobiles, household appliances or manufactures furniture, pulp, paper, printing and publishing of instructional materials; carries on business in logistics and warehousing, information technology or commercial farming, tyres, footwear, mattresses or toothpaste;</p> <p>(c) 70% of the raw materials used are sourced locally, subject to their availability;</p> <p>(d) employs at least 70% of its employees being citizens earning an aggregate wage of at least 70% of the total wage bill; and</p> <p>(e) provides for substitution of 30% of the value of imported products.</p>	
22.	Locally produced materials for construction of premises and other infrastructure to a hotel or tourism developer whose investment capital is at least USD 8,000,000 of a room capacity exceeding one hundred guests.	Nil
23.	Furnishings and fittings or locally produced materials for construction of premises and other infrastructure to a hospital facility developer whose minimum investment capital is at least USD 5,000,000 and who develops a hospital at the level of a national referral hospital with capacity to provide specialised medical care.	Nil
24.	Construction materials for the construction of premises and other infrastructure, machinery and equipment or furnishings and fittings for technical or vocational institute operators whose investment capital is at least USD 10,000,000 in the case of a foreigner or 1,000,000 in the case of a citizen.	Nil
25.	(a) Any other fermented beverages made from imported cider, perry, mead, spears or near beer;	60% or shs 950 per litre, whichever is higher
	(b) Any other fermented beverages made from locally grown cider, perry, mead, spears or near beer.	30% or shs 550 per litre, whichever is higher
26.	Construction materials of a manufacturer, other than a manufacturer referred to in item 21, whose investment capital is, at least USD 50,000,000 or, in the case of any other manufacturer, who makes an additional investment equivalent to USD 50,000,000.	Nil

## Part II – Calculation of excise duty payable in respect of excisable goods and services whose excise duty is expressed in percentages

### 1. Calculation of excisable duty payable

The excise duty payable by a person in respect of excisable goods or services whose excise duty is expressed as percentages shall be calculated using the following formula—

$$A \times B$$

Where—

A is the value of the excisable goods or the excisable services; and

B is the rate of excise duty applicable to the goods or services.

### 2. Determination of value of excisable goods and services

- (1) The value of an excisable good shall be the normal ex-factory price of the good exclusive of any tax on that good.
- (2) The normal ex-factory price of the good shall include raw material costs, manufacturing costs, labour costs, profit margin, bank charges and interest and all other costs, charges and expenses incidental to the factory, production and sale.
- (3) The value of an excisable service shall be the price paid or payable by the consumer of that service excluding value added tax chargeable under the Value Added Tax Act and excise duty chargeable under this Act.
- (4) In the case of non-arm's length transactions, the normal exfactory price shall be the price at which the transaction would have occurred in the ordinary course of business between the person liable to excise duty and an independent person dealing at arm's length and, in cases where the price cannot be determined, the price shall, subject to this Act, be decided by the Commissioner.
- (5) A sale in the open market between a manufacturer and a buyer independent of each other presupposes—
  - (a) that the price is the sole consideration;
  - (b) that the price is not influenced by any commercial, financial or other relationship, whether by contract or otherwise, between the manufacturer or any person associated in business with that person and the buyer; and
  - (c) that no part of the proceeds of the subsequent resale, use or disposal of the goods or services will accrue either directly or indirectly to the manufacturer or any person associated with that person.
- (6) Notwithstanding the provisions of the Act, where the Commissioner is satisfied that an arrangement has been entered into or carried out where—
  - (a) a person has obtained an excise duty benefit in connection with the arrangement; and
  - (b) having regard to the substance of the arrangement, it is concluded that the person, or one of the persons, who entered into or carried out the arrangement did so for the sole or dominant purpose of enabling the person to obtain the excise duty benefit,

the Commissioner may determine the liability of the person who has obtained the excise duty benefit as if the arrangement had not been entered into or carried out, or in a manner as in the

circumstances the Commissioner considers appropriate for the prevention or reduction of the excise duty benefit.

(7) In this paragraph—

“arrangement” includes an agreement, promise, or undertaking whether express or implied and whether or not enforceable, or intended to be enforceable, by legal proceedings, and a plan, proposal, course of action, or course of conduct; and

“excise duty benefit” includes—

- (a) a reduction in the liability of a person to pay excise duty;
  - (b) an increase in an entitlement of a person to a credit or refund; or
  - (c) any other avoidance or postponement of liability for the payment of excise duty.
- (8) The value of an imported excisable good is the sum of the value of the good ascertained for the purposes of import duty under the laws relating to customs; and the amount of import duty payable on that good.
- (9) The value of an excisable service is the amount exclusive of any tax and duty paid or payable by the final consumer in consideration for the service.
- (10) Where no amount is paid in consideration for the excisable service under subsection (9) or where there is an application of the excisable service to own use by the person providing the service, the value of the excisable service shall be the market value of the excisable service.
- (11) The taxable value of money transfer services by cellular service providers, money transfer agencies and other financial service providers shall be the fees charged for a particular money transfer service transaction.

### **Schedule 3 (Section 1)**

#### **Goods Exempt from Excise Duty**

The goods exempt from excise duty are imported goods which are exempt from import duty under the Fifth Schedule to the East African Customs Management Act, 2004.