

Uganda

## Uganda Oil Board Act Chapter 328

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Uganda Oil Board Act (Chapter 328)  
 Contents

Part I – Interpretation ..... 1

    1. Interpretation ..... 1

Part II – Establishment of the Uganda Oil Board ..... 1

    2. Establishment and corporate status of the board ..... 1

    3. Functions of the board ..... 1

    4. Board of directors of the board ..... 2

    5. Officers and staff ..... 2

    6. Powers of the Minister to ratify decisions of the board and to give directions ..... 3

Part III – Financial and related provisions ..... 3

    7. Funds of the board ..... 3

    8. Duty of the board to operate on sound financial principles ..... 3

    9. Estimates ..... 4

    10. Accounts, audit and annual reports ..... 4

Part IV – Miscellaneous ..... 4

    11. Vesting of assets ..... 4

    12. Protection of certain persons from liability ..... 5

    13. Regulations ..... 5

Schedule (Section 4) ..... 5

# Uganda

## Uganda Oil Board Act

### Chapter 328

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**An Act to establish the Uganda Oil Board and to provide for its functions, powers and other matters connected therewith.**

### Part I – Interpretation

#### 1. Interpretation

In this Act, unless the context otherwise requires—

- (a) "**board**" means the body corporate established under [section 2](#);
- (b) "**board of directors**" means the board of directors established under [section 4](#);
- (c) "**chairperson**" means the chairperson of the board of directors appointed under [section 4](#);
- (d) "**financial year**" means in respect of an accounting period a period of twelve months ending on the 30th June;
- (e) "**Minister**" means the Minister responsible for energy;
- (f) "**petroleum products**" has the same meaning as that assigned to "petroleum" under section 1 of the Petroleum Act, and includes power alcohol, but the expression shall be limited to such products as are acquired by the board for the purpose of this Act.

### Part II – Establishment of the Uganda Oil Board

#### 2. Establishment and corporate status of the board

- (1) There is established a board to be known as the Uganda Oil Board.
- (2) The board shall be a body corporate with perpetual succession and a common seal and shall be capable of suing or being sued in its corporate name and, subject to this Act, may acquire and dispose of property and do all such other things as a body corporate may lawfully do.

#### 3. Functions of the board

The functions of the board shall be—

- (a) in relation to petroleum products acquired by
  - (i) to operate and maintain storage facilities;
  - (ii) to procure and transport petroleum products to wherever such products are needed whether within Uganda or elsewhere;

- (iii) to provide, maintain, operate, control or assist in the provision, maintenance, operation or control of storage and handling facilities;
  - (iv) to market and distribute petroleum products to the Government and its agencies and any other person;
  - (v) to import petroleum products and to export such products to other countries; and
  - (vi) to establish refineries for refining crude petroleum products which are for importing purposes;
- (b) to advise Government, through the Minister, on the foreign exchange requirements for the acquisition and disposal of petroleum products in conformity with the social and economic development objectives of the country;
  - (c) to advise the Minister and other relevant Government authorities on the regulation of prices for petroleum products at all levels and to collect information on all matters relating to petroleum products and the various bodies dealing in such products; and
  - (d) generally, and without prejudice to paragraphs (a) to (c), to monitor all aspects of procurement, transportation, storage and distribution of petroleum products with a view to harmonising the acquisition and use of such products within the country.

#### **4. Board of directors of the board**

- (1) There shall be a board of directors which shall consist of nine members appointed by the Minister on such terms and conditions as he may determine.
- (2) The Minister shall appoint a chairperson of the board of directors from the members appointed under subsection (1).
- (3) A member of the board of directors shall hold office for a period not exceeding two years and shall be eligible for reappointment.
- (4) The board of directors may appoint a secretary from among its members to take minutes of its proceedings.
- (5) The Schedule to this Act shall apply to meetings of the board of directors and other matters set out in the Schedule, and the Minister may, by statutory instrument, amend the Schedule.

#### **5. Officers and staff**

- (1) There shall be a managing director appointed by the Minister in accordance with subsection (3) on such terms and conditions as the Minister may determine.
- (2) The managing director shall be the chief executive of the board and shall be responsible for the day-to-day operations of the board.
- (3) The Minister in the exercise of his or her powers under subsection (1) shall cause—
  - (a) the post of the managing director to be advertised in a newspaper circulating in Uganda;
  - (b) the board of directors to compile a list of applicants who possess the qualifications required for the post and to interview those applicants;
  - (c) the board of directors to submit the names of three successful applicants to him or her, one of whom he or she shall appoint as the general manager.
- (4) Subject to this Act and to the general supervision and control of the board, the general manager shall be responsible for the management of the funds, property and business of the board and for the administration, organisation and control of the other officers and staff of the board.

- (5) The board of directors shall, in consultation with the managing director, appoint the heads of departments.
- (6) The general manager, in consultation with the heads of departments, shall appoint such other officers and staff to the service of the board as may be necessary for the proper and efficient performance of the functions of the board.
- (7) The appointments under subsections (5) and (6) shall be on such terms and conditions as the board may approve.

## **6. Powers of the Minister to ratify decisions of the board and to give directions**

The Minister may, from time to time, give directions in writing to the board, and the board shall comply with the directions.

## **Part III – Financial and related provisions**

### **7. Funds of the board**

- (1) The funds available for the purpose of enabling the board to perform its functions under this Act shall consist of—
  - (a) capital from time to time appropriated by Parliament for that purpose;
  - (b) all monies received by the board for goods provided or services rendered under the authority of the Act;
  - (c) all monies borrowed by the board;
  - (d) any such other monies received by or made available to the board for purposes of performing its functions under this Act.
- (2) A person lending money to the board shall not be bound to inquire whether the borrowing of money is within the powers of the board.
- (3) All income and monies of the board shall be deposited to the credit of the board in a bank approved by the board and shall not be withdrawn, except in accordance with the manner provided by the board.

### **8. Duty of the board to operate on sound financial principles**

- (1) The board shall, in the performance of its functions under this Act, have due regard to sound financial principles and shall conduct its business in such manner that taking one transaction with another, and taking one year with another—
  - (a) its revenue is sufficient for meeting all charges, including interest on capital and loans properly chargeable to revenue accounts;
  - (b) sufficient provision is made to provide for depreciation of assets; and
  - (c) where any loss or bad debt arises in respect of any transaction, provision is made in respect of other transactions, whether of a similar nature or otherwise, to off set the amount of the loss or debt.
- (2) Any excess of the board's revenue for any financial year over the sums required by it for that year for meeting its expenditure under this Act shall be applied by the board in such a manner as the board may direct.
- (3) A direction under subsection (2) may require the whole or any part of any excess of the revenues of the board to be paid into the Consolidated Fund.

## 9. Estimates

- (1) The general manager shall, within not less than three months before the end of each financial year, prepare and submit to the board of directors for its approval estimates of income and expenditure of the board for the next ensuing year and may, at any time before the end of a financial year, prepare and submit to the board of directors for approval any estimates supplementary to the estimates of a current financial year.
- (2) No expenditure shall be made out of the funds of the board unless the expenditure is part of the expenditure approved by the board of directors under the estimates for the financial year in which the expenditure is to be made or in the estimates supplementary to those estimates.

## 10. Accounts, audit and annual reports

- (1) The board shall keep proper accounts and records of its transactions and affairs and shall ensure that all monies received are properly brought to account, all payments out of its monies are currently made and properly authorised and that adequate control is maintained over its property and over the incurring of the liabilities by the board.
- (2) The annual accounts of the board shall be audited by the Auditor General.
- (3) The board shall, within three months after the end of each financial year, submit—
  - (a) to the Minister an annual report in respect of that year containing—
    - (i) financial statements;
    - (ii) performance indicators and other information relating to the performance indicators;
    - (iii) a report on the operations of the board;
    - (iv) such other information as the Minister may, prior to the completion of the annual report or as otherwise supplementary to it, direct in writing;
  - (b) to the Auditor General—
    - (i) the accounts of the board for the financial year; and
    - (ii) the annual report referred to in paragraph (a).
- (4) The Auditor General shall audit the accounts of the board and, within two months of the receipt by him or her of the accounts and annual report, submit his or her opinion on them to the Minister and the board.
- (5) The Minister shall cause copies of each annual report together with a copy of the opinion of the Auditor General to be laid before Parliament at the first available opportunity after he or she has received them but not later than the next sitting of Parliament after the date on which he or she received them.

## Part IV – Miscellaneous

### 11. Vesting of assets

The Minister may transfer to the board the ownership or possession of any assets belonging to the Government which, by virtue of this Act and in his or her opinion, are necessary for the board's performance of its functions; and thereupon the board shall, in respect of those assets, have all rights and be subject to all the liabilities attaching to them.

## 12. Protection of certain persons from liability

No matter or thing done by the Minister, a director or any other officer of the board shall, if the matter or thing be done in good faith for the purpose of carrying out any of the provisions of this Act, render the Minister, director or officer personally liable to any civil action, suit or other proceedings in respect of that matter or thing.

## 13. Regulations

The Minister may, after consultation with the board, make regulations for carrying into effect this Act.

### Schedule (Section 4)

#### Meetings of the board

##### 1. The seal of the board

- (1) The seal of the board shall be authenticated by the signature of the chairperson and the general manager.
- (2) In the absence of the chairperson, two other members of the board designated for that purpose by the board shall sign in the place of the chairperson; and in the absence of the general manager, the person performing the functions of the general manager may sign.
- (3) Every document purporting to be an instrument issued by the board and to be sealed by the board's seal authenticated in the manner provided by subparagraph (1) or (2) shall be received and be deemed to be such an instrument without further proof unless the contrary is shown.

##### 2. Disclosure

- (1) A member of the board appointed under section 4(1) shall, unless he or she resigns or is removed from office, continue in office.
- (2) A member referred to in subparagraph (1) may resign his or her office by notice in writing delivered to the Minister.
- (3) If the Minister is satisfied that a member referred to in subparagraph (1)—
  - (a) without reasonable cause or without the permission of the chairperson has been absent from four ordinary meetings of the board;
  - (b) has been declared bankrupt; or
  - (c) is by virtue of physical or mental incapacity or for any other sufficient cause unable or unfit to discharge his or her functions as a member, he or she may remove him or her from office.

##### 3. Meetings of the board

- (1) The first meeting of the board shall be convened by the chairperson, and thereafter the board shall meet for the transaction of business at such place and such times as may be decided upon by the board, but the board shall meet once in every three months.
- (2) The chairperson or, in his or her absence, a member appointed by the board to act in his or her place may at any time call for a special meeting upon a written request by a majority of the members of the board.
- (3) The chairperson shall preside at every meeting of the board, and in his or her absence the members present may appoint a member from among themselves to preside at that meeting.

##### 4. Quorum

The quorum at the meeting of the board shall be five members.

**5. Power to co-opt**

The board may co-opt any person to act as a consultant or adviser at any of its meetings, but such person shall have no right to vote.

**6. Decisions of the board**

- (1) All questions proposed at a meeting of the board shall, subject to a quorum being present, be decided by the majority of the votes of the members present; and in the event of an equality of votes, the person presiding shall have a second or casting vote in addition to his or her deliberative vote.
- (2) Notwithstanding any other provisions of this Schedule, a decision may be made by the board without a meeting by circulation of the relevant papers among the members of the board and by the expression of the views of the majority of the members in writing, but any member shall be entitled to require that the decision be deferred and the matter on which a decision is sought be considered at a meeting of the board.

**7. Disclosure of interest**

- (1) A member of the board who has a direct or indirect pecuniary interest in a matter being considered or about to be considered shall, as soon as possible after the relevant facts have come to his or her knowledge, disclose the nature of his or her interest to the board.
- (2) A disclosure of interest under subparagraph (1) shall be recorded in the minutes of the meeting of the board, and the member making the disclosure shall not, unless the board otherwise determines in respect of this matter—
  - (a) be present during any deliberations on the matter by the board;
  - (b) take part in the decision of the board.
- (3) For the purpose of the making of a decision by the board under subparagraph (2) in relation to a member who has made a disclosure under subparagraph (1), the member who has made such disclosure shall not—
  - (a) be present during the deliberations of the board for the making of that decision; or
  - (b) influence such other member or take part in the making by the board of the decision.
- (4) A decision made under subparagraph (2) shall be deemed to have been validly made notwithstanding the fact that there was no quorum by virtue of the member making the disclosure not being present.

**8. Minutes of the meetings**

- (1) The board shall cause the minutes of all proceedings of its meetings to be recorded and kept, and the minutes of each meeting shall be confirmed by the board at the next meeting and signed by the chairperson of the meeting.
- (2) The chairperson of the board shall submit to the Minister a copy of the minutes of each meeting of the board as soon as the minutes have been confirmed.

**9. Service of documents**

Any notice or document required to be served on the board may be served by leaving it at the office of, or by sending it by registered post to, the general manager.

**10. Board to regulate its own proceedings**

Subject to this Schedule, the board may regulate its own proceedings.