



BRIEF GUIDE TO INVESTING IN UGANDA



Fruits of Investment

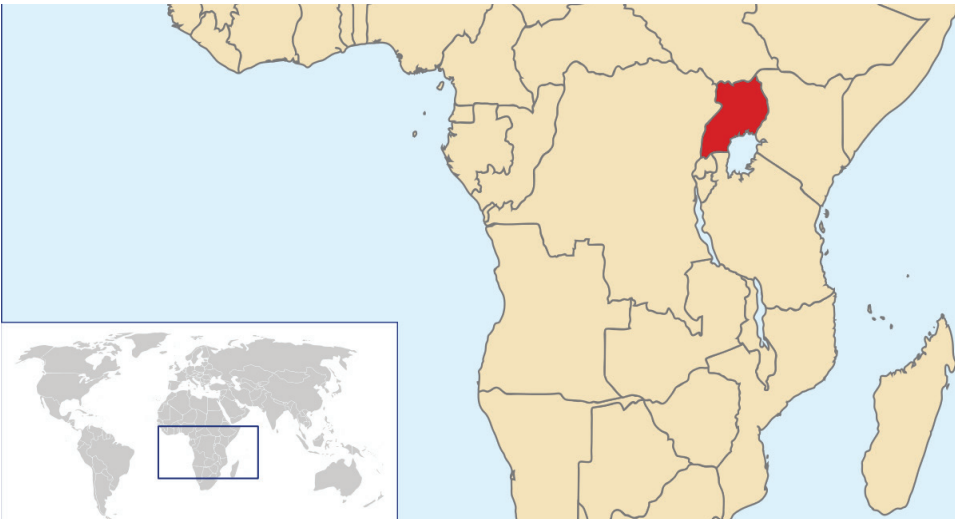


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STRATEGIC LOCATION WITHIN AFRICA

Uganda uniquely located at the heart of Sub-Saharan Africa within the East African region and lies astride the equator. The country is bordered by South Sudan in the north, Kenya in the east, the United Republic of Tanzania in the south, Rwanda in the southwest and the Democratic Republic of Congo in the west. This land linked position, gives the country a strategic commanding base for regional trade and investment.



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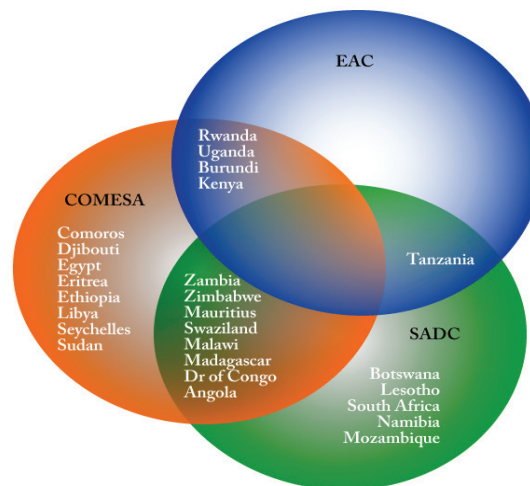
WHY UGANDA

Investment Climate

- Uganda attained and has had political and social stability since 1986.
- Effective macro-economic policies that maintained economic growth at an average of 6.5% and enabled the country to withstand external economic shocks during the global economic downturn from 2008 to 2011 during which the economy still grew by 3%
- Natural resource rich country (Human and Minerals).
- Totally liberalised foreign exchange regime.
- Consistently improving infrastructures.
- Trainable and fast adaptable workforce from over 30 universities.
- Welcoming population.
- No labour tensions.
- Dedicated Commercial and Industrial courts for quick resolution of business disputes
- A unique multi climate varies from winter on the snow capped Mountain Rwenzori in the west, to the temperate highlands of Western Uganda and tropical forests of the Central region as well as the semi arid North Eastern Uganda.

Market Access through Treaties and Agreements

- The Common Market for Eastern and Southern African (COMESA), a region with a market of about 400 million people in 19 countries.
- The East African Community (EAC) population of over 140 million people.
- Uganda is part of the Free Trade Area of EAC, COMESA and SADC.
- Uganda has a population of 35 million people with a growing middle income class with reasonable expendable income.



Uganda is a signatory to major international investment and business protocols

- Multi-lateral Investment Guarantee Agency (MIGA).
- Overseas Private Investment Corporation (OPIC) of USA
- Convention on the Recognition and Enforcement of Foreign Arbitral Award (CREFAA)
- Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)
- International Centre for Settlement of Investment Disputes (ICSID),
- Agreement on Trade Related Investment Measures (TRIMS),
- General Agreement of Trade in Services (GATS), and
- Agreement on Trade related Aspects of Intellectual Property Rights (TRIPS)
- Duty and quota free access into China (quota free access for over 650 products)
- The USA (AGOA),
- Generalized System of Preferences (GSP) scheme with European Commission
- EU (Everything But Arms) markets



SUPPORT TO INVESTMENT

ONE STOP CENTRE (OSC) FOR INVESTORS

The One Stop Centre (OSC) services for business registration, licensing, facilitation and aftercare are offered at Uganda Investment Authority (UIA). The investment related Government departments and agencies within the OSC, currently include:

- Uganda Registration Services Bureau (URSB) for company registration.
- Uganda Revenue Authority (URA) for tax advice and registration.
- The Directorate of Citizenship and Immigration Control for issuance of work permits and other immigration documents.
- The Lands Registry which assists in the verification of land ownership.
- The National Environmental Management Authority (NEMA) to facilitate the investor to environmental compliance.
- Uganda National Bureau of Standards (UNBS) for standards advice.



BUSINESS REGISTRATION AND LICENSING

COMPANY REGISTRATION

Company registration is the first step to formalizing a business in Uganda. The Uganda Registration Services Bureau is mandated by the Registrations Services Act to register all business entities in Uganda.

The Business Registry is responsible for the registration of:

- Public /Private Companies
- Legal Documents (e.g Constitutions, Agreements Deeds ,Powers of Attorney etc)
- Security Documents (e.g Mortgages, Chattels Debentures etc)

A Registration Services Bureau Officer in the OSC is at hand to assist and offer advice to prospecting investors. The applicable forms and information on registration fees charged by the URSB for the formation of a company can be downloaded from www.ursb.go.ug

INVESTMENT LICENSE ISSUANCE

After a company has been incorporated in Uganda, it is eligible for an investment license. Provided its capital investment exceeds US\$ 100,000 (Foreign firms) and US \$ 50,000 (Local firms),Application for an investment license from Uganda Investment Authority can be carried

out on line. After all required documentation is submitted along with the filled form, the license is issued for free in 2 days or less.

Documentation required includes:

1. Copy of the Certificate of Incorporation
2. Copy of the Memorandum and Articles of Association
3. A brief business plan
4. Proof of financial ability to implement proposed project i.e. bank statement or letter project support form a bank
5. Proof of proposed physical location of project

Secondary Licenses

There are some sectors that regulatory approvals from the relevant entities and these include: energy generation, mining, banking, air transport, pharmaceuticals production, education and health.

The regulatory approvals/permits/or licenses must be acquired before applying for the Investment License. The OSC Staff are available to assist the investors with these regulatory approval Detailed requirements are available from www.ugandainvest.go.ug / www.ugandainvest/index.php/one-stop-centre.

UGANDA TAXATION STRUCTURE

Uganda Revenue Authority (URA) was established by an Act of Parliament in 1991 as the central agency responsible for

- Assessing and collection of specified revenue
- Administering and enforcing laws relating to those revenues
- Providing guidance on tax related matters

Tax Structure

The Uganda Tax System can be summarised within Six (6) major Elements

- Individual and Corporate income tax,
- Value added tax (VAT) on goods and services,
- Import and Excise duties, and
- Stamp duty.
- Pay As You Earn (PAYE) for employees.
- Rental Tax for rental property owners

Tax Incentives Available in Uganda

- By Income Tax Act
 - Tax holidays on exportation of finished consumer & capital goods for a period of ten Years at least 80% of production and processing of agricultural products to final goods One year exemption renewable annually.
 - Depreciation rates

- Computers and data handling equipment - 40%
- Automobiles, mini-buses, construction & earth moving equipment - 35%
- Buses (>30 passengers); good vehicles (> 7 tones); specialized trucks; tractors; plant, & machinery used in farming, manufacturing, mining operations; trailers & trailer-mounted container - 30%
- Rail cars; locomotives & equipment; vessels, barges, tugs & similar water transportation equipment; aircraft; specialized public utility plant, equipment & machinery; office furniture, fixtures & equipment; any depreciable asset - 20%
- Special Deductions: These are carried forward losses
 - Industrial building allowance on cost of the building - 5%
 - Expenditure on training of employees and scientific research - 100%
 - Exempt Incomes (List available with URA)
 - Withholding tax on importation of Raw materials, human or animal medicine, Plant and Machinery and scholastic materials
- Value Added Tax
 - Zero rated on specified supplies/goods
 - Exempt supplies/goods

- VAT deferral on plant & machinery for Investors
- Double Taxation Agreements (reduced rates & tax credits)
- Customs
 - Duty Draw Backs details with URA in the 5th Schedule)

5th Schedule

- Inputs for exploration in oil and gas sector

A tax official in the OSC is available to assist and offer tax advice. Applications for Tax Identification Numbers (TIN) can be done on-line and the guidelines can be accessed via the URA website www.ura.go.ug

ENVIRONMENTAL COMPLIANCE

The National Environment Management Authority (NEMA) is a Government institution established as the principal agency in Uganda charged with the responsibility of coordinating, monitoring, regulating and supervising environmental impact/mitigation compliance and management. In this regard NEMA is responsible for regulating the impact of all investment on the environment. NEMA grants certificates of environmental clearance, following review and approval of environmental audits

carried out by NEMA authorized experts , Environment Impact Assessment (EIA) reports and Resettlement Action Plans (RAP).

More Information is available on the NEMA website: www.nemaug.org e-mail info@nemaug.org

IMMIGRATION SERVICES

The Directorate of Citizenship and Immigration Control is represented within the OSC to fast track the necessary immigration documentation required for foreign investors A Principal Immigration officer in the OSC is always at hand to handle the processes of visa extensions, special Passes dependent passes and their extension, Work Permit issuance and renewal, and certificates of residency to qualifying investors and their overseas staff, among others

Visiting Uganda for Business

Travel Visa to Uganda can be obtained at all Uganda Missions and Consulates or Port of Entry. eg Entebbe International Airport. Different Class categories of Work Permits are issues on a yearly basis.

More Information is available on the website: www.immigration.go.ug

LAND FOR INVESTMENT

The Ministry of Lands and Urban Development is mandated “To ensure a rational, sustainable and effective use and management of land and orderly development of urban and rural areas as well as safe, planned and adequate housing for socio-economic development”. It has two departments that are directly related to land acquisition for investment.

- The Department of Land Administration: It is responsible for supervision of land administration institutions and valuation of land and other properties
- The Department of Land Registration: It is responsible for issuance of certificates of titles, general conveyance, keeping custody of the national land register, coordination, inspection, monitoring and back-up technical support relating to land registration and acquisition processes

Land in Uganda is under four (4) major land tenure systems which may be available for investment purposes. These are

- Leasehold tenure
Leasehold tenure is a form of tenure whereby one party grants to another the right to exclusive possession of land for a specified period, usually

in exchange for the payment of rent. The longest lease term is 99 years .

- Free hold land tenure
This tenure derives its legality from the Constitution and the written law. Freehold tenure may involve either a grant of land in perpetuity, or for a lesser specified time period. Only citizens of Uganda are entitled to own land under freehold tenure. Non-citizens may lease it for a period up to 99 years.
- Mailo Land tenure
Mailo tenure is almost identical to freehold tenure. Registered land can be held in perpetuity and a Mailo owner is entitled to enjoy all the powers of a freehold owner
- Customary tenure
In some places the land is held communally, in some it belongs to a particular clan while in others it is held by individuals. The rules of customary law also vary in different parts of the country.

A Land Registrar in the OSC is always at hand to guide and facilitate investors on land leasing and registration requirements during the land acquisition procedures More Information on acquisition of land for investment is available on the website: www.mlhud.go.ug

INVESTMENT OPPORTUNITIES

Agriculture/Agribusiness

Uganda is among the leading producers of coffee, bananas and oil seed crops (sesame (*simsim*), soybean, sunflower, etc). It is also a major producer of other crops like tea, cotton organic cotton, tobacco, cereals, fresh fruit & vegetables and nuts, essential oils, flowers, poultry, fresh water fish.

Opportunities for investment exist in

- Commercial farming in both crops and animal industries, as well as aquaculture
- Value addition (Agro-industries -Agro-food industries)
- Manufacturing of inputs (fertilizers, pesticides etc)
- Cold storage facilities and logistics
- Farm Machinery manufacturing and assembly
- Packaging
- Irrigation Schemes

The country has been zoned into specific production areas and in order to ease logistics and supply of Agricultural products / source of raw materials, all these areas are well linked to a good national road grid network

Tourism

The distinctive attraction of Uganda as a tourist destination arises from the variety of its game stock (Including the rare tree climbing lions of Ishasha White Rhinoceros, Gorillas, elephants and its unspoiled scenic beauty including forests hills and Mountain Rivers and lakes. 51% of the world's population of mountain gorillas lives in Uganda.

Uganda is home to 11% of the world's bird's species (a total of 1060 birdspecies) which offers a wide range of bird species.

The opportunities in tourism range from constructing high quality accommodation facilities, operating tours and travel circuits (bicycle tours, air balloon travel, marine - Lake Victoria and river rafting on the River Nile) to the development of specialized eco and community tourism systems, as well as faith based tourism (pilgrimage to Namugongo - Uganda Martyrs, Mahatma Gandhi Statute and Bishop Hannington landing site on the Nile River).

Mining

Over 80% of the country has been surveyed for mineral quantities and locations. New geo-data shows that Uganda has large under-exploited mineral deposits of gold, oil, high grade tin, tungsten/wolfram, salt, beryllium, cobalt, kaolin, iron-ore, glass sand, vermiculite , phosphates

(agricultural fertilizer), Uranium and rare earth elements. There are also significant quantities of clay and gypsum.

Gold occurs in many areas of the country, including Busia in the east, Buhweju and Kigezi in the west, Mubende - Kiboga in the central region and significant occurrences in Karamoja in the north east.

Investment opportunities exist in mining and mineral processing. Uganda provides special incentives to the mining sector with some capital expenditures being written off in full.

The Uganda Mining Act of 2003 and Mining Regulation 2004 grant five types of mining rights. These include:

- Prospecting License
- Exploration License,
- Retention License,
- Mining Lease
- Location License

Details are available on the website www.energyandminerals.go.ug

Energy, Oil and Gas

Oil and Gas

A discovery of extractable quantities of oil and gas in the Lake Albert region has enhanced the sector's joie de vivre. According to the Petroleum Exploration and Production Department, 21 oil and/or gas discoveries have been made in the country to date. Petroleum laws are in place and a communication desk to disseminate information related to the oil and gas sector was created within the Ministry of Energy and Mineral Development. Investment opportunities available in middle and down streams in the Sector.

More information on the sector can be got from the Website: www.petroleum.go.ug

Renewable Energy Power Potential

Uganda has considerable unexploited renewable energy resources for energy production and provision of energy services. The overall Government Policy for the role of renewable energy in the national economy is to make modern renewable energy a substantial part of the national energy consumption. The goal of Uganda Renewable Energy Policy is to increase the use of modern renewable from below 5% in 2007 to 61% of the total energy consumption by 2017.

Energy Source	Estimated Electrical Potential (MW)
Hydro	2,000
Mini - hydro	200
Solar	200
Bio-mass	1,650
Geothermal	450
Peat	8.00
Total	5,300

Source: Electricity Regulatory Authority June 2013

Information Communication Technology

Uganda's Information and Communication Technology (ICT) sector is one of the most vibrant within the region and fastest growing sector in the economy. This vibrancy hinges largely on the good legal and regulatory frameworks. The supportive investment climate therein has exposed numerous opportunities in ICT innovation services leading to maximum utilization of the existing youthful human resource base as quite suitable for the ICT work. The newly developed and highly qualitative ICT infrastructure is also ready to accommodate more future investments. Uganda is now connected to three marine fibre optic cables running around African eastern coast in the Indian Ocean .

Uganda is positioning itself to be the hub for Business Processing and Management Outsourcing industry with the region on the Africa's Eastern coast.

Numerous Investment Opportunities exist in the local, Regional and International markets .The largest of the Uganda Business Process Outsourcing, Information Technology and Information Technology Enabling Services Industry opportunities are within Agriculture, Health, Tourism, Banks insurance and public administration. Domestic opportunities have been identified in the areas of

- Digitalisation of services
- Healthcare services for the ageing
- Productivity Solutions
- Web applications
- Software Development
- Ware housing
- Network Integrations

Manufacturing

Uganda's manufacturing sector presents various opportunities in virtually all areas ranging from beverages, leather, tobacco based processing, paper, textiles and garments, pharmaceuticals, fabrication, ceramics, glass, fertilizers, plastic / PVC, assembly of electronic goods, hi-tech and medical products.

Infrastructure

Although significant efforts have been made to develop and rehabilitate the existing physical and non-physical infrastructure, potential investment opportunities exist in all national grids. These include;

- Airports and Airdromes,
- Railways Roads and bridges.
- Urban Transport.
- Power Generation.
- Power Transmission.
- Power Distribution.
- Water and Sewage.
- Irrigation Schemes.

Services

- Financial services
Opportunities for investment exist for international multinational banking groups particularly promoting new or innovative financial products (i.e. Mortgage finance, venture capital, merchant banking and leasing finance) and also micro finance saving institutions, especially to operate in rural areas. Insurance, in particular, is still a relatively young sector and offers several opportunities for investment.

Education

Uganda runs high quality courses in English at relatively cheaper costs than other education destinations and is dedicated to making investment in the country's knowledge hub a unique experience and a win-win situation for both investors and students. Investment opportunities therefore exist in Uganda for setting up Public and independent private universities, branch universities and offshore campuses. Other areas of investment include technical & vocational training, distance learning and student financing. Research centers in tropical medicine and medical tourism.

Health

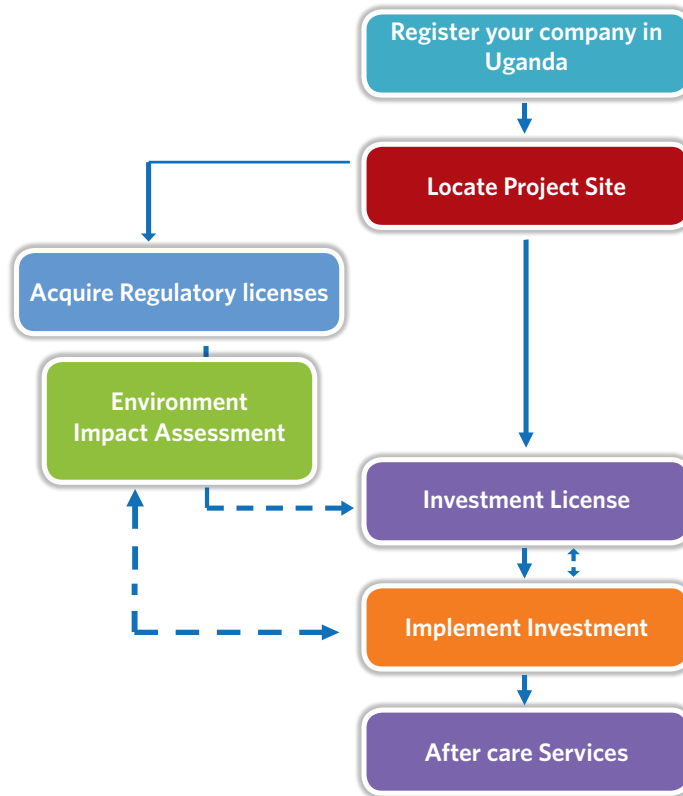
The public health care delivery system in Uganda is organized in tiers, where the Village Health Teams/ Health Centres I, II,III and IV and the General Hospitals form the frontline and primary care, the Regional Referral Hospitals secondary care and the National Referral Hospitals and specialized institutes of cancer and heart, form tertiary care. The national and regional referral hospitals are semi-autonomous institutions, while the district health services and general hospitals are managed by the local governments. A good percentage of health facilities are privately owned and the private

sector provides a recognisable output especially in services delivered. Uganda has a growing population therefore has increased investment needs in the health sector.

While Government and development partners' focus on communicable diseases, there is a need for innovations and private sector participation. This has created investment opportunities in health management, human resource training e-health solutions and logistics, tertiary care services early detection, treatment, medical tourism and manufacturing of affordable equipment and other centers of excellence provide more investment opportunities



INVESTMENT REGISTRATION AND FACILITATION PROCESSES



UGANDA INVESTMENT AUTHORITY

Uganda Investment Authority (UIA) is the Government mandated agency to promote and facilitate investments in Uganda. It is the first point of contact for any potential investor where the One Stop Center (OSC) caters for business registration, licensing, facilitation and aftercare services are provided under one roof

UIA's main functions include:

- To promote and facilitate investments in Uganda
- Assist in the acquisition of Agricultural and Industrial land when required
- Assistance in organizing itineraries for visiting foreign business missions in the country
- Facilitate and enhance Small and Medium Enterprises to grow and link to multi-national entities for business.
- Issue Investment licenses.
- Review and make policy recommendations to Government about investment
- Broker joint venture partnerships
- Provides aftercare services to existing investors



ONE-STOP-CENTRE FOR INVESTORS AT UGANDA INVESTMENT AUTHORITY

TWED Plaza, Plot 22B Lumumba Avenue

Tel: +256 414 301000

Email: info@ugandainvest.go.ug

<http://www.ugandainvest.go.ug>

USEFUL CONTACTS

Uganda Registration Services Bureau

Tel: +256 414 2235219 / 235915

Email: ursb@ursb.go.ug

<http://www.ursb.go.ug>

Uganda Revenue Authority

Tel: +256 417 444602 - 417 444620

Email: info@ura.go.ug

<http://www.ura.go.ug>

Uganda Tourist Board

Tel: +256 414 342196/7

Email: utb@tourismuganda.info

<http://www.visituganda.com>

Uganda Wildlife Authority

Tel: +256 414 3555000, 312 355000

Email: info@ugandawildlife.org

<http://www.ugandawildlife.org>

Directorate of Citizenship and Immigration Control

Tel: +256 414 595945

Email: <http://www.immigration.go.ug>

Uganda National Bureau of Standards

Tel: +256 414 505995, 222369

Email: info@unbs.go.ug

<http://www.unbs.go.ug>

Bank of Uganda

Tel: +256 414 259090, 312 392000

Email: info@bou.or.ug

<http://www.bou.or.ug>

Uganda National Bureau of Statistics

Tel: +256 414 706000

Email: ubos@ubos.org

<http://www.ubos.org>

Uganda Export Promotion Board

Tel: +256 414 230250, 230233

E-mail: helpdesk@ugandaexportsonline.com

<http://www.ugandaexportsonline.com>

National Environment Management Authority

Tel: +256 414 251064/5/8

Email: info@nema-ug.org

<http://www.nema-ug.org>

Department of Geological Survey and Mines, Uganda

Tel: +245 414 320656, 312 262902
Email: dgms@minerals.go.ug
<http://www.uganda-mining.go.ug>

Petroleum Exploration and Production Department

Tel: +256 414 320714
Email: communications@petroleum.go.ug
<http://www.petroleum.go.ug>

Uganda Manufacturers Association

Tel: +256 414 221034, 287615/2
E-mail: administration@uma.or.ug
<http://www.uma.or.ug>

Private Sector Foundation Uganda

Tel: +256 312 263850, 261850
Email: snakibuuka@psfuganda.org.ug
<http://www.psfuganda.com>

Uganda National Chamber of Commerce and Industry

Tel: +256 753 503035
Email: info@chamberuganda.com
<http://www.chamberuganda.com>
Uganda Chamber of Mines and Petroleum
Tel: +256 312 516695
Email: info@ucmp.ug
<http://www.ucmp.ug>

Uganda Communications Commission

Tel: +256 414 33900/ +256 312 339000
Email: ucc@ucc.co.ug
<http://www.ucc.co.ug>

Civil Aviation Authority

Tel: +256 414 352000/ +256 312 352000
Email: aviation@caa.co.ug
<http://www.caa.co.ug>

Uganda National Council of Science and Technology

Tel: +256 414 705500
Email: info@uncst.go.ug
<http://www.uncst.go.ug>

Uganda Coffee Development Authority

Tel: +256 414 256940/ 312 260470
Email: ucda@ugandacoffee.org
<http://www.ugandacoffee.org>

Cotton Development Authority

Tel: +256 414 230309/ 414 232968
Email: cdo@africaonline.co.ug
<http://www.cdouga.org>

Diary Development Authority

Tel: +256 414 343901/3
Email: <http://www.dda.or.ug>

UGANDA AT A GLANCE

Demographical Aspects

Economic Indicators

Population : 34.9 Million (2014) *	Current GDP Per Capita: US\$1,362-(Dec 2013)*
World Population Rank 35% : (2014)***	GDP Annual Growth Rate: 3% - (Aug 2014)*
Population Growth Rate : 3%(2014)*	Agriculture Contribution to GDP: 25%- (2013)*
Literacy Rate: 71% (2012/13) *	Annual Inflation Rate: 6.7%- (2013/14)**
Labour Force: 14.2 Million (2014)**	

Sources: *Trading Economies, World Bank***

*UBOS -National Population and Housing Census 2014/National Household Survey 2013**

Annual Economic Performance Report(Uganda) – Jan 2015 **

*World Bank****

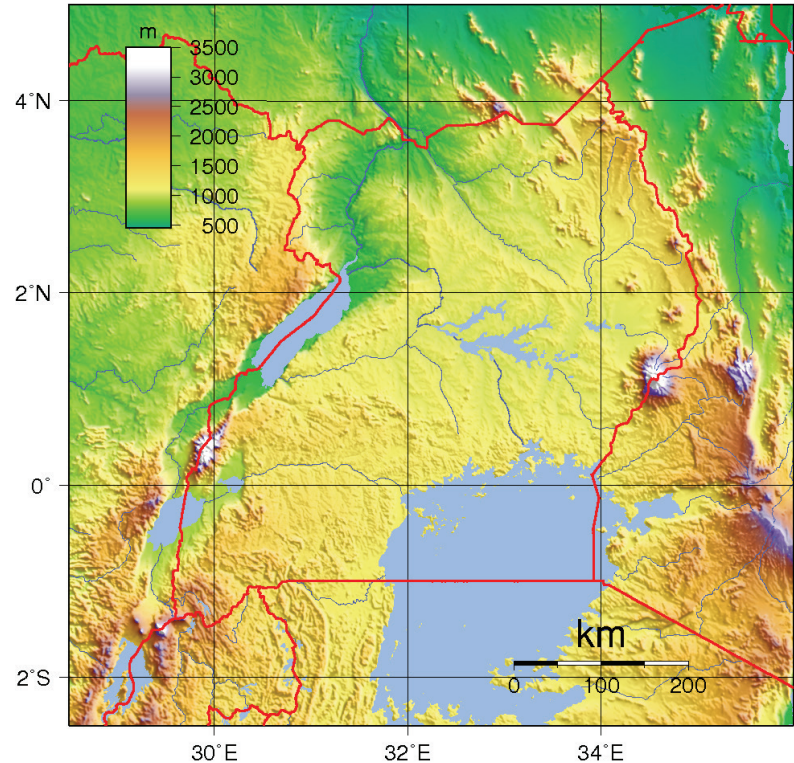
UGANDA CLIMATE

Although Uganda is on the equator, its climate is warm rather than hot, and temperatures vary little throughout the year. The country is sunny most of the year and average annual temperature stands at 26 degrees Celsius (78° Fahrenheit). The rainy season is from March till May and October till November. Light rain season falls in November and December. Dry seasons are from December to February and June to August.

Summary of Annual mean Climate : Kampala

- Uganda Annual mean sun hours is 240hrs
- Annual mean precipitation rainfall 140mm
- The Annual mean rain days 15 days
- The Annual mean minimum temperature is 18 degrees and maximum is 25 degrees centigrade
- The Average humidity 79%

Source www.weather&climate.com



MAP OF UGANDA SHOWING AIRPORTS AND MAIN ROADS





UGANDA INVESTMENT AUTHORITY
TWED Plaza, Plot 22B Lumumba Avenue
Tel: +256 414 301000
Email: info@ugandainvest.go.ug
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