Ministry of Finance, Planning and Economic Development

TAX INCENTIVES AND ELIGIBILITY REQUIREMENTS FOR ALL INVESTORS IN UGANDA

October 2026

INTRODUCTION

Uganda offers a wide range of tax incentives under the current legal framework, namely: the Income Tax Act Cap. 338; the Value Added Tax Act Cap 344; the Stamp Duty Act Cap. 339; the Excise Duty Act Cap. 336; the Tax Procedures Code Act Cap. 343; the East African Community Customs Management Act 2004 (EAC CMA); the East African Community Common External Tariff 2022 (EAC CET), among others.

The main objectives of providing the tax incentives include:

1. To improve Uganda's competitiveness, regionally and globally, with respect to attracting investment, thus supporting industrial development, increased value addition, increased exports and employment creation.

2. To focus or direct investments to strategic sectors with a view to driving import replacement. The key sectors include: downstream agriculture and agribusiness; value addition in the Minerals sector; Tourism and Hospitality; and manufacturing that utilizes local raw materials.

3. To leverage the investors' capacity to bring into Uganda their technology, management expertise, and access to global distribution and logistics networks

4. To enhance the predictability of the policy environment for investment. It will be noted that persons investing USD10 million and above, particularly in long term projects such as agro-processing facilities, Mineral development, data centers, among others, base their investment decision on their projection over a period of 15 to 25 years. Therefore, such investors need to have confidence and certainty in the tax rules, licensing framework and foreign exchange convertibility, among other things. Therefore, Government may often enter into contracts or agreements with such investors to provide guarantees that any unforeseen changes in Government policy do not affect such investors.

This document presents the principal incentives available to investors, including the applicable benefits, eligibility requirements, investment thresholds, tax rates and incentive periods. It is intended to provide investors and other stakeholders with a clear reference point. Eligibility remains subject to the relevant legislation, prescribed approvals and verification by the Ministry of Finance, Planning and Economic Development.

1. Income Tax Act Cap. 338 Incentives

S/N	Beneficiary or Incentive Area	Incentive, eligibility and conditions (including rate and period)
1	Exempt Organisations	An exempt organisation's business or rental income is exempt where it is used for the purpose for which the organisation exists. Passive income, including dividends, interest, annuities, natural-resource payments, rent and royalties, remains taxable, as does business income unrelated to the purpose for which the organisation exists. An exempt organisation must be established as a religious, charitable, educational or research body with non-profit objectives and must hold a current written ruling from the Commissioner General confirming its status.
2	Short Term Residents	A person resident in Uganda, such as someone who spends at least 183 days in Uganda during a year, is ordinarily taxed on income earned in Uganda and abroad. However, foreign-source income earned by a short-term resident or an immediate family member is exempt. A short-term resident is a non-citizen who is resident for tax purposes and has been present in Uganda for no more than **two years**. Income derived from Uganda remains taxable.
3	Government Income	Income of any government is exempt from income tax.
4	Private Equity and Venture Capital Funds	Income derived from or by a private equity or venture capital fund regulated under the Capital Markets Authority Act, Cap. 64 is exempt from income tax.
5	Disposal of Government Securities	Income derived from disposing of Government securities on the secondary market is exempt from income tax.
6	Collective Investment Schemes	Income of a collective investment scheme or unit trust is exempt to the extent that the income is distributed to participants in the scheme.
7	Aircraft Operations and Leasing	Income earned from operating aircraft in domestic or international traffic, or from leasing aircraft, is exempt from income tax.

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8	Exporters of Finished Goods	Income derived from exporting finished consumer or capital goods is exempt for **10 years** where at the beginning of the investment the investor: a) Applies in writing to the Commissioner General, URA; b) Exports at least 80% of production; c) Satisfies any conditions prescribed by the Minister of Finance; and d) Obtains the prescribed exemption certificate. i. Export means taking goods outside the East African Community partner states. ii. Finished consumer goods are ready for consumption without further processing and, for flower exports, include potted plants and chrysanthemum cuttings. iii. Finished capital goods are used in production. Goods include articles, wares, merchandise, livestock and currency. iv. Investment includes creating new business assets or expanding, restructuring or rehabilitating an enterprise. v. Manufacturing means substantially transforming tangible movable property and includes power generation and water supply.
9	Developers of Industrial Parks and Free Zones	Income derived from letting or leasing facilities in an industrial park or free zone is exempt for **10 years** where the developer invests at least USD 50 million if foreign or USD 10 million if a Ugandan citizen. The period begins when construction starts. An existing developer qualifies from the date they make an additional investment meeting the same threshold.
10	10 Year Income Tax Holiday for Strategic or Priority Investments	**A 10-year income-tax holiday** is available to a Foreign Investor who invests at least USD 10 million. A Ugandan Citizen must invest at least USD 300,000 in Kampala or within 50 kilometres of Kampala's boundary, or USD 150,000 upcountry in Uganda. Subject to availability, the investor must source at least 70% of raw materials locally. Ugandan citizens must also comprise at least 70% of the

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		workforce and receive at least 70% of the total wage bill. The investment must be in one of the following strategic Sectors: a) large-scale agro-processing or commercial farming; b) manufacturing or assembling medical appliances, medical sundries, pharmaceuticals, building materials, automobiles or household appliances; c) manufacturing furniture, pulp or paper, or printing and publishing instructional materials; d) establishing or operating vocational or technical institutes; e) logistics and warehousing, or information technology; f) manufacturing tyres, footwear, mattresses or toothpaste; g) manufacturing chemicals for agricultural, industrial or textile use, glassware, leather products, industrial machinery, electrical equipment, sanitary pads or diapers; h) manufacturing electric vehicles, batteries or charging equipment, or fabricating electric-vehicle frames and bodies; or i) operating specialised hospital facilities. The following definitions shall apply: i. **Agro-processing** is an industrial or manufacturing process that substantially changes raw produce from pastoral, agricultural or other farming operations into a different physical or chemical state. It includes activities undertaken after slaughter or harvest to change or preserve the product. ii. **Manufacturing** means substantially transforming tangible movable property and includes power generation and water supply.
11	Hotel and Tourism Facility Developers	Income of a developer of a hotel or tourism facility qualifies for a **tax holiday** where the investment is at least USD 10 million for a foreign investor or USD 5 million for a Ugandan citizen. Subject to availability, at least 70% of the raw materials must

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		be sourced locally. Ugandan citizens must comprise at least 70% of employees and receive at least 70% of the total wage bill.
12	Infrastructure Bonds	Interest paid on an infrastructure bond is exempt from income tax. An infrastructure bond is a bond, note or similar security used to raise funds for public infrastructure or other social services and having a maturity period of at **least 10** years.
13	Indexation of the Cost Base for Capital Gains	A gain from disposing of a business asset forms part of taxable business income. When calculating a taxable gain or loss on disposal, each cost or expense included in the asset's cost base is adjusted for inflation using the following formula: Indexed cost = CB x CPID/CPIA, whereby: i. CB is the original cost or expense. ii. CPID is the Consumer Price Index for the month of sale. iii. CPIA is the Consumer Price Index for the month immediately before the cost or expense was incurred. Indexation therefore adjusts the historical cost for inflation before the taxable gain or loss is calculated.
14	Involuntary Disposal	An involuntary disposal is not treated as a disposal for capital-gains purposes to the extent that the proceeds are reinvested in an asset of the same kind within **one year after the disposal**.
15	Dividends between Related Resident Companies	A dividend paid by one resident company to another resident company is exempt where the receiving company directly or indirectly controls at least 25% of the voting power in the paying company. The exemption does not apply to a dividend received

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		by a financial institution because it owns redeemable shares in the paying company or where a dividend-stripping arrangement exists.
16	Roll Over Relief	Roll-over relief postpones tax on qualifying reorganisations by transferring the existing cost base to the new asset or owner instead of treating the transaction as an immediate taxable disposal. Relief applies where a resident transfers a business asset to a resident company in exchange for shares and thereafter controls at least 50% of its voting power. Relief also applies where a resident company transfers a business asset on liquidation to a resident corporate shareholder that previously controlled at least 50% of its voting power. The Commissioner General may grant similar treatment to reorganisations involving no significant change in underlying ownership or control. These include: i. transfers of assets to controlled entities followed by distribution of shares; ii. proportionate allotments of shares or debentures; iii. mergers and amalgamations; iv. transfers by companies to a newly established company; and v. corporate divisions involving transfers to at least two companies.
17	Foreign Tax Credits	A resident taxpayer may claim a credit for foreign income tax paid on foreign-source income that is included in the taxpayer's gross income in Uganda. The credit for a year cannot exceed the Ugandan income tax payable on that foreign-source income for the same year.
18	Mining Exploration	The depreciation rate for the mining asset pool is **100%.** This permits the qualifying cost to be deducted in full under the applicable mining rules.
19	Mining Extraction	Mining-extraction expenditure treated as an intangible asset is written off over the expected life of the related extraction operations where that life does not exceed six

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		years. A contribution made by a licensee to a rehabilitation fund under an approved rehabilitation plan is deductible in the year in which it is paid.
20	Petroleum Exploration	The depreciation rate for the petroleum asset pool is **100%**.
21	Petroleum Development	Petroleum development expenditure treated as an intangible asset is written off over the expected life of the related operations where that life does not exceed six years. A contribution made by a licensee to a decommissioning fund under an approved decommissioning plan for petroleum operations is deductible in the year in which it is paid.
22	Withholding Tax for Non-Resident Petroleum Contractors	Payments to non-residents are ordinarily subject to withholding tax at 15%. The withholding-tax rate applicable to a non-resident contractor for petroleum is **10%**.
23	Withholding Tax Exemption for Compliant Taxpayers	Local suppliers of goods and services and importers of goods are ordinarily subject to withholding tax at 6%. A supplier or importer may be exempt where the Commissioner General is satisfied that the person has regularly complied with the obligations imposed under the Income Tax Act.

2. Value Added Tax Act Cap. 344 Incentives

S/N	Beneficiary or incentive area	Incentive, eligibility and conditions (including rate and period)
1	Developers of Industrial parks and free zones	A developer investing at least USD 50 million in an industrial park or free zone will obtain VAT exemption on: i. feasibility, design and construction services; ii. earth-moving equipment and machinery; and

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		iii. construction materials used to develop the park or zone.
2	Qualifying sectors and general conditions	VAT exemption is available for specified supplies to investors engaged in: a) large-scale agro-processing, commercial farming, logistics and warehousing, or information technology; b) vocational or technical education; c) specialised hospital services; d) the manufacture or assembly of medical appliances, medical sundries, pharmaceuticals, building materials, automobiles, household appliances, furniture, pulp and paper, instructional materials, tyres, footwear, mattresses or toothpaste; e) the manufacture of agricultural, industrial or textile chemicals, glassware, leather products, industrial machinery, electrical equipment, sanitary pads or diapers; and f) the manufacture of electric vehicles, batteries or charging equipment, or the fabrication of electric-vehicle frames and bodies. Please note that the following conditions shall apply: i. For these sectors, the exemption covers feasibility and design services, locally produced materials used to construct a factory or warehouse, and qualifying locally produced raw materials, inputs, machinery and equipment. ii. A foreign investor must invest at least USD 10 million. A Ugandan citizen must generally invest at least USD 300,000 in Kampala or within 50 kilometres of its boundaries, or at least USD 150,000 upcountry. iii. Subject to availability, at least 70% of raw materials must be sourced locally. Ugandan citizens must also constitute at least 70% of the workforce and receive at least 70% of the total wage bill.

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3	Other Manufacturers	A manufacturer outside the sectors listed above may receive VAT-exempt feasibility, design and construction services if a foreign investor commits at least USD 30 million or a local investor commits at least USD 5 million. The same thresholds apply where an existing manufacturer makes an additional investment. The following additional conditions shall apply: a) The investor must be capable of using at least 70% locally sourced raw materials, where available, and employing Ugandan citizens as at least 70% of its workforce, with those employees receiving at least 70% of the wage bill.
4	Hotels, hospitals and training institutions	A hotel or tourism facility developer investing at least USD 8 million in a facility capable of accommodating more than 100 guests will receive VAT exemption on feasibility, design and construction services; locally produced construction materials; and qualifying infrastructure, machinery, equipment, furnishings and fittings not available locally. A developer investing at least USD 5 million in a hospital capable of providing specialised medical care receives similar relief on services, locally produced construction materials, infrastructure, machinery, equipment, furnishings and fittings. For a technical or vocational institute, the investment threshold is at least USD 10 million for a foreign investor or USD 1 million for a Ugandan citizen. The exemption covers feasibility, design and construction services, locally produced construction materials, infrastructure, machinery, equipment, furnishings and fittings.

S/N	Beneficiary or incentive area	Incentive, eligibility and conditions (including rate and period)
5	Textile production	The exemption also covers specified textile inputs and operations, including wet processing and garmenting, cotton lint, artificial fibres used for blending, polyester staple fibre, viscose rayon fibre yarn other than cotton yarn, dyes, chemicals, garment accessories, machinery, spare parts and industrial consumables used in textile production.
6	VAT deferment	VAT is deferred on imported plant and machinery, and on imported inputs for the mining sector. Instead of paying input VAT immediately when the goods enter Uganda, the investor postpones payment under the applicable statutory procedure and instead accounts for the VAT as part of output. This can ease the cash-flow pressure of establishing a capital-intensive business.
7	Registration without taxable sales	Commercial farmers, mining or petroleum licensees, persons constructing a petroleum refinery or pipeline, and persons undertaking qualifying midstream petroleum operations may register for VAT even without making supplies on which they charge VAT. Registration allows them to claim qualifying input VAT incurred in establishing and operating the project, so that the VAT does not necessarily become part of the project's cost.
8	Deemed VAT	Under deemed VAT, the law treats VAT as paid even though the customer does not transfer the VAT amount to the supplier in the ordinary way. VAT on a taxable supply made by a contractor to a mining or petroleum licensee is deemed paid where the supply is used solely and exclusively for the licensee's mining or petroleum operations.

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		The following definitions shall apply: i. A licensee is a holder of a mining right or a person that has entered into a petroleum agreement with Government. ii. A contractor is an independent supplier of goods or services to such a licensee. Similar treatment applies to a supply made to a contractor executing an aid-funded project where it is used solely and exclusively for that project. An aid-funded project is financed by a foreign government or development agency through a loan, grant or donation. Likewise VAT on a qualifying supply made to a Government Ministry, Department or Agency under such a project is be deemed paid.
9	Cash-basis accounting	VAT ordinarily becomes payable at the earliest of receiving payment, making the supply or issuing an invoice. A taxable person whose annual taxable supplies do not exceed UGX 500 million, or a supplier of goods or services to Government, may elect to account for VAT when payment is actually received. This protects eligible suppliers from having to finance VAT on unpaid invoices.
10	Claiming input VAT	Input VAT is the VAT a business pays on purchases or imports used in making taxable supplies. It is normally credited against the VAT charged to customers. Although VAT paid on imported services is ordinarily not claimable, a claim may be made where the services are imported by a qualifying mining or petroleum contractor or licensee, or by a person providing business-process outsourcing services.

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		Input VAT may also be claimed where goods or services are supplied to, or imported by, a person conducting Islamic financial business for onward sale to a taxable person under sale-based financing. A newly registered taxpayer may claim VAT paid before registration on goods, including capital assets, that remain on hand and are used in the business. The supply or import must generally have occurred within six months before registration, extended to twelve months for a manufacturer. A hotel or tourism facility developer investing at least USD 10 million as a foreign investor or USD 5 million as a citizen may claim qualifying VAT incurred during the two years before commissioning. The claim may cover civil works; feasibility, design and construction services; and specified locally produced construction materials, infrastructure, machinery, equipment, furnishings and fittings unavailable locally. The credit arises on commissioning and applies only to the particular facility developed.
11	Supplies exempt from VAT	i. An exempt supply is not charged VAT. However, a supplier generally cannot recover input VAT incurred in making that supply. Important exemptions include: ii. specified insurance services, including health, life, micro, reinsurance, aircraft and agricultural insurance; iii. unimproved land and most sales, leases or lettings of immovable property, excluding commercial premises, vehicle parking or storage, hotel or holiday accommodation, service apartments and lettings not exceeding three months; iv. goods transferred as part of a going concern between taxable persons;

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		v. passenger transport services, except services supplied by tour and travel operators; vi. specified petroleum fuels and residual oils used for thermal generation supplied to the national grid; vii. animal feeds and listed feed components; viii. machinery, tools and implements suitable only for agriculture; ix. deep-cycle batteries, composite lanterns and their manufacturing inputs; x. locally manufactured electric vehicles, locally fabricated frames and bodies, charging equipment and charging services; xi. Ugandan-assembled ethanol cooking stoves up to 30 June 2028; xii. specified solar equipment and photosensitive semiconductor devices; xiii. qualifying goods and services supplied to contractors and subcontractors of hydroelectric, solar, geothermal, biogas and wind-energy projects, excluding personal or domestic use; xiv. movie production; xv. Ugandan-made fabrics and garments produced by vertically integrated textile mills; xvi. billets used for further value addition in Uganda; xvii. accommodation in tourist hotels and lodges located upcountry; viii. processed milk; and xix. locally developed computer software, maintenance and licences among others.
12	Supplies zero-rated for VAT	A zero-rated supply is taxable at **0%**. Unlike an exempt supplier, a supplier making zero-rated supplies may generally claim related input VAT. Zero-rated supplies include: i. goods or services exported from Uganda as part of the supply; ii. international transport of goods or passengers and related tickets; iii. drugs, medicines and medical sundries manufactured in Uganda;

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		iv. sanitary towels, menstrual cups, tampons and inputs used to manufacture them; and v. leased aircraft, aircraft engines and spare parts, aircraft maintenance equipment and repair services among others.

3. Stamp Duty Act Cap. 339 Incentives

S/N	Beneficiary or incentive area	Incentive, eligibility and conditions (including rate and period)
1	Stamp duty incentives	a) Qualifying instruments executed by or for an eligible investor attract stamp duty at a **nil rate**. These include a transfer of land, ordinarily taxed at 1.5%; a lease of land, ordinarily taxed at 1%; and an increase in share capital, ordinarily taxed at 0.5%. Both the instrument and investment must satisfy the statutory conditions. An eligible investor is one who: b) develops an industrial park or free zone with investment capital of at least USD 50 million; c) invests at least USD 10 million as a foreign investor, USD 300,000 as a citizen, or USD 150,000 as a citizen investing upcountry; can, subject to availability, use at least 80% locally produced raw materials; employs citizens as at least 80% of its workforce and pays them at least 80% of the wage bill; substitutes locally produced goods for at least 30% of imports; and operates in agro-processing, food processing, medical appliances, building materials, light industry, automobile manufacture and assembly, household appliances, furniture, logistics and warehousing, information technology, commercial farming, tyres, footwear, mattresses or toothpaste; d) manufactures goods outside those sectors, invests at least USD 35 million and, subject to availability, can use at least 70% locally produced raw

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		materials, while employing citizens as at least 70**%** of its workforce and paying them at least 70% of the total wage bill; e) operates a technical or vocational institute and invests at least USD 10 million as a foreign investor or USD 1 million as a citizen; or f) manufactures electric vehicles, batteries or charging equipment, or fabricates electric-vehicle frames or bodies; meets the applicable minimum investment of USD 10 million for a foreign investor, USD 300,000 for a citizen, or USD 150,000 for a citizen investing upcountry; and satisfies the 80% local-material, citizen-employment and citizen-wage requirements together with at least 30% import substitution.
2.	Stamp duty exemption for hotel and tourism facilities, hospitals, and technical or vocational institutes	A nil stamp duty on specified instruments, including debentures, further charges on mortgaged property, leases of land, increase of share capital, transfer of land, and agreements for feasibility studies or development of designs for construction. Eligible sectors include; i. Hotel or tourism facility with minimum investment capital of USD 8 million and room capacity exceeding 100 guests; ii. Hospital facility developer with minimum investment capital of USD 5 million and the hospital must have capacity to provide specialised medical care; and iii. Technical or vocational institute operator with minimum investment capital of USD 10 million for a foreign investor or USD 1 million for a citizen.

4. Excise duty Act Cap. 336 Incentives

S/N	Beneficiary or incentive area	a) Incentive, eligibility and conditions (including rate and period)
1	Excise duty incentives	b) The Commissioner may remit excise duty on excisable goods where satisfied that the goods have been exported. Single-use plastic products are ordinarily subject to excise duty at 2.5% or USD 70 per ton. The Commissioner may remit or refund the duty where the plastic is used to package exports or medicaments, or is manufactured from recycled plastic. c) Construction materials used to develop an industrial park or free zone may be subject to **nil excise duty** where the developer invests at least USD 50 million as a foreign investor or USD 10 million as a citizen. **Nil excise duty** may also apply to qualifying construction materials, locally produced raw materials and inputs supplied to an operator within or outside an industrial park or free zone. The operator must satisfy the relevant sector requirements and generally invest at least USD 10 million as a foreign investor, USD 300,000 as a citizen in Kampala or its surrounding 50-kilometre area, or USD 150,000 as a citizen investing upcountry. The operator must, subject to availability, source 70% of raw materials locally; employ citizens as at least 70% of its workforce and pay them at least 70% of the wage bill; and provide for substitution of 30% of the value of imported products. d) For a manufacturer outside the specified sectors, **nil excise duty** may apply to construction materials where the investment, or qualifying additional investment, is at least USD 50 million. e) The relief also applies to qualifying locally produced construction materials for a hotel or tourism facility investing at least USD 8 million and accommodating more than 100 guests; materials, furnishings and fittings

S/N	Beneficiary or incentive area	a) Incentive, eligibility and conditions (including rate and period)
		for a specialised hospital investing at least USD 5 million; and construction materials, machinery, equipment, furnishings and fittings for a technical or vocational institute investing at least USD 10 million as a foreign investor or USD 1 million as a citizen. f) A manufacturer of electric vehicles, batteries or charging equipment, or a fabricator of electric-vehicle frames and bodies, may obtain **nil excise duty** on qualifying construction materials where it invests at least USD 35 million as a foreign investor or USD 5 million as a citizen.

5. Customs Duty Incentives under the East African Community Customs Management Act (EAC CMA) 2004 and East African Community Common External Tariff 2022 (EAC CET)

S/N	Beneficiary or incentive area	Incentive, eligibility and conditions (including rate and period)
1	strategic investments under the **Special Operating Framework with Government**	1. In accordance with the EAC **Legal Notice No. EAC/160/2026 S/N**, dated 30th June 2026, goods imported for implementation of strategic projects under a special operating framework with the Government may enjoy a **0%** duty for importing construction materials for the project exclusive use, as approved by the Hon. Minister of Finance, Planning and Economic Development as per the specified terms and conditions. Please note that: a) This Framework is granted to reduce on the upfront costs of investors during the construction and development phase, and also encourage industries that

S/N	Beneficiary or incentive area	Incentive, eligibility and conditions (including rate and period)
		will utilize local raw materials, employ Ugandans, and produce goods and services for both domestic and export markets. b) The duty relief is granted only on specialized construction materials which are not available on the local market. c) The zero percent duty for construction materials imported for implementation of strategic projects under a special operating framework with Government provides an alignment of the EAC exemptions regime with the various incentives provided by domestic legislation (Income Tax Act, Value Added Tax Act, and Stamps Duty Act etc.). As such, the investment must be in one of the following strategic or priority sectors: i. large-scale agro-processing or commercial farming; ii. manufacturing or assembling medical appliances, medical sundries, pharmaceuticals, building materials, automobiles or household appliances; iii. manufacturing furniture, pulp or paper, or printing and publishing instructional materials; iv. establishing or operating vocational or technical institutes; v. logistics and warehousing, or information technology; vi. manufacturing tyres, footwear, mattresses or toothpaste; vii. manufacturing chemicals for agricultural, industrial or textile use, glassware, leather products, industrial machinery, electrical equipment, sanitary pads or diapers; viii. manufacturing electric vehicles, batteries or charging equipment, or fabricating electric-vehicle frames and bodies; or ix. operating specialised hospital facilities.

S/N	Beneficiary or incentive area	Incentive, eligibility and conditions (including rate and period)
		x. Hotels and tourism development, as well as other strategic or priority sectors that Government may deem appropriate. 2. To access duty relief under the Special Operating Framework with Government, applications are submitted directly to the Hon. Minister of Finance, Planning and Economic Development for consideration.
2	Industrial manufacturers and processors	Specified plant and machinery, including boilers and parts; auxiliary plant for boilers; industrial or laboratory furnaces and ovens; machinery for filling, closing, sealing or labelling bottles, cans, boxes, bags or other containers; other packing or wrapping machinery; industrial robots; electric motors and electric generators; and generating sets among others, attract **0%** import duty.
3	Agriculture and commercial farming	All agricultural, horticultural, forestry, poultry-keeping, dairy and post-harvest machinery among others attract **0%** import duty. Examples include ploughs; harrows; seeders, planters and transplanters; manure spreaders and fertiliser distributors; mowers; harvesting or threshing machinery; machines for cleaning, sorting or grading agricultural produce; milking machines; dairy machinery; poultry incubators and brooders; machinery for preparing animal feeding stuffs; and machines for cleaning, sorting or grading seed or grain among others.
4	Agro-processing and food manufacturers	Machinery, for the industrial preparation or manufacture of food or drink attract **0%** import duty. This includes bakery machinery; machinery for the manufacture of confectionery, cocoa or chocolate; machinery for sugar manufacture; brewery machinery; machinery for the preparation of meat or poultry; machinery for the preparation of fruits, nuts or vegetables; other machinery; and parts.

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5	Construction mining and infrastructure investors	Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers; and other moving, grading, levelling, scraping, excavating, tamping, compacting, extracting or boring machinery attract **0%** import duty.
6	Cold chain dairying fishing and industrial refrigeration	Refrigerating or freezing equipment classified as "For dairying or fishing" or "For industrial use" attract **0%** import duty. "Other" equipment under the same subheadings may attract a different rate and should be classified separately.
7	Water treatment packaging and production systems	Machinery and apparatus for filtering or purifying water; machinery for cleaning or drying bottles or other containers; machinery for filling, closing, sealing or labelling bottles, cans, boxes, bags or other containers; and other packing or wrapping machinery, all attract **0%** import duty.
8	Hospitals laboratories and health investors	A **0%** import duty applies to: Medical, surgical or laboratory sterilisers under tariff number 8419.20.00; dentists' chairs and parts thereof; operating tables, examination tables and hospital beds with mechanical fittings; ambulances and hearses; and motorcycle ambulances in accordance with the EAC CET.
9	Renewable energy and power investors	Solar water heaters under tariff number 8419.12.00; photovoltaic AC generators under 8501.80.00; wind-powered generating sets under 8502.31.00; photovoltaic cells not assembled in modules or made up into panels under 8541.42.00; and photovoltaic cells assembled in modules or made up into panels under 8541.43.00, all attract **0%** import duty in accordance with the EACCET.

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10	Special purpose vehicle users	Special purpose motor vehicles, other than those principally designed for the transport of persons or goods, are exempt from import duty in accordance with the EAC CET. These include crane lorries, mobile drilling derricks, fire fighting vehicles, concrete-mixer lorries and other special purpose motor vehicles.
11	Vehicle assembly investors	Specified unassembled vehicles, including unassembled vehicles with internal-combustion, hybrid or electric propulsion and specified unassembled vehicles for the transport of goods attract 0% import duty in accordance with the EACCET. The finished or "other" vehicle under the corresponding tariff line may attract a higher rate.
12	Aviation investors and operators	Aircraft, including helicopters, aeroplanes and other aircraft; unmanned aircraft; and specified aircraft parts, including propellers and rotors, under-carriages and other parts of aeroplanes, helicopters or unmanned aircraft, attract **0%** import duty in accordance with the EAC CET.
13	Shipping fisheries and water transport investors	Cruise ships, excursion boats, ferry-boats, cargo ships, barges and similar vessels for the transport of persons or goods; and fishing vessels, factory ships and other vessels for processing or preserving fishery products attract 0% import duty.
14	ICT and telecommunications investors	Specified telephone and data-transmission equipment, including smartphones; other telephones for cellular networks or for other wireless networks; base stations; and machines for the reception, conversion and transmission or regeneration of voice, images or other data are exempt from import duty.

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15	Agriculture horticulture and floriculture inputs	Imported inputs by persons engaged in horticulture, agriculture or floriculture as recommended by the responsible Minister are **exempt from all taxes** in accordance with the Fifth Schedule of the East African Community Custom Management Act 2004 (EAC CMA). The importer should demonstrate the intended agricultural use and obtain any permit or recommendation required by the competent agricultural authority.
16	Fertilisers	Chemically defined compounds used as fertilisers are **exempt from all taxes**, the exemption is implemented upon recommendation by the authority responsible for agriculture and ordinarily requires an import permit from the Ministry of Agriculture, Animal Industry and Fisheries.
17	Poultry and beekeeping	Poultry parent stock and fertilised eggs for incubation imported by persons engaged in poultry farming, and equipment and gear for use in beekeeping are **exempt from all taxes**. The relevant veterinary authorisation and any conditions or limitations imposed by the Commissioner apply.
18	Licensed hotels	Washing machines and laundry equipment; kitchenware and cookers; fridges and freezers; air-conditioning systems; cutlery, linen and curtains; televisions, carpets and furniture; and gymnasium equipment are **exempt from all taxes**. The goods must be imported by a licensed hotel for its use and engraved, printed or marked with the hotel logo. Supporting documents include a valid tourism licence and the required sector recommendation.
19	Licensed hospitals	Shadowless lamps for use in operating theatres; blood freezers; kitchenware and equipment; laundry equipment; mattresses and linen; bedside screens; air

S/N	Beneficiary or incentive area	Incentive, eligibility and conditions (including rate and period)
		conditioners; water-heating equipment; trolleys and stretchers; and furniture is **exempt from all taxes**. The goods must be imported for use in a licensed hospital, permanently marked or engraved with the hospital logo, and recommended by the Director of Medical Services, subject to conditions and limitations imposed by the Commissioner (Commissioner General – Uganda Revenue Authority).
20	Diagnostic services	Diagnostic reagents, equipment and blood-collection tubes recommended by the Director of Medical Services or the Director of Veterinary Services for use in hospitals, clinics and diagnostic laboratories are **exempt from all taxes**, subject to such limitations as the Commissioner may impose. Uganda also requires the applicable National Drug Authority documentation.
21	Solar and wind energy	Specialised equipment for development and generation of solar and wind energy, including photovoltaic modules, direct-current charge controllers, direct-current inverters and deep-cycle batteries which use or store solar power are **exempt from all taxes**. The equipment must be specialised for, and used exclusively in, solar or wind-energy generation. Ordinary motor-vehicle cranking batteries do not qualify.
22	Tour operators and tourism transport	A motor car for transportation of tourists imported by a tour operator upon recommendation of the competent tourism authority, where it is a four-wheel-drive vehicle with an open-roof facility for game viewing, seating capacity not exceeding twelve passengers, provision for camping, rescue and first-aid equipment, baggage compartment and communication fittings, an environmentally blending colour, and a clear and conspicuous “Tourist vehicle” marking. Sightseeing buses, qualifying overland trucks and tourism boats imported by licensed tour operators are also covered subject to their prescribed specifications. Import duty becomes payable upon disposal for another use or change of use.

S/N	Beneficiary or incentive area	Incentive, eligibility and conditions (including rate and period)
23	Manufacturers of medicines	Packaging materials and raw materials for the manufacture of medicaments, imported upon recommendation of the authority responsible for the manufacture of medicaments. In Uganda, they must be for the exclusive use of a licensed manufacturer and not diverted or resold for another purpose.
24	Export manufacturers and exporters	Packing material of any kind designed for packaging goods for export are **exempt from all taxes**. The material must be specifically designed for export packaging and used for that purpose. Uganda requires the prescribed markings and verification that the packaging is intended for export goods.
25	Industrial manufacturers	Industrial spare parts imported as replacement parts and used exclusively on industrial machinery classified under Chapters 84 and 85 of the EAC Common External Tariff are **exempt from all taxes**. The parts must replace worn-out or obsolete parts of existing machinery, must not be for resale, and must be for the exclusive use of the importing industrial entity, supported by the required industry recommendation.
26	Oil gas and geothermal companies	Machinery, equipment and inputs, but not motor vehicles, imported by a licensed company for direct and exclusive use in oil, gas and geothermal exploration, development and distribution are **exempt from all taxes**, upon recommendation by a competent authority of a Partner State.
27	Persons with disabilities	Materials, articles and equipment, including one motor vehicle, which are specially designed for use by disabled or physically handicapped persons are **exempt from all taxes.**

S/N	Beneficiary or incentive area	Incentive, eligibility and conditions (including rate and period)
28	Garbage collection trucks	Motor vehicles specially designed for refuse or garbage collection and disposal, when imported or purchased by local authorities or by persons contracted by local authorities to collect refuse or garbage are **exempt from all taxes**.
29	Rally drivers and racing riders	A bona fide rally driver or racing rider resident in a Partner State may import or purchase one rally vehicle, motorcycle or bicycle and specified spare parts **free of all taxes**, subject to approval and recommendation by the competent motorsport authority. The vehicle or equipment must satisfy the applicable competition rules.
30	Tourist vehicles	Specially designed and built motor vehicles for transportation of tourists imported by licensed tour operators" upon recommendation by the competent tourism authority are **exempt from all taxes.**
31	Returning Residents	A returning resident whom the proper officer is satisfied is genuinely changing residence from outside a Partner State may import wearing apparel, personal and household effects, and one qualifying motor vehicle **free of all taxes**. The vehicle must have been personally owned and used outside the Partner State for at least 12 months. Buses or minibuses carrying more than 13 passengers, load-carrying vehicles exceeding two tonnes and motorcycles are excluded. The goods should normally be imported within 90 days of arrival, extendable by the Commissioner-General up to 360 days. If the person leaves the Partner State within two years, duty becomes payable unless the Commissioner-General is satisfied that the departure is due to exceptional circumstances.

6. Tax Procedures Code Act Cap. 341

Beneficiary or incentive area	Incentive, eligibility and conditions (including rate and period)
Strategic projects	**Government Payment of Taxes on Behalf of Strategic Investors** This incentive allows the Government to pay taxes on behalf of strategic investors that are not covered under the applicable general exemptions provided under the tax laws. Instead of exempting the investor from tax, the Government undertakes to meet specified taxes that would otherwise be payable by the investor for a time period that can typically range from **5 to 10 years**. The tax obligation therefore continues to be recognized, but its financial cost is borne by Government. The incentive is intended for strategic investments with substantial economic and development benefits. In practice, an investor seeking the incentive applies to the Minister of Finance, Planning and Economic Development, setting out the proposed investment and the justification for Government support. Technical officers within the Ministry evaluate the application before a decision is made. The assessment considers the overall significance of the proposed investment. Relevant considerations may include: i. The amount of capital to be invested. The projects contemplated are ordinarily substantial investments, typically exceeding USD 10 million; ii. The number and quality of jobs to be created; iii. Import substitution; iv. Use of local inputs/raw materials;

Beneficiary or incentive area	Incentive, eligibility and conditions (including rate and period)
	v. Contribution to exports; vi. Development of local supply chains; vii. Transfer of skills or technology; and viii. The wider impact on the surrounding community and economy. Where the application is approved, Government enters into an Agreement/Memorandum of understanding or issues a commitment specifying the taxes that will be met by Government, the duration of the incentive and any conditions attached to it. The arrangement may include development and performance commitments, such as completing the investment, creating agreed employment, undertaking specified activities or delivering other economic benefits on which the incentive was granted. The incentive does not remove the investor from the tax system. The investor must continue to register where required, file tax returns, maintain proper records, provide information requested by URA and cooperate with audits and other tax-administration processes. The incentive concerns the payment of the taxes covered by Government's commitment, not the investor's underlying compliance obligations.

CONCLUSION

This guide provides a summary of the principal tax incentives available to investors in Uganda. Access to each incentive is subject to the eligibility requirements, conditions and approval procedures prescribed under the applicable laws.