

## STARTING A BUSINESS IN UGANDA

### Introduction:

In Uganda, before one proceeds to start a business or trade, it's important to know the nature of business, and what form the business is likely to take. This will be beneficial in determining which form of business type to register, and fulfill other necessary requirements.

### Business registration:

There's no requirement for one to register/ incorporate a business or trade in Uganda. However, it is highly recommended for an entrepreneur to have his/ her business registered. Upon registration or incorporation, a number of benefits arise. These include;

### Advantages of Business Incorporation

1. Company can hold property in its own name e.g XYZ Limited can own its own land, cars etc.
2. Perpetual succession i.e the company can go on even after the death of the owner. This means the company does not need to come to an end if the owner or founder dies.
3. Limited liability for the members i.e the company can be sued and sue in its own name. In case the company is sued, then the suit will be against the company, as opposed to the entrepreneur being sued.
4. Company can enter into its own contracts, which contracts it can enforce.
5. Advantages when it comes to accessing finance from institutions. Some financial institutions e.g banks require a business to be registered before giving it a loan.

### Types of Business forms in Uganda

1. Sole proprietorship i.e owned by one person.
2. Partnership i.e a group of two or more persons coming together to carry out a business activity. However, this is different from a company in that it doesn't have a Corporate personality.
3. Association i.e group of people coming together to achieve common objectives
4. Cooperatives e.g for agriculture.
5. Limited liability companies. These are the most common form.

### Procedure for Registering a Partnership

- a) Register proposed Business Name.
- b) Prepare Partnership Deed.
- c) Register the Partnership Deed.
- d) Special regulation on Partners.
- e) Get any other statutory requirements.

### Procedure for registering a business

- a) Effect a search.
- b) Reserve the name.
- c) Draft the articles of Association.
- d) Draft the Memorandum of Association.
- e) File the M.O.A and A.O.A
- f) File the Statutory declaration.
- g) Issue of certificate of Incorporation.
- h) File the Annual returns.
- i) File the statement of Nominal capital
- j).File the return of the allotment of shares.
- k)File the location of the registered offices.
- l) File the particulars of the directors.

### Any further questions?

If you have any further questions about starting a business, please contact us by clicking [here](#). You can also get in touch by SMS as follows; join U-report by sending an SMS with Join to 8500, after joining, you can then ask your business questions by sending SMS with MSME <your question> and send to 8500 (free of charge).

You can also contact us directly through email to [msme@barefootlaw.org](mailto:msme@barefootlaw.org) ; call 0751 GARAGE (Airtel), 0772 GARAGE (MTN), 0772 GARAGE (Whatsapp).

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## A BRIEF GUIDE TO TAXES FOR ENTREPRENEURS

### Introduction

As an entrepreneur, one of the most confusing areas concerns taxes. This because failure to pay taxes usually attracts a penalty, including imprisonment, but also because there is not enough information and guidance on taxes available.

### What is a Tax

A Tax can be defined as a monetary charge imposed by the government on persons, entities, transactions or property to yield public revenue. In Uganda, the Uganda Revenue Authority collects taxes on behalf of the government.

## Examples of taxes in Uganda

There are a number of taxes in Uganda, but the most common taxes for small businesses are;

- a) Income tax
- b) Stamp duty
- c) Pay as you Earn
- d) Capital Gains Tax
- e) Rental Tax
- f) Corporation Tax
- g) Import duty
- h) Value Added Tax
- i) Excise duty
- j) Withholding Tax

## What is a TIN Number

When a taxpayer registers with the Uganda Revenue Authority, then such a person is given a TIN number which helps URA identify that taxpayer. Think of the TIN number as your ID card with URA. When carrying out some transactions e.g vehicle purchase, before the car is purchased in your name, then the TIN number will be provided.

## How do i get a TIN number

Registration for a TIN number is free of charge. To get one, a taxpayer simply registers for a TIN number by following this link to the URA website. You can also physically go to the URA offices e.g Nakawa and register for one. You can also contact some agents who can do this for you, at a fee.

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