



Strategic Market Entry & Advisory Support 2024

UGANDA

Uganda Overview

Business leaders considering market entry into Uganda require a clear perspective on the operational, regulatory and employment requirements for a successful takeoff. Here's what you need to know...



CAPITAL

Kampala



AREA

241,038 km²



PRESIDENT

Yoweri Kaguta Museveni



LANGUAGES

Luganda, English



TYPE OF GOVERNMENT

Unitary republic with multi-party democracy



LIFE EXPECTANCY

62.85 years



CURRENCY

Ugandan Shilling (UGX)



POPULATION

45.85 million



CALLING CODE

+256



TIMEZONE

GMT + 3

ECONOMIC DRIVERS

Services is the biggest contributor to Uganda's GDP (41.6%) followed by Industry (26.8%) and agriculture (24.1%).

ECONOMIC FREEDOM

The 2019 Index of Economic Freedom ranked Uganda as the 8th freest economy out of the 47 Sub-Saharan African countries.

INVESTMENT OPPORTUNITY

Uganda offers a well-regulated and highly liberalized economy that welcomes investments across all sectors. The country allows free movement of capital, both inbound and outbound, creating a favourable environment for potential investors.

Sources:

1. Demographic yearbook by the UN Statistics Division.
2. United Nations: Department of Economic and Social Affairs | Statistics.

Let Adili guide your market entry journey

Adili is Africa's leading corporate advisory with over 150 years experience in supporting businesses at every stage of their journey.

We possess the knowledge, agility, efficiency, pan-African experience and diligence needed to create bespoke solutions for our clients to navigate today's corporate challenges, and ensure that their businesses thrive. Our work ensures that our clients, who range from start-ups and SMEs to multinationals and public-listed companies focus more on their core business and reputation.



What we offer

Forms of Incorporation

The Companies Act of 2012 acknowledges several types of companies, which include:

- ▶ Companies limited by shares (either private or public)
- ▶ Single member companies- this offers an opportunity for individuals to operate as limited liability entities and not simply as sole proprietors.
- ▶ Unlimited companies
- ▶ Foreign companies

Foreign investors commonly establish a presence in Uganda through two methods: registering a branch of a foreign company (Foreign Company) or incorporating a local company. The latter option is more prevalent due to the advantages of separating the subsidiary from the parent company and the familiarity of regulators with this setup. Licensing procedures for subsidiaries are often easier compared to branches.

Company set-up support

Incorporation of subsidiary companies (Limited Liability Companies)

Our support includes undertaking name reservation, preparing the required documents, executing incorporation papers and submitting applications to the Registrar of Companies.

Set up of statutory records

We offer support in preparing and issuing of share certificates, preparing the first minutes and inaugural resolutions, establishing member

registers, registers of directors and registers of secretaries, and purchasing company seals and stamps.

Assistance in opening company bank accounts

Our work includes preparing the necessary board resolutions and extracts for opening bank accounts, gathering supporting documents, and providing any required company secretary certifications requested by banks.

Regulatory compliance

Application for business licenses

It is mandatory by law to acquire business licenses before commencing any business activities. Our team is available to offer support throughout the business license acquisition process, which involves:

- ▶ Collating the required company documents and making business license applications.
- ▶ Facilitating the assessment and payment of the license fees.
- ▶ Following up and collecting licenses.

Application for tax registration

We provide support from individual tax registration for directors, the company (including VAT) and employees, as well as post incorporation tax compliance services that include filing monthly and annual tax returns.

Registration with the National Social Security Fund (NSSF)

Our services include facilitating the registration process, following up on the applications, and ensuring that the registration certificates are issued. Additionally, we also help companies register their employees with the NSSF, subject to different agreements.

Beneficial ownership disclosures

Every company must identify and maintain a register of its ultimate beneficial owners, and submit their details to the Registrar of Companies. Adili is at hand to offer support in complying with the regulations around business ownership disclosures.

Winding up

A company may by special resolution resolve to be wound up voluntarily. A voluntary winding up of a company shall be taken to commence at the time of the passing of the resolution.

A company shall from the commencement of voluntary liquidation, cease to carry on business, except so far as may be required for the beneficial liquidation of the company.

Upon successful winding up, the legal obligations imposed on the company will immediately cease e.g. the obligation to file annual returns with URSB and tax returns with URA will immediately cease.

Our solutions include deregistration with Uganda Registration Services Bureau (URSB), including preparing resolutions and all documentation required for application for voluntary winding up of the company and obtaining a letter deregistering the company from the Registrar of Companies, and tax deregistration in which a tax health check will have to be carried out to determine the state of the company's tax compliance.

Outsourcing Solutions

Accounting and bookkeeping

We offer efficient, scalable, and cost-effective accounting and bookkeeping services, designed to seamlessly plug into your business systems. We take care of your accounting needs using reliable accounting systems and reporting tools.

Our package comprises a dedicated team of professionals to provide end-to-end accounting services that match your needs. Our accounting and bookkeeping solutions cover the following:

- ▶ Setting up accounting systems, including uploading data and documents that have been reviewed for compliance with accounting standards and government regulations.
- ▶ Supporting all business transactions, including reconciling all involved processes before final payment authorization.
- ▶ Managing, reporting, and journaling monthly and annual accounts.
- ▶ Preparing accounting files for auditing and responding to audit queries.
- ▶ Preparing monthly management accounts and annual financial statements.

Tax compliance

As tax laws become increasingly complex, businesses are required to respond appropriately through models and processes that ensure compliance with legal requirements. At Adili, we help our clients understand their tax obligations whilst ensuring compliance to reduce tax risks, continuously adapt to regulatory changes, and optimise cash flow.

Our tax compliance solutions cover the following:

- ▶ Registering with the relevant authorities
- ▶ Advising on corporate income tax, preparing deferred tax computation, and making submissions to relevant authorities.
- ▶ Reviewing and reconciling corporate tax liability.
- ▶ Reviewing, computing, and making payments for withholding tax.
- ▶ Assessing the compliance, computing, making payments and filing of the Value Added Tax (VAT).
- ▶ Preparing and filing corporate income tax returns on iTax.
- ▶ Preparing and filing individual income tax returns on iTax.
- ▶ Providing relevant updates with regard to changes in tax legislation.

Payroll

End-to-end payroll solutions, supported by top-of-the-line technologies, are key to efficiency and compliance in any organisation. We strive to ensure the smooth administration of your business' payroll while maintaining the strictest levels of confidentiality and data compliance.

Our payroll solutions cover the following:

- ▶ Registration for payment of Local Services Tax (LST)
- ▶ Registering the employer with various statutory authorities, including the National Social Security Fund, National Hospital Insurance Fund, and the National Industrial Training Authority.
- ▶ Registering employees with various statutory authorities, a one-off

exercise for each employee in the event they are not already registered.

- ▶ Setting up your payroll details onto our system.
- ▶ Providing ad-hoc payroll consulting advice.
- ▶ Preparing the payroll on a monthly basis and providing the relevant reports.
- ▶ Making remittance of the employees' salaries via EFT, once adequate funds are received in our Adili Outsourcing Services client account.
- ▶ Preparing pay slips and distributing them in the manner agreed with yourselves.
- ▶ Preparing the monthly returns for Pay As You Earn (PAYE), National Social Security Fund (NSSF), National Hospital Insurance Fund (NHIF) and National Industrial Training Authority (NITA) and remitting any amounts due to the relevant authorities.

- ▶ Ensuring any undertaking given by yourselves to any staff lender is complied with.
- ▶ Maintaining all the staff salary and related control accounts once we have access to your accounting system.
- ▶ Ensuring compliance with the local statutory and tax requirements.
- ▶ Preparing and submitting all payroll-related monthly, quarterly, and annual returns to the relevant authorities.

Immigration

We provide professional immigration services based on the latest related country's immigration laws, professional advice and guidance on the requirements and procedures.

Key Contact



Edward Muwanga

Edward is a Senior Manager at Adili Corporate Services Uganda. He is a chartered secretary with over 20 years of experience in company secretarial, share registration, bond/note, and security trustee services. He has experience in planning and administering board and general meetings, facilitating communication between boards, shareholders and management, and offering advisory services in relation to compliance with the Companies Act and other relevant regulations.

Edward was part of the share registration team that oversaw the post-IPO listing of the first seven companies on the Uganda Securities Exchange. He has previously served as the team leader in several corporate actions for listed companies, including the bonus issue of shares, share splits, and rights and scrip issues.



Planning your market entry strategy?

Talk to our experts

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