



## MESSAGE TO ULS MEMBERSHIP CONCERNING STAMP DUTY ON PROFESSIONAL CERTIFICATES/LICENCES.

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**June 26, 2023**

Dear Member,

We have noted with concern the public notice issued by the Uganda Revenue Authority (URA) on Thursday, June 15, 2023. The notice serves as a reminder to all Professional Bodies to voluntarily declare any Professional Certificates and Licenses executed or received in Uganda to the Commissioner of Domestic Taxes, effective from July 01, 2020.

The Uganda Law Society, along with members of other professional bodies, has consistently expressed reservations about this discriminatory requirement and the additional burden it imposes regarding the renewal of members' licenses and certificates. Prior to renewing a practicing certificate, an advocate is required to pay UGX 500,000 ULS membership fee, USD 20 EALS membership fee, UGX 82,000 as a fee for the approval of chambers, and UGX 20,000 as a government levy.

In 2020, Parliament enacted The Stamp Duty (Amendment) Act, 2020, which came into effect on July 1, 2020. The amendment introduced a new item, Section 2, in the Second Schedule to the Stamp Duty Act 2014, imposing a stamp duty of UGX 100,000/- on every professional license or certificate. The rationale behind this amendment, as explained in a report by the Committee on Finance, Planning and Economic Development on the Stamp Duty (Amendment) Bill, 2020, was to enable the Uganda Revenue Authority to obtain information about professional service providers and enforce compliance with Section 135 (3) of the Income Tax Act which requires a Taxpayer Identification Number before issuing a license.

Members of professional bodies undergo years of extensive training and practice to build reputable careers, without the possibility of engaging in aggressive marketing like other professions. This amendment has added an additional burden to all professional bodies, whose members are already struggling to practice their constitutionally mandated professions under challenging circumstances.

Together with twelve other professional bodies, the Uganda Law Society (ULS) petitioned the Constitutional Court through Constitutional Petition No. 23 of 2020, seeking the following declarations:

- i) that the amendment discriminates against private practitioners compared to other professions;
- ii) that the purpose for which the impugned provision was enacted is clearly not regulatory but prohibitory, impeding the freedom of practice in the professions and trade; and
- iii) that Section 2(a) of the Stamp Duty (Amendment) Act 2020 is inconsistent with and contravenes Articles 21(1), 40(2), and 92 of the Constitution and is therefore null and void.

We filed submissions in the matter on October 22, 2021, as directed by the court, and await judgment which shall be delivered on notice.

Additionally, we on February 26, 2021, filed Miscellaneous Application No. 007 of 2021 arising from the aforementioned petition seeking a stay of enforcement of the provisions of the impugned amendment pending the determination of the Petition. We have in various correspondences requested the Court to urgently fix the application for hearing and to expedite delivery of its judgement.

We shall continue to engage with all relevant stakeholders including URA, the leadership of our sister professional associations and the Court in resolving this matter and shall keep you updated on the progress made.

Yours sincerely,



Bernard Oundo  
President, Uganda Law Society