

Tax Alert

Introduction of digital tax stamps for excisable goods

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Get in touch

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The Uganda Revenue Authority (“URA”) has issued a Public Notice regarding the implementation of Digital Tax Stamps (“DTS”) on selected products in Uganda.

The URA Digital Tracking Solution (DTS) for excisable products was rolled out on 1 November 2019. This means that all manufacturers/importers of the gazetted products are required to implement the DTS system by having their products affixed with digitally traceable tax stamps.

URA’s Public Notice is based on section 19A of the Tax Procedures Code Act (TPCA) 2014 which provides for affixation of stamps on all excisable products by local manufacturers or importers and section 19B of the TPCA that imposes penalties for non-compliance to the requirements to affix stamps.

The purpose of this system change is to provide URA with a digital tracking solution which will protect traders who have been struggling against unfair competition from smugglers, manufacturers of counterfeit products and illicit traders.

Below are the VAT exclusive prices per stamp of the gazetted products (as per the Gazette issued by the URA on affixation of Excise Duty stamps)

The URA has granted manufacturers/importers a three months transition period of up to end of January 2020 to allow the affected manufacturers and importers of gazetted

Item	Product Categories	VAT exclusive unit price per stamp (UGX)
1	Beer	55/=
2	Spirit	185/=
3	Tobacco Product	80/=
4	Water	15/=
5	Soda	20/=
6	Wines	185/=



products ample time for complete installation of the DTS system and DTS system implementation thereof.

All affected manufacturers/importers of the gazetted products highlighted above with inventory/stock as at 1 November 2019 are required to notify the URA for purposes of working with the URA to support the transition.

In the meantime, all affected persons are required to commence on the DTS registration by providing the URA with the prerequisite information for registration onto the DTS platform.

What does this mean for your business?

As an importer or local manufacturer of the gazetted goods, you are required to register your premises or packaging space for Excise Duty in line with section 5 of the Excise Duty Act. You also need to install the DTS equipment at the registered premises.

The URA has placed manufacturers or importers in three categories for ease of implementation of the DTS system. We outline the guidelines below:

- i) **Manufacturers with fully automated systems.** These will only require a technical site visit from the URA team who will approve registration and installation of the DTS.
- ii) **Manufacturers without a fully automated system.** These are required to provide the URA with their company details via dtsgroup.gp@ura.go.ug. The URA will then share a form which can be manually completed and submitted to the URA for review. Once the URA has verified the information, the URA team will conduct a physical site visit and grant the manufacturer access to the DTS online system.
- iii) **Importers.** These are required to provide the URA with their company details via dtsgroup.gp@ura.go.ug. The URA will then share a form which can be manually completed and submitted to the URA for review. Once the URA has verified the information, they will conduct a physical site visit and grant the importer access to the DTS online system.

Penalties for non-compliance

Manufacturers or importers of the gazetted products who do not comply with these regulations will be penalized in accordance with penalty provisions in section 19B of the Tax Procedures Code Act, 2014 as summarised below.

- a. Failure to affix stamp -Double the tax or 50m whichever is higher
- b. Tampering with the stamp-Double the tax or 20m whichever is higher
- c. Possession of unstamped product- Double tax or 50m whichever is higher
- d. Possession of stamps without authority-On conviction - Double tax or 10m whichever is higher

Let's talk

If you require our assistance in this area or are currently finding trouble with the DTS registration, please contact any of the team members.