

## AFRICA RISK CONSULTING

### Uganda Monthly Briefing 12 February 2025

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#### Uganda Summary 12 February 2025

*The supreme court rules that trying civilians in military courts is unconstitutional, ending a tool used by President Yoweri Museveni (1986-present) against political opponents. The renewed rebel offensive in eastern Democratic Republic of the Congo (DRC) brings trade between the neighbours to a halt. The Uganda Revenue Authority (URA) enforces a stamp duty law that requires employers to pay a uniform tax of US\$ 15,000 (\$4.07) per employment contract signed.*

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#### Supreme court halts trial of civilians in military court-martial

Uganda's supreme court ruled on 31 January that the trial of civilians in military courts is unconstitutional and ordered an immediate end to the prosecution of all civilians facing charges in the General Court Martial, ending an oppression tactic used by President **Yoweri Museveni** (1986-present) against political opponents.

The ruling followed a 2016 petition filed by former **Nakawa East** member of parliament (MP) **Michael Kabaziguruka**, who argued that it was against the law for him and other civilians to face a general court martial as this court is incapable of dispensing justice and is used as a tool of government repression against political opponents.<sup>1</sup>

Chief justice **Alphonse Owiny Dolo**, while delivering the lead judgment, concurred with the petitioner that the court lacks competence and is unconstitutional:

*"All charges or ongoing criminal trials or pending trials before the courts-martial involving civilians must immediately cease, all ongoing trials must be transferred to courts".<sup>2</sup>*

The ruling brings hope to hundreds of political opponents of Museveni including his long standing political opponent, Dr. **Kiiza Besigye**. Besigye, a four-time presidential contender, was kidnapped last November from **Nairobi (Kenya)** and brought to **Kampala** to face treason charges before a military court.

Museveni has rebuked the ruling, saying that the country is not governed by the judges but by the people. Museveni argued that military courts are beneficial to the country's security and ordered the attorney general to propose constitutional amendments to prevent judges from interfering with their work.<sup>3</sup>

The court was largely forced to make a ruling in the dragged out case as Besigye refused to take a plea in his case:

*"He [Besigye] said on record that he didn't believe in the Court since it lacked power to charge and try him. He was ready to sacrifice his freedom to end impunity in the court martial. Museveni should now respect the ruling and release all civilians, including Besigye."<sup>4</sup>*

Several people are calling for the release of Besigye whom Museveni has promised in a social media post to punish by firing squad:

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<sup>1</sup> Daily Monitor, 31 Jan 2025

<sup>2</sup> Chimpereports, 31 Jan 2025

<sup>3</sup> New Vision 1 Feb 2025

<sup>4</sup> ARC source, MP, Kampala

*“We don't need any other explanation, respect the rule of law, we only need the unconditional release of Kizza Besigye, **Hajj Obeid Kamulegeya**, **Counsel Aron Kizza**, and all other political prisoners who were wrongly tried and sentenced by the general court martial today”.*<sup>5</sup>

Director of public prosecution, **Jane Francis Abodo** confirmed on 5 February that her office is preparing files for the prisoners to be transferred from the general court martial to civilian courts.<sup>6</sup>

### **Business community counting loses over DRC conflict**

The renewed rebel offensive in the eastern **Democratic Republic of the Congo (DRC)** has brought trade between **Uganda** and DRC to a halt, causing high losses to the Ugandan business community.<sup>7</sup> Hundreds of trucks loaded with merchandise destined for the DRC are parked in Kampala and the border town of **Bunagana** due to the ongoing fighting in eastern DRC.<sup>8</sup> The DRC is Uganda's third largest export market in **East Africa**, accounting for approximately 5% of the country's total annual exports.<sup>9</sup> Between December 2023 and November 2024, Uganda exported goods worth \$433.2m to DRC, a 40% increase from \$258.3m earned in the same period between 2019 and 2020.<sup>10</sup>

A local businessman who operates from **Kikubo** in downtown Kampala told **ARC Briefing** that his goods destined for the DRC have been stuck at **Bunagana** border for the past two weeks because of the volatile security situation in **North Kivu Province (DRC)**.<sup>11</sup> Traders have pitched camped and incurred additional expenses in the past two weeks as they wait for security clearance:

*“Traders who have risked crossing the border into Congo are facing hostilities from the locals who accuse our country (Uganda) of supporting the rebels and this has cost us a lot, as we are being viewed negatively by the people who are supposed to buy our goods.”*<sup>12</sup>

The recent flare up in fighting is also threatening the diplomatic relations between Uganda and the DRC. Uganda has approximately 4,000 soldiers deployed in DRC to help fight the DRC-based **Allied Defence Forces (ADF)** under **Operation Shujaa**. However, reports also indicate that the Ugandan military has been offering localised support to the **Rwandan**-backed **M23** rebels, allowing them to move around North Kivu and cross the border if necessary.<sup>13</sup> The accusations of covert support for M23 rebels prompted rioters in DRC's capital **Kinshasha** to attack and burn the Ugandan embassy along with those of other countries that they accuse of aiding the rebels.<sup>14</sup> Uganda Airlines announced on 28 January it had suspended all flights to Kinshasha with immediate effect.<sup>15</sup> On 4 February, Uganda deployed an additional 1,000 soldiers to eastern DRC, a decision which will likely heighten tensions.

### **Uganda introduces tax on contract agreements**

The **Uganda Revenue Authority (URA)** has enforced a stamp duty law that requires employers to pay a uniform tax of USh 15,000 (\$4.07) per employment contract signed.<sup>16</sup> URA corporate affairs manager **Robert Kalumba** confirmed that the stamp duty is charged on every instrument that is executed or received in Uganda:

*“Stamp duty is payable on all the instruments executed or received in Uganda within 45 and 30 days respectively as provided for under sections 13 and 14. Non-payment of Stamp duty does not*

<sup>5</sup> ARC source, political activist, Kampala

<sup>6</sup> Daily Monitor 6 Feb 2025

<sup>7</sup> Daily Monitor, 6 Feb 2025

<sup>8</sup> Daily Monitor, 6 Feb 2025

<sup>9</sup> Uganda Bureau of Statistics 2024

<sup>10</sup> UBOSS report 2024

<sup>11</sup> ARC source, local businessman, Kampala

<sup>12</sup> ARC source, local businessman, Kampala

<sup>13</sup> Africa Centre for Strategic Studies 29 Jan 2025

<sup>14</sup> Daily Monitor, 28 Jan 2025

<sup>15</sup> Daily Monitor, 28 Jan 2025

<sup>16</sup> New Vision 23 Jan 2025

*make an instrument null and void; however, it renders the instrument unacceptable in the Commercial courts of Law*".<sup>17</sup>

According to act, an instrument executed in Uganda that is chargeable with duty must be stamped within forty-five days. For an instrument executed out of Uganda, it shall be stamped within thirty days of being received in Uganda.<sup>18</sup> The notice states that an instrument chargeable with duty shall not be admitted in any judicial proceedings as evidence unless stamp duty is paid and the instrument is duly stamped.<sup>19</sup>

Non-compliance with stamp duty obligations is an offence under the Ugandan law. Failure to pay stamp duty can result in a fine of Ush 2m (\$544) or imprisonment of up to six months.<sup>20</sup> Additionally, the URA has the authority to recover unpaid stamp duty through distress proceedings involving the seizure of goods from the taxpayers property as security for payment, a method that has sparked concerns from the business community about proportionality.<sup>21</sup>

## Planner

Feb 2025 **(Uganda) Bank of Uganda** (central bank) **Monetary Policy Committee (MPC)** meeting  
 May 2025 **(Uganda) Bank of Uganda** (central bank) **Monetary Policy Committee (MPC)** meeting  
 Aug 2025 **(Uganda) Bank of Uganda** (central bank) **Monetary Policy Committee (MPC)** meeting  
 20 – 25 Sep 2025 **Kampala (Uganda)** Uganda International Oil & Gas Summit  
 Nov 2025 **(Uganda) Bank of Uganda** (central bank) **Monetary Policy Committee (MPC)** meeting  
 2 Jan – 9 Feb 2026 **(Uganda)** General election

## Chronology

11 Feb 2025 **Kampala (Uganda)** *Business Day*. Energy and mineral development ministry spokesperson **Patricia Litho** says Uganda will not begin oil production this year, missing a long-standing target to begin extracting crude from its western fields this year;

10 Feb 2025 **Kampala (Uganda)** *Reuters*. President **Yoweri Museveni**'s spokesperson names **Michael Atingi-Ego** as **Bank of Uganda** (central bank) governor;

6 Feb 2025 **Kampala (Uganda)** *Reuters*. **Bank of Uganda** (central bank) holds its key lending rate at 9.75% for the second meeting in a row, saying near-term inflation appeared well-contained but that the outlook was more uncertain than normal given external risks;

5 Feb 2025 **Kampala (Uganda)** *Bloomberg*. Police detain nine finance ministry officials as part of a probe into the hacking of the **Bank of Uganda** (central bank), during which USh 62 billion (\$16.93m) was stolen;

4 Feb 2025 **Kampala (Uganda)** *Channel Africa*. Uganda sends a further 1,000 troops to eastern **DRC** to support President **Felix Tshisekedi**, bringing the total number of Ugandan troops to between 4,000 and 5,000;

4 Feb 2025 **Kampala (Uganda)** *MSN*. Uganda begins a trial of **Ebola** vaccine for **South Sudan** strain following deaths and a spike in infections;

3 Feb 2025 **Kampala (Uganda)** *Nile Post*. The trial of opposition leader **Kizza Besigye** and his associate **Makindye Lutale** before the General Court Martial is put on hold after the supreme court ruling stopping all cases involving civilians;

<sup>17</sup> Chimpereports 28 Nov 2025

<sup>18</sup> Birungi Barata and Associates

<sup>19</sup> Birungi Barata and Associates

<sup>20</sup> New Vision 28 Jan 2025

<sup>21</sup> New Vision 28 Jan 2025

2 Feb 2025 **Kampala (Uganda) NTV. Uganda Bureau of Statistics (UBOS)** reports annual inflation increased to 3.6% in January, up from 3.3% in December;

1 Feb 2025 **Kampala (Uganda) Reuters.** Uganda will launch its third petroleum exploration licensing in the fiscal year starting July and has picked a winner for the tender to redevelop a large copper belt in the country's western district of **Kasese**;

1 Feb 2025 **Kampala (Uganda) VOA.** Supreme court rules that trying civilians in General Court Martial and military courts is unconstitutional, a ruling that President **Yoweri Museveni** calls wrong;

31 Jan 2025 **Kampala (Uganda) Reuters.** A report titled 'Uganda's Mining Legal Regime: Addressing Illicit Financial Flows (IFFs) Risks and Revenue Loss in the Mineral Supply Chain' highlights how illicit financial flows occur at various points in the gold supply chain in Uganda, from extraction and processing to trade and export;

30 Jan 2025 **Kampala (Uganda) Business Day.** Health ministry confirms a patient has died of **Ebola** as the country records its ninth outbreak since 2000;

26 Jan 2024 **Kampala (Uganda) Relief Web.** Government starts a process that will operationalise **Uganda National Mining Company** which will see management of government's commercial holding and participating interest in mining shift from the energy ministry to a limited liability company wholly owned by the government;

25 Jan 2025 **Kampala (Uganda) All Africa.** Parliament warns that export earnings face potential risks as international scrutiny after report by the **United States** identifies 13 Ugandan goods produced with child labour, including bricks, charcoal, coffee, fish, gold, rice, sand, stones, sugarcane, tea, tobacco, and vanilla;

24 Jan 2025 **Kampala (Uganda) Parliament Watch.** Parliament's human rights committee has been directed to visit jailed opposition leader **Kizza Besigye** in **Luzira Prison** following concerns about his deteriorating health and allegations that prison authorities have denied him food from his family;

23 Jan 2024 **Kampala (Uganda) Nile Post.** The Auditor General's report for 2023/2024 reveals that Uganda exported \$3.01 billion in gold in the last financial year without the requisite export permits from the energy ministry which means it is unable to verify the origin and purity of the gold exported;

22 Jan 2025 **Kampala (Uganda) Parliament.** Legislators urge the internal affairs ministry to introduce electronic identification cards (e-IDs) without expiry dates stating that it will reduce costs and eliminate the inconveniences associated with mass physical card renewals;

21 Jan 2025 **Kampala (Uganda) WHO.** Uganda has so far recorded 2,158 cumulative cases of mpox cases and 13 deaths;

20 Jan 2025 **Kampala (Uganda) Softpower.** Government removes over 4,000 civil servants from the January 2025 payroll following a second round of the validation exercise conducted between 11 March and 28 June 2024;

18 Jan 2025 **Kampala (Uganda) KFM.** Parliament's committee on defence summons President **Yoweri Museveni's** son, General **Muhoozi Kainerugaba**, for questioning over his erratic posts on **X** (formerly Twitter) that have reportedly put Uganda's image in disrepute both locally and internationally;

17 Jan 2025 **Kampala (Uganda) Parliament. Electoral Commission (EC)** raises concerns over a US\$ 623.9 billion (\$169m) funding gap that threatens the successful conduct of Uganda's 2026 general elections;

16 Jan 2025 **Kampala (Uganda) Parliament**. Attorney general **Kiryowa Kiwanuka** reveals that government will challenge the interim orders exempting payment of taxes on gold exports which was implemented in March 2023 by energy and minerals minister **Ruth Nankabirwa**;

13 Jan 2025 **Kampala (Uganda) Reuters**. Military prosecutors add the charge of treachery - which carries the death penalty - to the list of violations of military law they say opposition figure **Kiiza Besigye** committed;

14 Jan 2025 **Kampala (Uganda) PML Daily**. **State House Investors Protection Unit (SHIPU)** head Colonel **Edith Nakalema** announces aims to attract **Indian** investment to correct the imbalance in trade between the nations after meeting members of the **Indian Business Forum**;

12 Jan 2025 **Kampala (Uganda) Relief web**. The conflict in **Sudan** has caused a steady increase in the number of refugees arriving in Uganda, with more than 65,000 Sudanese refugees registered across the country;

11 Jan 2025 **Kampala (Uganda) Bloomberg**. Government announces plans for domestic gold purchases to build foreign exchange reserves and limit risks on reserve investments, becoming the latest **African** nation to turn to the precious metal to back up its currency;

9 Jan 2025 **Kampala (Uganda) UIA**. **Electricity Regulatory Authority (ERA)** announces a 5.2% reduction in electricity end-user tariffs which will see domestic consumers paying Ush 20 (\$0,0055) less per unit of electricity;

### About Africa Risk Consulting:

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