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IN ANY CORRESPONDENCE ON  
THIS SUBJECT, PLEASE QUOTE NO. **ADM 68/173/01**



THE REPUBLIC OF UGANDA

**MINISTRY OF TRADE, INDUSTRY  
AND CO-OPERATIVES,  
FARMERS' HOUSE, PLOT 6/8,  
PARLIAMENTARY AVENUE  
P.O. BOX 7103,  
KAMPALA, UGANDA**

12<sup>th</sup> August 2024

Executive Director  
Kampala Capital City Authority  
**KAMPALA**

All Chief Administrative Officers

All Town Clerks

**CIRCULAR STOPPING THE CHARGING & COLLECTION OF TRADING  
LICENSE FEES FROM PROFESSIONAL SERVICES PROVIDERS**

Reference is made to the various court rulings and guidance by the Attorney General (copy attached) to the Ministry stopping Kampala Capital City Authority, local and urban authorities from charging Trading License fees from professional services.

The Court rulings annulled the charging & collection of trading license fees from professional services providers licensed under their Professional Acts.

The Ministry is working with the Office of the Attorney General to finalize the amendments to the Trade Licensing Schedule SI No.2 of 2017. The amended Schedule which has also included rates for newly created Cities will soon be gazetted and published.

The purpose of this communication is, therefore, to direct you to ensure compliance with the court rulings.

Alfred Oyo Andima

**For: PERMANENT SECRETARY**

Copy to: Hon. Minister, Ministry of Trade, Industry and Cooperatives  
Attorney General, Attorney General's Chambers  
Solicitor General, Ministry of Justice and Constitutional Affairs  
Permanent Secretary, Ministry of Local Government  
Commission Secretary, Local Government Finance Commission

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**Buy Uganda Build Uganda (BUBU)**

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In any correspondence on this subject  
please quote: **DCL-2024060035**



THE REPUBLIC OF UGANDA

**ATTORNEY GENERAL'S CHAMBERS**  
P.O. BOX 7183  
Kampala, Uganda

15<sup>th</sup> July 2024

Hon. Minister,  
Ministry of Trade, Industry and Cooperatives,  
P.O Box 4241,  
**KAMPALA.**

*CIT*  
*29/7/24*



**J. SAMUEL RICHARDS & ASSOCIATES, CPA & OTHERS VERSUS  
KAMPALA CAPITAL CITY AUTHORITY & ATTORNEY GENERAL  
MISCELLANEOUS CAUSE NO. 0092 OF 2024**

The above refers.

The background to this matter is that:

1. J. Samuel Richards & Associates, CPA, Ronye Associates, CPA, Springs & Tugye Associates LLP, CPA, Sapi & Associates, CPA, Rosse Partners, CPA, Seden Associates, CPA, Ellie & Associates, CPA and Continental Partners, CPA (hereinafter called the Applicants) are firms practicing accountancy and are licensed by the Institute of Certified Public Accountants, and that their professional practice is governed by the Accountants Act, 2013 and Accountants Regulations, 2016 and Accountants (Practice) Regulations, 2019 and are supervised by the Council of ICPAU.
2. The applicants allege that they pay annual membership fees, individual practitioner's licence and firm's annual licence fees to practice accountancy.
3. The applicants' practice and services are listed and categorized under item 18 (in Part A) and item 26 (in Part C) of the Trade (Licensing) (Amendment) Instrument, SI No. 1 of 2017, as a business/trade. That the applicants are required to pay license fees and obtain trade licence from the Government when one reads the item 18 (in Part A) and item 26 (in Part C) of the Trade (Licensing) (Amendment) Instrument when the



Regulations are read together with the Trade (Licensing) Act, Cap. 101, which is irrational and illegal.

4. Kampala Capital City Authority (the second Respondent) has continued to demand for payment of trade licence fees from the applicants, with threats to close their business and yet the applicants are already licensed under the Accountants Act.
5. The applicants have been left with no option but to pay for trade licences as they are required in tender process, which is an additional cost to them.
6. Before the Instrument No. 1 of 2017, the applicants were not required to pay for trade licence because they are already pay fees to ICPAU in accordance with section 31 of the Accountant Act, 2013.
7. The applicants allege that they have severally engaged the Government through petitions and written complaints highlighting the position of the law as has been espoused by the courts in similar cases regarding businesses already regulated where court has pronounced itself.
8. The Attorney General in his letter dated 9<sup>th</sup> February 2024 Ref. ADM/7/176/01 guided the local government to stop collection of trade licence fees for firms in which courts have determined that payment of trade licence and annual professional fees amount to double taxation.
9. Following the above guidance of the Attorney General, the applicants alleged that they realized that they can only be exempted from payment of trade licence when they obtain a court order, hence this application.

The Attorney General has been served with the application that has been fixed for hearing on **16<sup>th</sup> September 2024 at 10.00am**, seeking the following:

- (a) an order of certiorari quashing items 18 (in Part A) and 26 (in Part C) of the Trade (Licensing) (Amendment of Schedule) Instrument S.I No. 2 of 2017 which require Audit, Account and Tax consultancy firms to pay an additional/ double license from Kampala Capital City Authority when the said consultancy firms pay licence fees annually to obtain practicing licenses and certificates under the Accountants Act and the Regulations;
- (b) an order of prohibition, restraining and preventing the 2<sup>nd</sup> Respondent, its departments, entities or agencies from demanding for and or collecting trade licence fees from the applicants; and



(c) costs of the application.

Attached is a copy of the application for your ease of reference.

As you may be aware, the courts have in various cases handled matters like the application in issue. Some of the cases include: **Pharmaceutical Society of Uganda versus Attorney General Misc. Cause No. 260 of 2019; Stanbic Bank Uganda Limited and Others versus Attorney General Misc. Cause No. 4 of 2011; Uganda Law Society vs. Kampala Capital City Authority and Attorney General; Uganda Forex Bureau and Money Remittances Association vs. Attorney General and KCCA Misc. Cause No. 99 of 2019.** In all these cases, the courts ruled that once firms have paid licence fees to the body that regulates them, it is erroneous to subject them [again] to trade licenses since their business is already regulated under the Parent Acts, for which licence fees are paid. In the case of Uganda Law Society vs. KCCA and Attorney General, the court ruled that

*“it is clear that the money paid by the advocates for practicing certificates and approval of chambers is paid to the central government. The imposition of licenses by the local government administration would indeed amount to double taxation”*

I, through my letter dated 9<sup>th</sup> February 2024 Ref. ADM/7/176/01, issued an advisory opinion addressed to the Permanent Secretary, Ministry of Local Government, the Executive Director, KCCA, Chief Administrative Officers and Town Clerks advising them to comply with the rulings of the Courts not to demand or collect trade licence fees from the firms that are regulated under the law that pay licence fees to the respective regulators. *Attached is a copy of the advisory opinion is attached for ease of reference.*

My office had earlier also guided your Ministry in the letter dated 14<sup>th</sup> September 2021 Ref. MC/68/2021 to amend Schedule 2 of the Trade Licensing Act, Cap. 101 (as amended) by the Trade Licensing Amendment of Schedule Instrument, 2017 and remove all professional services which are already paying license fees to Government under the respective laws governing their professions. *A copy of the letter is attached for ease of reference.*

Our opinion is that audit, accounts and tax consultancy firms practicing privately are regulated under the Accountants Act and as are similar to the category of law firms, banks, pharmacies, etc., and as such local governments should not require payment of trade licence from them.

Basing on the above decided cases and our advisory opinion, this is to advise you to communicate to the Executive Director, Kampala Capital City Authority and all local governments to stop demanding or collecting trade licence fees from audit, accounts and tax firms regulated under the Accountants Act. On the basis of your communication, we shall be able to engage the applicant to withdraw this matter from court.

In addition, provide us with drafting instructions to enable us draft the necessary amendment to the Schedule to the Trade Licensing Act to effect the rulings of the courts in the cases highlighted earlier. We believe amending Schedule to the Trade Licensing Act is a lasting solution to this and similar matters that may be filed in court, and it will avert unnecessary suits being filed against the Government.

We shall appreciate your expeditious response.



Kiryowa Kiwanuka

**ATTORNEY GENERAL**

Cc: Hon. Minister of Local Government  
Hon. Deputy Attorney General  
Permanent Secretary, Ministry of Trade, Industry and Cooperatives  
Permanent Secretary, Ministry of Local Government  
Solicitor General  
Deputy Solicitor General  
Executive Director, KCCA

*Encl.*