



TRADING LICENCE

(ASSESSMENT, PAYMENT & ISSUANCE) **FEBURARY 2017**

Governing law: Trade Licensing Act 1969 Cap 101, amendment 2000 and the 2015 amendment

This is an Act to amend and consolidate the Laws relating to trading and other matters connected therewith. Trade or Trading means the selling of goods and services for which a License under this Act is required.

What is a trade license?

This is a permission granted to someone upon application to a controlling authority to do something in prescribed manner, usually after fulfillment of certain conditions and/or payment of a fee.

Trade” or “trading” means the selling of goods and services for which a license is required under this Act, in any trading premises.

A trading premise” includes any structure attached to the land, whether of a permanent or temporary nature.

Why are you paying?

It is a Legal requirement for any person selling goods and services as provided for by the Licensing Act CAP 101 and the Trade Licensing Amendment Act of 2015 enable KCCA regulate trade and order.

According to Kampala capital City Act 2010, Kampala Capital City Authority (KCCA) is mandated to provide services which are but may not be limited to the following:

- ❖ Construction and maintenance of Roads.
- ❖ Construction and maintenance of major drains.
- ❖ Installation and maintenance of street lights.

When is the effective date for payment of a Trading License?

This is an annual fee payable before commencement of business. A trade license is valid for twelve (12) months from the date of issue.

Who is eligible to pay?

Any person carrying out business in KCCA’s jurisdiction.

What are the requirements for Application?

Individual\Sole proprietorship\ Partnerships	Company
TIN	TIN
Identification (and or Verification) Any 2 of Passport, Driver’s License, Employment ID. Where one holds a Uganda National ID, it will serve	Identification for each Director Any 2 of Passport, Driver’s License, Employment ID. Where one holds a Uganda National ID, it will serve
Trading License for the previous year	Trading License for the previous year
Registration Certificate	Certificate of Incorporation
Statement of Particulars	Company form 7 and form 9
Rent receipt (for new business)	Rent receipt (for new business)

Requirements for non-Nationals

- TIN certificate
- Ministry of Trade Clearance for Non- East Africans.
- Clearance from Prime Minister for Refugees.
- Original work permit/entry permits.
- Original certificate of incorporation of the company for the new business.
- Original Company form 7
- Identification of Directors
- Original rent receipt and tenancy agreement from the land lord for the new business.

How is Trading License levied and paid?

This is through a formal application to KCCA for a trading license to do business. Conditions to satisfy before acquiring a trade license include:

- ❖ Appropriately located premises
- ❖ Appropriate hygiene and health standard of premises
- ❖ Appropriate building standard of premise.
- ❖ Required personal specifications e.g. medical fitness especially for vending consumables etc.
- ❖ Fair assessment of a fee to be paid.

Assessment is done by a Revenue Officer who issues the tax payer a KCCA Payment Advice Form (PAF).

The assessment is based on a predetermined schedule issued by the Ministry of Trade and Industry. This schedule prescribes the fee per business type in the different grading areas.

There are four (4) grading areas in KCCA.

Payment is done using any of the KCCA designated mobile payment platforms or Banks.

A receipt is given which is presented at the Division offices where a trading license certificate is issued.

*For more inquires on Trade Licensing, please visit **any Division Urban Council Offices-Revenue, Large tax Office at City Hall or any of the one stop shops at Diamond Trust Bank Kampala Road, URSB head office at Georgina House or Tel. 020460000 , 0800990000 or eservices@kcca.go.ug***

What if I do not pay?

Section 8 (1) of the Trading License Act as amended prohibits trade without a Trade license. Equally, any person who fails to pay or obstructs or hinders an officer on duty, or knowingly makes a false declaration or gives any false information commits an offence and is liable on conviction to a fine of not more than 48 currency points or to a term of imprisonment not exceeding two years or both.

What happens if I change business premises before expiry of a business license?

If one changes business premises, they should apply to the Director Revenue collection giving reason for the change and upon payment of a modest fee a duplicate license shall be issued to the client.

Why is KCCA working with Uganda Revenue Authority (URA) and Uganda Registration Services Bureau (URSB)?

The three (3) agencies together with the Ministry of Local Government are working together under an arrangement known as the Taxpayer Register Expansion Program (TREP).

This is after **The 2015 Income Tax Amendment Act** which directed every local authority, government institution or regulatory body to require a TIN from any person applying for a license or any form of authorization necessary for purposes of conducting any business in Uganda. Yet **The Business Names Registration Act Cap. 109** requires all persons conducting business in the country to be registered.