

Inside this issue:

- ⇒ What is a trade license?
- ⇒ Who is eligible to pay?
- ⇒ Why pay trade license fees?
- ⇒ How is Trading License acquired?
- ⇒ How is Trading License acquired?
- ⇒ What are the requirements for Application?
- ⇒ How is assessment and Payment of trading license fees done?
- ⇒ When is the effective date for payment of a Trading License?
- ⇒ What if I do not pay?
- ⇒ What is the governing law?

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.

Who is eligible to pay?

Any person carrying out business in KCCA’s jurisdiction except those who are exempted under Section 8(2) of the Trade Licensing Act.

The exempted businesses include among others the following:

- Any trade carried on in a market.
- The trade of a planter, farmer, gardener, dairy person or agriculturist in respect of sale of his or her own dairy or agriculture produce.
- The trade of a person in respect of goods bonafide made by him or her by his or her handicraft in or any premises where he or she normally resides, or by the handicraft of persons normal: residing with him or her or who are his or employees or members of his or her family

Why pay trade license fees?

It’s a Legal requirement for any person selling goods and services as provided for by the Licensing Act CAP 101 to enable KCCA regulate trade and order.

Besides the said above regulatory role, payment of trade license fees contributes towards the financing of KCCA’s service delivery.

How is Trading License acquired?

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
- ◆ Payment of appropriate license fees.

What are the requirements for Application?

Nationals

- ◆ Identification: passport/ Driving permit/ Voter’s card.
- ◆ Original Trading License for the previous year for already existing business
- ◆ Original KCCA receipt for the previous year for already existing business.
- ◆ Original certificate of incorporation of the company for the new business.
- ◆ Original rent receipt and tenancy agreement from the land lord for the new business.

- ◆ The client must be of at least 18 yrs of age and if a minor, should be in partnership with a person above 18 years of age.

Non Nationals

Clearance from Ministry of Trade, Industry and Cooperatives.

How is assessment and Payment of trading license fees done?

Assessment is done based on the fees schedules issued by the Minister of Trade, Industry and Cooperatives under statutory instrument No 54 of 2011 and **The Trade (Licensing) (Grade of Business Areas) Order, 2011** (Under section 30(2) of the Trade (Licensing) Act, Cap. 101).

Based on this, a KCCA Revenue Officer issues a tax payer a KCCA Bank Payment Advice Form to make payment at any designated Banks. A receipt is given which is presented at the Division offices where a trading license certificate is issued.

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

This is a Calendar year based tax payable before commencement of business every 1st day of January of every year and expires on the 31st of December of the same year.

What if I do not pay?

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 or to a term of imprisonment not exceeding six months or both.

What is the governing law?

Trade Licensing Act 1969 Cap 101.

CONTACT US:

For more inquires on Trade Licensing, please visit any Division Urban Council Offices-Revenue unit at Kawempe, Nakawa, Lubaga, Makindye, Central division or Our Head offices at:

City Hall, Directorate of Revenue collection P.O Box 7010, Kampala- Uganda Tel: 0204660100/1/9/4, or Visit our Website: www.kcca.go.ug, or E-mail:info@kcca.go.ug