WRITTEN SUBMISSION

The Protection of Sovereignty Bill, 2026 — Bill No. 13

Presented to the Parliament of Uganda

Defence and Internal Affairs Committee | Legal and Parliamentary Affairs Committee

24 April 2026

Submitted jointly by:

American Chamber of Commerce Uganda (AmCham Uganda)

British Chamber of Commerce Uganda (BCC Uganda)

French Chamber of Commerce Uganda (FCC Uganda)

Netherlands-Uganda Trade and Investment Platform (NUTIP)

Collectively: the Chambers of Commerce Joint Submission

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Executive Summary

The American Chamber of Commerce Uganda, the British Chamber of Commerce Uganda, the French Chamber of Commerce Uganda, and the Netherlands-Uganda Trade and Investment Platform present this joint position paper to the Parliament of Uganda. Together, our four organisations represent companies from some of Uganda's most significant bilateral investment and trading partners, collectively accounting for a substantial proportion of the foreign direct investment, trade finance, and development capital presently at work in Uganda's economy.

We present this submission in a spirit of genuine and constructive engagement. Uganda's right to protect the integrity of its constitutional order and to regulate the activities of foreign entities within its territory is a legitimate sovereign right that we do not contest. What we do contest — specifically, technically, and with proposed solutions — is the form in which the Protection of Sovereignty Bill, 2026 (Bill No. 13) exercises that right, which in its current form will materially damage Uganda's investment climate, create direct conflicts with Uganda's own existing laws, engage Uganda's bilateral investment treaty obligations, and produce consequences that are the opposite of what Uganda's development strategy requires.

We note, with appreciation, several improvements in the tabled Bill compared with the draft of 3 March 2026, including the licence and permit exemptions in Clauses 6(5) and 8(7), the written reasons requirement for refusal of registration, and the requirement that forfeiture follow a court conviction rather than automatic ministerial action. We acknowledge these as genuine improvements. They do not, however, resolve the fundamental concerns we identify below.

Our submission raises five specific concerns and proposes ten specific amendments.

- **The UGX 400 million threshold:** It captures virtually every significant investment transaction in Uganda. No prescribed approval timeline exists. The chilling effect on capital commitment begins before any prosecution is brought.
- **Uganda's bilateral investment treaty exposure:** The Bill's provisions engage the Netherlands-Uganda BIT, the UK-Uganda BIT, Uganda's investment treaty obligations to France under EU frameworks, and Uganda's ICSID commitments under the Investment Code Act. Uganda faces treaty-level claims from investor-state arbitration if the Bill is enacted without amendment.
- **Conflict with the Investment Code Act, 2019:** The Bill's open-ended approval timelines directly contradict the Investment Code Act's fourteen-day permit processing obligation — the foundational commitment Uganda makes to every registered investor.
- **The banking and correspondent banking risk:** We fully endorse the Uganda Bankers Association's submission to the Attorney General of 13 April 2026. The correspondent banking withdrawal risk — international banks de-risking Uganda entirely — is the systemic threat that extends beyond any individual transaction.
- **The four new offences — Clauses 9 to 12:** These provisions, absent from the earlier draft, could criminalise investor forums, trade missions, chambers of commerce events, and diplomatic briefings — the very activities through which foreign investment is attracted and maintained.

We request that Parliament: adopt the ten amendments in Section 9; ensure this Bill does not proceed to Third Reading without adequate transitional provisions; and invite the four chambers to give oral evidence to the Defence and Internal Affairs Committee.

1. Introduction and Mandate

The American Chamber of Commerce Uganda (AmCham Uganda) is the principal representative body for American and international businesses operating in Uganda, with membership spanning financial services, energy, agribusiness, technology, healthcare, and professional services. AmCham Uganda's member companies are significant employers of Ugandan nationals and contributors to Uganda's tax base.

The British Chamber of Commerce Uganda (BCC Uganda) represents British and international businesses across Uganda's economy, with particular focus on trade, investment, and the bilateral commercial and development relationship between Uganda and the United Kingdom. Uganda and the United Kingdom are parties to a bilateral investment treaty that provides specific legal protections for British investors in Uganda, including fair and equitable treatment and access to investor-state arbitration.

The French Chamber of Commerce Uganda (FCC Uganda) represents French and Francophone businesses operating in Uganda and the broader East African region. The FCC Uganda operates within the framework of the Uganda-European Union Economic Partnership Agreement (EPA) and maintains close links with French development finance institutions, including Proparco — the French Development Finance Institution — which is an active investor in Uganda's private sector.

The Netherlands-Uganda Trade and Investment Platform (NUTIP) promotes and facilitates trade and investment between the Netherlands and Uganda. The Netherlands is among Uganda's most significant bilateral investment partners, and the Netherlands-Uganda Bilateral Investment Treaty — which provides for fair and equitable treatment, full protection and security, and access to ICSID arbitration — is directly engaged by several provisions of Bill No. 13. The Netherlands Development Finance Company (FMO) is one of the most active development finance institutions in Uganda's private sector.

This submission is made jointly and represents the consensus position of all four organisations on the Bill. It is submitted and is addressed to the Defence and Internal Affairs Committee (designated as lead) and the Legal and Parliamentary Affairs Committee (with joint reference). Each member organisation has separately signalled its willingness to give oral evidence to the Committee and respectfully applies for that opportunity through this submission.

2. Where We Stand — Agreement and Concern

Every sovereign state has the right to protect its constitutional order from foreign interference, to regulate the activities of foreign entities within its territory, and to ensure that its public policy is determined by its own democratic institutions. We do not contest that right. We operate in many jurisdictions that have foreign influence legislation, and we understand and respect Uganda's motivation in seeking a legal framework of this kind.

We also note the improvements in the tabled Bill. The licence and permit exemptions in Clauses 6(5) and 8(7) mean that many of our members' commercial operations — carried out under existing government licences — are exempt from the Cabinet approval requirement for service delivery and policy implementation. The court conviction requirement for forfeiture under Clauses 22(3) and 23(2) is a significant due process improvement over the draft. We acknowledge these changes and the good faith they reflect.

Our concern is specific and commercial. Uganda is competing globally for foreign direct investment. In that competition, every major investment decision-maker — whether a private equity fund, a corporate treasury, a development finance institution, or a family office — assesses the predictability, transparency, and legal stability of the investment environment. A Bill that subjects every significant capital inflow — including routine inter-company transfers, investment tranches, loan drawdowns, and trade finance transactions — to open-ended security ministry approval with no prescribed timeline, administered by a ministry with no established investment facilitation function, **sends a signal about Uganda's investment**

environment that no ministerial statement can fully correct. The damage to Uganda's reputation as an investment destination begins from the moment the Bill is enacted — not when an approval is refused.

We are here today because we believe that signal can be corrected by amendment, and we have prepared ten specific, technically detailed proposed amendments to assist the Committee in doing so.

3. The Investment Picture — What Is at Stake

3.1. The Capital Uganda Needs

Uganda's National Development Plan III and its ATMS (Agro-Industrialisation, Tourism, Minerals, Oil and Gas, and Science, Technology and Innovation) growth strategy require a sustained and substantial expansion of private sector investment. The Uganda Bankers Association made this point clearly in its submission to the Attorney General, noting that the banking sector's own ATMS-aligned response plan to support tenfold GDP growth depends critically on access to international capital — foreign credit lines from IFC, AfDB, and development finance institutions; foreign equity investment from shareholders and private equity funds; and foreign capital markets access through Eurobonds and syndicated facilities.

The four chambers represented in this submission are among the primary vehicles through which that capital reaches Uganda. Our member companies' investment decisions are made in head offices in New York, London, Paris, Amsterdam, and other financial centres on the basis of their assessment of Uganda's regulatory environment. The question those decision-makers will ask when they review this Bill is not whether Uganda has the right to enact it — they acknowledge that right — but whether Uganda is the kind of jurisdiction in which capital can be deployed with confidence that the rules will be predictable, the process will be fair, and the timeline will be defined. As currently drafted, the Bill answers that question in the negative.

3.2. The Correspondent Banking Risk

The Uganda Bankers Association's submission of 13 April 2026 identifies the risk to correspondent banking relationships. We fully endorse that observation and extend it.

Correspondent banking — the relationships through which Ugandan banks process international payments through international banks — is **Uganda's most vulnerable financial infrastructure**. International correspondent banks operate under extremely conservative compliance regimes driven by their own regulatory obligations in the US, EU, and UK. A law that subjects transfers to Ugandan beneficiaries to open-ended ministerial pre-authorisation requirements — with no defined timeline, no safe harbour for the transacting institution, and penalties calibrated at UGX 4 billion — creates the kind of jurisdiction-level compliance risk that international compliance officers are instructed to de-risk by withdrawing.

Uganda has already experienced correspondent banking attrition in the region. If international correspondent banks withdraw from Uganda as a result of this Bill, the consequences are not limited to individual transactions. The entire architecture of Uganda's international trade — letters of credit, foreign exchange settlement, remittance processing, development finance disbursements — depends on those relationships. Rebuilding them, once lost, takes years and costs significantly more than preserving them.

The Netherlands Development Finance Company (FMO), Proparco of France, and the development finance arms of British institutions are among the development finance institutions most active in Uganda. Their own compliance frameworks will require them to assess whether the Bill creates unacceptable counterparty risk for their Ugandan partner institutions. That assessment will be underway before the Bill is even enacted.

4. The UGX 400 Million Threshold — Every Significant Transaction Is Captured

Clause 22 prohibits receipt of foreign financial support exceeding 20,000 currency points — UGX 400 million, approximately USD 107,000 at current rates — in any twelve-month period without the Minister's written approval. The approval has no prescribed timeline. Refusal requires no reasons. There is no appeal short of court.

We ask the Committee to consider what this threshold means in practice. The following categories of transaction — routine, commercially necessary, and presently lawful — all exceed UGX 400 million on an annual basis and will all require ministerial approval before they may be received.

Annual equity capital contributions: A foreign parent company's annual equity contribution to its Ugandan subsidiary, to fund working capital, capital expenditure, or expansion. These are the basic funding mechanisms by which every foreign-invested company in Uganda operates. They will all require ministerial approval — from the Ministry of Internal Affairs — before the funds may be received.

Inter-company loans and shareholder loans: Shareholder loans and inter-company credit facilities are a standard feature of multinational corporate financing. Every such facility exceeding UGX 400 million — which, in practice, means every facility of any commercial significance — requires ministerial approval before each drawdown.

Management fees and technical service charges: Foreign parents routinely charge Ugandan subsidiaries management fees, technical assistance fees, and shared service charges. These are commercially standard, transfer-priced, tax-compliant transactions that are already subject to Uganda Revenue Authority scrutiny. Adding ministerial Internal Affairs approval is a duplication of oversight with no added security purpose.

Trade finance and letters of credit: Letters of credit issued by international correspondent banks on behalf of Ugandan importers — and the payments that flow under them — involve foreign financial support to Ugandan entities. Where those flows exceed UGX 400 million annually (which they do for any significant importer), they are potentially within scope.

Development finance drawdowns: Drawdowns under credit facilities from DFC, IFC, AfDB, FMO, Proparco, the European Investment Bank, British International Investment, or any other international development finance institution are all foreign financial support. Each drawdown above the threshold requires ministerial approval with no prescribed timeline.

Foreign private equity investment: An equity investment tranche from a foreign private equity fund or venture capital investor into a Ugandan portfolio company typically ranges from USD 500,000 to USD 10 million. Every such tranche requires ministerial approval. The fund manager — who has investment committee decisions and LP obligations to honour — cannot deploy capital on an open-ended approval timeline.

The conflict with the Investment Code Act, 2019 is direct and unresolvable without amendment. Section 11(3) of the Investment Code Act requires public sector agencies to process secondary permit applications from registered investors within **fourteen days** and to give written reasons for refusal. The Investment Code Act is Uganda's foundational investment facilitation statute. It represents the commitment Uganda makes to every investor who has obtained an investment certificate — that Uganda's regulatory processes will be predictable and timely. A Bill that subjects every investment tranche to ministerial approval with no prescribed timeline directly contradicts that commitment. Every investor who has relied on the Investment Code Act's fourteen-day guarantee and who now finds that commitment superseded by an open-ended security ministry process has been materially misled about the investment environment they entered.

5. Bilateral Investment Treaties — Uganda's Treaty Exposure

Uganda holds bilateral investment treaties with the Netherlands, the United Kingdom, Germany, Italy, Denmark, Belgium and Luxembourg, and Switzerland, among others. Three of the four organisations submitting this paper represent investor communities with direct BIT coverage. This section addresses the treaty dimensions most directly relevant to our four organisations.

5.1. The Netherlands-Uganda Bilateral Investment Treaty (BIT) — NUTIP

The Netherlands and Uganda are parties to a bilateral investment treaty that provides Dutch investors in Uganda with protections including: fair and equitable treatment; full protection and security; national treatment and most favoured nation treatment; and protection against expropriation without prior payment of prompt, adequate, and effective compensation. The treaty provides for investor-state arbitration under ICSID or the UNCITRAL Arbitration Rules.

FMO — the Dutch development finance institution — and Dutch private sector investors hold assets in Uganda across multiple sectors. The Bill's provisions engage the Netherlands-Uganda BIT in the following specific ways. First, the requirement for ministerial approval of investment tranches with no prescribed timeline and no obligation to give reasons for refusal is inconsistent with the fair and equitable treatment standard, which prohibits arbitrary or discriminatory treatment and protects legitimate expectations formed at the time of investment. Second, forfeiture of invested capital following a court conviction engages the treaty's expropriation provisions. Third, the exclusion of registered investors from the Bill's framework without adequate compensation or transition provisions directly engages the treaty's expropriation protections.

5.2. The United Kingdom-Uganda Bilateral Investment Treaty — BCC Uganda

The United Kingdom and Uganda are parties to a bilateral investment treaty providing equivalent protections to those described above. British International Investment (BII, formerly CDC) — the UK's development finance institution — is among the most active investors in Uganda's private sector. British commercial banks, professional services firms, and extractive sector companies operating in Uganda have invested on the basis of the regulatory environment that the Investment Code Act describes and the UK-Uganda BIT protects.

The Bill's open-ended approval requirements, absence of prescribed timelines, and ministerial discretion without accountability engage the UK-Uganda BIT's fair and equitable treatment standard in the same manner described for the Netherlands treaty. BCC Uganda advises the Committee that British investors are seeking legal advice on their treaty positions in light of the Bill and that the Committee should take that as an indication of the seriousness with which the investment community views these provisions.

5.3. EU Investment Framework and the Economic Partnership Agreement — FCC Uganda

Uganda is a party to the East African Community-European Union Economic Partnership Agreement, which establishes a framework for trade and investment relations between Uganda and EU Member States including France. While the EU-EAC EPA focuses primarily on trade in goods, the broader EU investment protection framework — including France's bilateral investment treaties with Uganda — provides French investors with protections comparable to those described above.

Proparco — France's development finance institution — operates in Uganda across the energy, agribusiness, and financial services sectors. The French Chamber notes that Proparco's investment framework requires stable, transparent, and predictable regulatory environments. The Bill's approval and registration requirements would require Proparco to reassess the risk profile of its existing and pipeline Uganda investments, with implications for concessional financing availability across the sectors it supports.

5.4. ICSID Access Under the Investment Code Act — AmCham Uganda

Section 25 of the Investment Code Act, 2019 provides that disputes between a registered investor and the Government of Uganda shall be submitted to the International Centre for the Settlement of Investment Disputes (ICSID) if no settlement is reached through negotiation or mediation. This ICSID gateway is available to all registered investors — including American companies — regardless of whether their home country holds a bilateral investment treaty with Uganda.

AmCham Uganda advises the Committee that American investors operating in Uganda under Investment Code Act certificates regard Section 25 ICSID access as a material element of their investment protection framework. The forfeiture provisions — even as improved by the court conviction requirement — remain a potential ICSID claim trigger where capital has been deployed under an Investment Code Act certificate and is subsequently ordered forfeit for regulatory non-compliance. Uganda's legal costs exposure in ICSID proceedings, and the reputational consequences of being a respondent state in multiple investment arbitrations, are considerations the Committee should weigh as part of its review.

6. The Four New Offences — Clauses 9 to 12

Clauses 9, 10, 11, and 12 of Bill No. 13 did not appear in the draft of 3 March 2026. They were gazetted directly on 13 April 2026 — nine days before this submission — without prior public consultation. As organisations whose core function is to facilitate trade, investment, and commercial dialogue between Uganda and our member countries, we are directly affected by these provisions.

6.1. Clause 10 — Promotion of Foreign Policy at a Chamber Event

Clause 10 criminalises organising or sponsoring any meeting aimed at promoting, in Uganda, foreign policy that has not been adopted by Cabinet as Government policy. The penalty is up to twenty years' imprisonment or UGX 4 billion for organisations. There is no intent requirement.

A chamber of commerce exists to facilitate commercial dialogue between its member countries and Uganda. That dialogue inevitably involves discussing trade policy, regulatory standards, investment frameworks, and bilateral economic relationships — all of which are aspects of the foreign policy of the member country. A trade mission briefing at which a visiting minister presents their country's trade and investment strategy — which constitutes the foreign policy of that country with respect to Uganda — could expose the Ugandan host chamber and its Ugandan staff to criminal liability under Clause 10 if that policy has not been adopted by Uganda's Cabinet.

The four chambers respectfully submit that Clause 10 as drafted will make it impossible for chambers of commerce to carry out their core functions legally from the day the Bill commences. That cannot be the intended consequence of this legislation.

6.2. Clause 12 — Commercial Advocacy and Government Engagement

Clause 12 prohibits organising or sponsoring any meeting aimed at interfering with the operations of Government. Legitimate business advocacy — presenting evidence to a parliamentary committee, engaging a ministry on regulatory reform, commenting on proposed legislation — is a routine function of every chamber of commerce in every jurisdiction that protects freedom of expression. If an advocacy meeting is funded by a foreign chamber of commerce (as chamber activities in Uganda are), and if it is characterised by any government official as 'interfering with government operations', it falls within Clause 12 as drafted.

We note that this submission itself — a submission to a parliamentary committee by organisations that receive support from foreign membership — could, by a sufficiently expansive reading of Clause 12, constitute sponsoring a meeting to interfere with government operations. We trust the Committee will recognise the absurdity of that reading, but we note it to illustrate how broad the provision is.

All four chambers formally request that the Defence and Internal Affairs Committee and the Legal and Parliamentary Affairs Committee to provide a constitutional compliance opinion on Clauses 9 to 12 before the lead committee finalises its report. These provisions were not publicly consulted, raise questions under Articles 29(1) and 43 of the Constitution, and directly affect the operations of lawfully registered commercial organisations.

7. The Banking Trap — Trade Finance and Development Capital at Risk

The Uganda Bankers Association's submission of 13 April 2026 comprehensively identifies the implications of Clause 25 for the banking sector. The four chambers fully endorse all four of the UBA's recommendations. We add the following observations from the perspective of investors and businesses that depend on the banking system to deploy and receive international capital.

7.1. Trade Finance Letters of Credit

International trade finance — the letters of credit, guarantees, and documentary credits through which Uganda's import and export economy operates — depends on correspondent banking relationships and on the confident, timely processing of international payments. A supervised institution (cross-border transfer licensee) that is required to verify ministerial authorisation before releasing payment under a letter of credit — with no defined timeline for that authorisation and a UGX 4 billion penalty for paying without it — will take one of two positions. Either it will delay payment until authorisation is confirmed, creating letter of credit non-compliance and triggering bank-to-bank liability, or it will refuse to process the transaction entirely, terminating the trade relationship.

For a Ugandan importer relying on a letter of credit to receive goods, or a Ugandan exporter relying on payment against documents, either outcome is operationally damaging. Multiplied across the volume of trade finance transactions processed in Uganda daily, the aggregate disruption to Uganda's trade economy is significant.

7.2. Development Finance Disbursements

DFC, FMO (Netherlands), Proparco (France), British International Investment (UK), and the IFC operate in Uganda through a combination of direct equity investment, long-term loan facilities, and risk-sharing instruments. Each disbursement under these facilities — typically ranging from USD 500,000 to USD 20 million per tranche — exceeds the UGX 400 million threshold and requires ministerial pre-authorisation under Clause 22 and supervised institution verification under Clause 25.

Development finance institutions operate under investment committee approvals and legal agreements with borrowers or investees that specify disbursement timelines. An open-ended ministerial approval process creates direct contractual non-compliance — the DFI may be contractually obligated to disburse by a certain date under a signed facility agreement, while the Bill's approval process provides no timeline for the approval that is a precondition of disbursement. The DFI faces a choice between breach of its facility agreement and breach of the Bill. That is not a choice any responsible institution will accept as part of its Uganda investment framework.

7.3. Capital Markets and Bank Capitalisation

As the Uganda Bankers Association has identified, foreign equity investment in Ugandan banks — including from foreign shareholders and institutional investors — and foreign credit lines used to meet Bank of Uganda's minimum capital requirements are within the Bill's scope. The four chambers note that Bank of Uganda's ongoing Basel III-aligned recapitalisation programme requires Ugandan banks to raise additional capital from both domestic and international sources. A framework that subjects international capital raising by Ugandan banks to open-ended security ministry approval — without Bank of Uganda's involvement in the approval process — directly impedes that programme.

8. Conflict with Uganda's Own Legal Framework

8.1. The Investment Code Act, 2019

The Investment Code Act is Uganda's principal foreign investment statute. It creates the Uganda Investment Authority as the one-stop centre for investor facilitation, provides investment certificates as the legal basis for investor operations, mandates fourteen-day permit processing, protects against compulsory acquisition without compensation, and provides ICSID arbitration access. It represents Uganda's codified promise to investors that their investment will be welcomed, protected, and treated fairly.

Bill No. 13 does not amend, suspend, or repeal any provision of the Investment Code Act. It sits alongside it. The result is a legal framework in which the same investment transaction is simultaneously entitled to fourteen-day permit processing under the Investment Code Act and subject to open-ended security ministry approval under the Bill. When two statutes impose irreconcilable obligations on the same party in respect of the same transaction, legal uncertainty is the inevitable result — and legal uncertainty is the single most effective deterrent to investment.

8.2. The Companies Act and Director Liability

Clause 23(3) of Bill No. 13 provides that where an offence under Clause 23 is committed by a legal entity, *'any director or the executive head of the legal entity is deemed to have committed the offence'*. This is strict personal liability for directors and executive officers of companies — without any requirement to prove that the individual director was aware of, authorised, or participated in the conduct that constituted the offence. The offence in question — receiving funds from a foreign entity that 'has demonstrated an intention to overthrow the Government or endanger Uganda's security' — is itself undefined in scope. Neither 'demonstrated intention' nor 'endanger security' is defined. A director of a company that inadvertently receives a payment from a foreign entity that is subsequently characterised as security-threatening has no defence.

The Companies Act, 2012 provides that directors owe fiduciary duties to the company but are not personally liable for the company's regulatory non-compliance absent personal fault, knowledge, or direction. Clause 23(3) removes that protection entirely for a category of conduct that is not limited to deliberate wrongdoing. This is a direct conflict with the Companies Act and will deter experienced international directors from accepting board positions in Ugandan companies — a direct harm to corporate governance standards at a time when Uganda is seeking to attract sophisticated investors.

8.3. The Uganda Revenue Authority Framework

Inter-company transactions — management fees, technical service charges, royalties, and other cross-border payments between related parties — are already subject to Uganda's transfer pricing framework administered by the Uganda Revenue Authority (URA). These transactions are already disclosed, documented, arm's-length assessed, and taxed. The Bill's Clause 22 ministerial approval requirement adds a fourth approval framework to transactions already subject to: Bank of Uganda (for financial institutions); URA transfer pricing; and any existing sector-specific licensing requirement. There is no coordination mechanism between these four frameworks, and compliance with one does not discharge obligations under any other.

9. Proposed Amendments

The four chambers set out below ten specific proposed amendments. Each is stated as a proposed legislative instruction to the drafter. We are prepared to provide further technical detail on any of these in oral evidence.

Amendment 1 — Exempt Investment Code Act Registered Investors from Clause 22

Concern: Every investment tranche to a company holding an Investment Code Act investment certificate requires ministerial approval with no prescribed timeline, directly contradicting the Investment Code Act's fourteen-day guarantee.

Proposed: *Insert into Clause 22 a new subsection: 'This section does not apply to funds, financial support, or investment received by a company, partnership, or individual holding a valid investment certificate issued under the Investment Code Act, 2019, in respect of investment activities authorised by that certificate.' Where security concerns arise in respect of a registered investor, those concerns should be addressed through the existing FIA and Anti-Terrorism framework rather than through a blanket pre-authorisation requirement.*

Amendment 2 — Prescribed Timeline for Ministerial Approval

Concern: The absence of a prescribed timeline for ministerial approval under Clause 22 makes investment planning impossible and directly contradicts the Investment Code Act's fourteen-day permit processing obligation.

Proposed: *Insert into Clause 22 a new subsection: 'The Minister shall determine an application for written approval within twenty-one days of receipt of a complete application. Where the Minister does not determine the application within twenty-one days, approval shall be deemed granted. Where approval is refused, the Minister shall give written reasons within the twenty-one day period, and the applicant may appeal to the High Court.' A prescribed timeline of no more than twenty-one days is consistent with the Investment Code Act's framework.*

Amendment 3 — Raise the Funding Threshold

Concern: UGX 400 million (~USD 107,000) captures virtually every significant commercial, investment, and development finance transaction in Uganda. It is not calibrated to target genuine security threats.

Proposed: *Raise the threshold in Clause 22 to 200,000 currency points (UGX 4 billion, approximately USD 1 million) for commercial and investment transactions. Alternatively, exempt from the threshold: (a) transactions between a registered investor and its parent company in respect of authorised investment activities; (b) trade finance transactions; and (c) drawdowns under facility agreements already reviewed and approved by the Bank of Uganda or any other statutory financial sector regulator.*

Amendment 4 — Exempt Routine Commercial Transactions from Clause 25 Pre-authorisation

Concern: The Clause 25 pre-authorisation requirement, even with the 'where applicable' qualifier, creates operational uncertainty for supervised institutions processing trade finance, salary payments, and routine inter-company transfers.

Proposed: *Insert into Clause 25 a new subsection: 'This section does not apply to: (a) payment under a letter of credit or documentary credit for the import or export of goods; (b) salary or remuneration payments; (c) payments under facility agreements reviewed and approved by the Bank of Uganda; or (d) transfers between a parent company and its Ugandan subsidiary in respect of working capital or authorised investment activities.' These exemptions address the categories of transaction most likely to cause operational disruption without any security benefit.*

Amendment 5 — Bank of Uganda Primacy and Safe Harbour (endorsing UBA Recommendation)

Concern: Clause 25 bypasses the Bank of Uganda as the primary banking regulator, creates no safe harbour for supervised institutions, and conflicts with the AMLA framework.

Proposed: *(a) Insert a primacy clause: 'Nothing in this section limits the regulatory authority of the Bank of Uganda as the primary prudential and conduct supervisor of supervised institutions, and all obligations under this section shall be implemented by supervised institutions consistently with Bank of Uganda's directions.' (b) Provide a statutory safe harbour: 'A supervised institution that withholds or delays payment in good faith compliance with a requirement under this section shall not incur liability to any person arising solely from that withholding or delay.' (c) Route the Clause 25 monthly reporting obligation through the Bank of Uganda. This amendment incorporates and gives legal effect to the four recommendations in the Uganda Bankers Association's submission of 13 April 2026.*

Amendment 6 — Explicit BIT and ICSID Savings Clause

Concern: The Bill contains no savings clause preserving Uganda's bilateral investment treaty obligations or investors' rights under Section 25 of the Investment Code Act.

Proposed: *Insert a new clause: 'Nothing in this Act shall be construed to limit, vary, or extinguish: (a) the rights of a registered investor under any bilateral investment treaty to which Uganda is a party; (b) the right of a registered investor to submit a dispute to ICSID arbitration or any other investor-state mechanism under the Investment Code Act, 2019, or any applicable bilateral investment treaty; or (c) Uganda's obligations under any bilateral investment treaty to which it is a party.' This is a standard savings clause and does not limit Uganda's capacity to regulate — it simply confirms that treaty rights survive regulatory compliance obligations.*

Amendment 7 — Intent Requirement for Clauses 10, 12, and 13

Concern: Clauses 10, 12, and 13 impose strict criminal liability — up to twenty years — for conduct that includes routine chamber of commerce activities, market commentary, and economic publications, without any requirement to prove intent to harm Uganda's interests.

Proposed: *Insert into Clauses 10, 12, and 13 the words 'with intent to' before the description of the proscribed conduct, or at minimum a knowledge requirement: 'knowing or having reasonable grounds to know that' the conduct was aimed at the proscribed outcome. Commercial activity, market commentary, and chamber of commerce functions should not carry twenty-year criminal liability in the absence of proven intent.*

Amendment 8 — Exempt Chambers of Commerce Activities from Clauses 9 and 10

Concern: Chambers of commerce activities — trade missions, investor forums, bilateral commercial events — are directly exposed to Clauses 9 and 10 by reason of their inherent engagement with the foreign policies and commercial positions of member countries.

Proposed: *Insert into Clauses 9 and 10 an express exemption: 'This section does not apply to activities carried out by a registered chamber of commerce, trade association, or employer federation in the ordinary course of facilitating bilateral trade and investment between Uganda and other countries, provided that such activities do not include the promotion of any political or electoral agenda.' An equivalent exemption exists in UK, US, and Australian foreign influence legislation for commercial and trade association activities.*

Amendment 9 — Remove Deemed Director Liability from Clause 23(3)

Concern: Clause 23(3) creates strict personal criminal liability for every director and executive officer of a company that commits an offence under Clause 23 — without any requirement to prove personal knowledge, authorisation, or participation.

Proposed: *Delete Clause 23(3) and substitute: 'Where an offence under this section is committed by a legal entity, a director or executive officer of that legal entity who knowingly authorised, directed, or participated in the commission of the offence shall be deemed to have committed the offence.' The word 'knowingly' is essential. Strict personal liability for directors of companies that inadvertently receive tainted funds will deter qualified international directors from accepting board positions in Ugandan companies — a direct governance harm with no corresponding security benefit.*

Amendment 10 — Transitional Provisions (Minimum 12 Months)

Concern: Bill No. 13 contains no transitional provisions. Companies currently operating lawfully under Investment Code Act certificates face immediate criminal liability on commencement day for activities that are presently lawful and that they have been invited by the Uganda Investment Authority to carry out.

Proposed: *Insert a new Part providing: (a) a transition period of not less than twelve months from the date of commencement; (b) during the transition period, registered investors are deemed to have ministerial approval for investment activities authorised by their Investment Code Act certificate, pending consideration of any specific approval application they may file; (c) criminal liability for receipt of funds in excess of the Clause 22 threshold does not apply during the transition period to companies that have submitted their approval application; (d) the Uganda Investment Authority shall issue guidance to registered investors within thirty days of commencement on the interaction between the Investment Code Act certificate and the Bill's approval requirements.*

10. Consolidated Request to Parliament

The American Chamber of Commerce Uganda, the British Chamber of Commerce Uganda, the French Chamber of Commerce Uganda, and the Netherlands-Uganda Trade and Investment Platform respectfully request that Parliament:

- Adopt, or recommend to the full House for adoption, the ten amendments set out in Section 9 of this submission, or such revised versions of them as the Committee's legal drafters may produce to achieve the same effect.
- As lead committee, formally invite the Legal and Parliamentary Affairs Committee to provide a constitutional compliance opinion on Clauses 9 to 12 — which were not in the earlier draft, have not been publicly consulted, and raise questions the four chambers are not positioned to address as commercial organisations — before the Defence and Internal Affairs Committee finalises its report to the House.
- Grant the four signatory chambers the opportunity to present oral evidence at the earliest available Committee sitting. We are prepared to appear at any date and time the Committee designates. Given the urgency of the legislative timeline, we request that the oral evidence session be scheduled within the current sitting period.
- Invite the Uganda Investment Authority to give independent expert evidence on the conflict between the Bill's approval requirements and Uganda's obligations under the Investment Code Act and its bilateral investment treaties. The UIA has the mandate and the expertise to assess this conflict authoritatively.
- Invite the Bank of Uganda to give independent expert evidence on the interaction between Clause 25 and the Financial Institutions Act, the AMLA, and the Bank of Uganda's ongoing Basel III-aligned recapitalisation programme.
- Ensure that the Bill does not proceed to Third Reading without the inclusion of transitional provisions providing registered investors and existing businesses with a minimum of twelve months from commencement day to adapt their operations to the new framework.
- Note for the record that the four chambers endorse all four specific recommendations in the Uganda Bankers Association's submission to the Attorney General dated 13 April 2026, and invite the Committee to adopt those recommendations in conjunction with Amendment 5 of this submission.

The four chambers are committed to Uganda's economic development and to the bilateral commercial and investment relationships between Uganda and our member countries. We engage with this Bill as partners in Uganda's development — not as adversaries of its sovereignty. We believe that the specific, technical amendments we have proposed would produce a law that achieves its legitimate objective without the collateral damage to Uganda's investment climate that the Bill in its current form would cause. We remain available to the Committee for any further information or engagement.

11. Signatories and Contact Details

This submission is presented jointly on behalf of the following organisations. Each signatory confirms that it has reviewed and endorses the content of this submission.

American Chamber of Commerce Uganda (AmCham Uganda)

www.amchamuganda.org

British Chamber of Commerce Uganda (BCC Uganda)

Happiness D-Ebohon

French Chamber of Commerce Uganda (FCC Uganda)

Netherlands-Uganda Trade and Investment Platform (NUTIP)