

BILLS SUPPLEMENT

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Bill No. 13*Protection of Sovereignty Bill***2026****THE PROTECTION OF SOVEREIGNTY BILL, 2026****MEMORANDUM****1. OBJECT**

The object of this Bill is to enact a law that seeks to provide for the protection of the sovereignty of the people of Uganda; to designate the department responsible for peace and security as the responsible entity for the registration and regulation of agents of foreigners; to provide for the protection of the sovereignty of Uganda; to provide for the registration of agents of foreigners; to regulate the funding and any other assistance to agents of foreigners and for related matters.

2. DEFECTS IN THE EXISTING LAW

Despite Uganda's efforts to uphold sovereign control, several problems continue to threaten the nation's ability to self-govern without undue external interference. Currently, Uganda has no specific law upholding the sovereignty of the country which has resulted into continuous interference in the Government's policies and programmes by foreign countries and agents of foreigners. This threatens the nation's ability to self-govern without undue external interference.

In the absence of a law to protect the nation's ability to self-govern, there has been an increase in—

- (a) the interference with the development and implementation of Government policies and programmes, which interference is funded by foreigners and agents of foreigners;

- (b) foreign aid to civil society that comes along with conditions and parallel programs which conflict with Government programs. This has given external donors significant influence over Uganda's political, social and economic landscape, which has resulted into the erosion of the values we hold sacred as a nation. It has also undermined our right to self-determination; and
- (c) the use of online platforms by foreigners and agents of foreigners to disseminate misinformation, which facilitates social discord.

Further, there is inadequate regulation of civil society. While Uganda values the contribution of civil society, there is an ongoing challenge in ensuring that civil society especially those funded by the foreigners, operate transparently and in accordance with the laws, national policies, programmes and interests of Uganda.

3. REMEDIES PROPOSED IN THE BILL

The Bill seeks to safeguard Uganda's autonomy and stability. The Protection of Sovereignty Act intends to provide for the protection of the sovereignty of the people of Uganda; to designate the department responsible for peace and security as the responsible entity for the registration and regulation of agents of foreigners; to provide for the protection of the sovereignty of Uganda; to provide for the registration of agents of foreigners; to regulate the funding and any other assistance to agents of foreigners among others.

4. PROVISIONS OF THE BILL

The Bill consists five parts and has 30 clauses.

PART I – PRELIMINARY

This Part deals with interpretation of key words and phrases used within the context of the Act, the application of the Act, the administration of Act and functions of the department responsible for peace and security

in the ministry responsible for internal affairs under clauses 1 to 4 of the Bill.

PART II – PROTECTION OF SOVEREIGNTY

This Part provides for protection of the sovereignty of Uganda by prohibiting the involvement of a person in any activity that promotes the interests of a foreigner against the interests of Uganda (clause 5). Further the Part prohibits any person from performing the functions and services for which Government is responsible, specified in the Sixth Schedule of the Constitution unless with the approval of Cabinet. (Clause 6)

Additionally, the Part in clauses 7 and 8 emphasises that the development and implementation of Government policies are the mandate of the Government and not foreigners or agents of foreigners. Clauses 9 and 10 prescribe the principles of foreign policy and prohibit the promotion of foreign policy of another country. The Part criminalises interfering with electoral processes, interfering with operations of Government and economic sabotage in clauses 11, 12 and 13 of the Bill, respectively.

PART III – REGISTRATION OF AGENT OF FOREIGNERS

This Part provides for registration of agents of foreigners under clause 14. The Part further prescribes the procedure of application for registration as an agent of a foreigner in clause 15 and the consideration of the application for registration in clause 16. The Part also provides for the mandate of the minister responsible for internal affairs to issue a certificate of registration to a person registered as an agent of a foreigner in clause 17 or the refuse to grant a certificate of registration in clause 18. The Part in clause 19 provides for renewal of a certificate of registration of an agent of a foreigner. The Part in clause 20 provides for the grounds that the Minister responsible for internal affairs may rely on to suspend or revoke a certificate of registration of an agent of a foreigner.

PART IV – REGULATING OF FUNDING OF AGENT OF FOREIGNERS

This Part of the Bill provides for the regulation of funding of agents of foreigners through the declaration of sources of funding in clause 21. Additionally, the Part, restricts funding from foreigners to amounts not in excess of twenty thousand currency points, within a period of twelve months without the written approval of the Minister in clause 22.

The Part further criminalises obtaining funds to engage in disruptive activities in clause 23. The part in clause 24 provides that foreign funding to Government institutions shall be done in accordance with the Public Finance Management Act, Cap. 171. Finally, Part IV of the Bill prescribes obligations of reporting of foreign funding and submission of returns by an agent of a foreigner in clauses 25 and 26 of the Bill, respectively.

PART V – GENERAL

This Part in clause 27 requires all ministries, departments and agencies of Government to cooperate and give assistance to the Minister responsible for internal affairs and the Department responsible for peace and security in the implementation of the Act. Further, Part V in clause 28 provides for inspection of premises of an agent of a foreigner. Clause 29 provides for the Minister's power to make regulations for the implementation of the Act and clause 30 provides for the Minister's power to amend the Schedule on currency points with the approval of Cabinet.

MAJ.GEN. (Rtd) KAHINDA OTAFIIRE
Minister of Internal Affairs.

THE PROTECTION OF SOVEREIGNTY BILL, 2026

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SCHEDULE

Currency Point

A Bill for an Act

ENTITLED

THE PROTECTION OF SOVEREIGNTY ACT, 2026

An Act to provide for the protection of the sovereignty of the people of Uganda; to designate the department responsible for peace and security as the responsible entity for the registration and regulation of agents of foreigners; to provide for the protection of the sovereignty of Uganda; to provide for the registration of agents of foreigners; to regulate the funding and any other assistance to agents of foreigners and for related matters.

BE IT ENACTED by Parliament as follows:

PART I – PRELIMINARY

1. Interpretation

In this Act, unless the context otherwise requires –

“agent of a foreigner” means a person who acts as an agent, representative, employee or servant, or any person who acts in any other capacity at the order, request, or under the direction or control of a foreigner or of a person, any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidised by a foreigner;

“currency point” means the value specified in relation to a currency point in the Schedule to this Act;

“Department” means the department responsible for peace and security in the ministry responsible for internal affairs;

“disruptive activities” include –

- (a) any act or conduct that is prejudicial to or threatens the security of Uganda;
- (b) an act or conduct threatening violence against any person;
- (c) threatening to cause bodily harm, whether to the person to whom the threat is made, or to any other person;
- (d) threatening destruction of property;
- (e) employing, recruiting, engaging, sponsoring or contracting any person to promote the interests of foreigners;
- (f) engaging or participating in a riot or unlawful demonstration or assembly; or
- (g) disrupting or interfering with the lawful activities, business operations, peace or human rights of any person;

“foreigner” includes –

- (a) a non-Ugandan citizen;
- (b) a Ugandan citizen residing outside Uganda;
- (c) a foreign government, consulate, high commission, embassy or other diplomatic mission;
- (d) a corporation, company, non-governmental organisation or other legal entity incorporated, unincorporated or registered outside Uganda;

- (e) an international or multinational organisation; or
- (f) any person, institution or body that the Minister may by statutory instrument, declare to be a foreigner;

“Government” means the Government of Uganda and includes Local Governments;

“Minister” means the Minister responsible for internal affairs;

“person” includes a natural person, non-government organisation, a political party or organisation, a limited liability partnership and a company or association or body of persons corporate or unincorporated;

“supervised institution” means a person licensed under an Act of Parliament to facilitate the cross-border transfer of money.

2. Application

(1) This Act applies to any person who acts as an agent of a foreigner.

(2) For the avoidance of doubt, this Act applies to an agent of a foreigner who engages in any of the following activities through any means including the use of digital platforms –

- (a) engages in the political activities in Uganda for or in the interests of a foreigner;
- (b) solicits, collects, disburses or dispenses contributions, loans, money or other things of value for or in the interest of a foreigner;
- (c) represents the interests of a foreigner before any agency or official of the Government of Uganda;
- (d) recruits, contracts, engages, enters into a partnership or sponsors any person in Uganda to promote the interests of a foreigner;

- (e) agrees, consents, assumes or purports to act as, or who is or holds himself or herself out to promote the interests of a foreigner against the interests of Ugandans;
- (f) influences the development of the policy of Government;
- (g) influences the public to oppose the policy of Government;
- (h) funds of political parties or organisations or any person contesting for an election; or
- (i) any other activity declared by the Minister by statutory instrument.

(3) Subject to the provisions of the Diplomatic Privileges Act, this Act applies to a representative or agent of an embassy, high commission or consulate.

3. Administration of Act

(1) This Act shall be administered by the Minister, who shall give policy guidance on the implementation of this Act.

(2) The department responsible for peace and security in the ministry responsible for internal affairs shall be responsible for the implementation of this Act.

(3) The Department shall, in the implementation of this Act, consult other agencies of Government, including the ministry responsible for foreign affairs and the ministry responsible for development of Government policy.

4. Functions of Department

(1) The Department shall –

- (a) review and consider applications for registration of agents of foreigners;

- (b) recommend to the Minister, the issuance of certificates of registration to persons applying to be registered as agents of foreigners;
- (c) develop and enforce guidelines on the registration and regulation of agents of foreigners;
- (d) carry out due diligence to determine the suitability of agents of foreigners or foreign nationals before, registration under this Act;
- (e) inspect and approve activities of agents of foreigners in Uganda;
- (f) advise the Minister on the making of regulations necessary for the better implementation of this Act;
- (g) advise revenue, customs, airport, railway and immigration authorities on foreign funding or any other assistance from foreigners to agents of foreigners; and
- (h) any other function as the Minister may assign to the Department.

(2) The Department may, in discharging its functions, co-opt persons to advise the Department on any matter relating to agents of foreigners.

(3) A person co-opted under subsection (2) shall not be a member of the Department.

PART II – PROTECTION OF SOVEREIGNTY

5. Sovereignty of the people

(1) In accordance with Article 1 of the Constitution, the people of the Republic of Uganda shall have sovereignty over the

social, economic and political policies affecting the governance of the Republic of Uganda.

(2) Every Ugandan shall be under an obligation to promote the sovereignty of the people of Uganda and all the activities of the Government shall be conducted in such a manner that promotes the interests of Uganda.

(3) A person shall not engage in any activity that promotes the interests of a foreigner against the interests of Uganda.

(4) A person who promotes the interests of a foreigner against the interests of Uganda commits an offence and is liable, on conviction –

- (a) in the case of a legal entity, to a fine not exceeding two hundred thousand currency points; and
- (b) in the case of an individual, to a fine not exceeding one hundred thousand currency points or to imprisonment for a term not exceeding twenty years, or both.

6. Exercising functions and services for which Government is responsible

(1) The functions and services specified in the Sixth Schedule to the Constitution shall be the responsibility of the Government in accordance with Article 189 of the Constitution.

(2) A person or an agent of a foreigner shall not exercise any of the functions specified in the Sixth Schedule to the Constitution, except with the approval of the relevant Government agency assigned the mandate to exercise such functions.

(3) The relevant agency referred to in subsection (2) shall not approve any person or an agent of a foreigner to exercise its mandate without the approval of Cabinet.

(4) A person or an agent of a foreigner who performs the functions or offers services for which the Government is responsible without the approval of the relevant Government agency commits an offence and is liable, on conviction –

- (a) in the case of a legal entity, to a fine not exceeding two hundred thousand currency points; and
- (b) in the case of an individual, to a fine not exceeding one hundred thousand currency points or to imprisonment for a term not exceeding twenty years, or both.

(5) This section shall not apply to a person who has been granted a licence, permit or other authorisation from a Government licensing or regulatory body to offer services for which the Government is responsible.

(6) The Minister may, by regulations, prescribe the procedure and requirements for obtaining the approval referred to under this section.

7. Development of Government policy

(1) In accordance with Article 111(2) of the Constitution, Cabinet shall determine, formulate and implement the policy of Government.

(2) Government policy shall be developed by the relevant ministry, department or agency of Government and submitted to Cabinet for approval, before the implementation of the policy.

(3) A person or an agent of a foreigner who wishes to influence or propose amendments to the development of the policy shall submit his or her proposals to the relevant ministry, department or agency of Government for consideration.

(4) A person or an agent of a foreigner who develops a policy without the approval of Cabinet commits an offence and is liable, on conviction –

- (a) in the case of a legal entity, to a fine not exceeding two hundred thousand currency points; and
- (b) in the case of an individual, to a fine not exceeding one hundred thousand currency points or to imprisonment for a term not exceeding twenty years or both.

(5) The Minister may, by regulations, prescribe the procedure and the requirements for formulating and implementing the policy of Government.

8. Implementation of Government policy

(1) A Government policy approved by Cabinet shall be implemented by the relevant Government ministry, department or agency.

(2) A Government department or agency responsible for the implementation of a Government policy shall report to Cabinet on the progress of the implementation in accordance with regulations made by the Minister.

(3) A person or agent of a foreigner shall not implement, hinder, frustrate or disrupt the implementation of a Government policy.

(4) A person or agent of foreigners shall not carry out activities related to the implementation of Government policy, unless the person or agent of a foreigner has received the approval of the relevant Government ministry, department or agency to carry out such activities.

(5) A Government ministry, department or agency referred to in subsection (4) shall not issue approval to carryout activities related to the implementation of Government policy without Cabinet approval.

(6) Where a Government ministry, department or agency issues an approval to a person or agent of a foreigner to carry out activities specified in subsection (4), the Government ministry, department or agency shall enter an undertaking with the person or agent providing for the manner in which the activities shall be performed.

(7) This section shall not apply to a person granted a licence, permit or other authorisation from a Government licensing or regulatory body to carry out activities referred to in this section.

(8) The Minister, in consultation with Cabinet, may, by regulations, prescribe the procedure for implementing the policy of Government.

9. Foreign policy

(1) The foreign policy of Uganda shall be based on the principles of –

- (a) promotion of the national interests of Uganda;
- (b) respect for international law and treaty obligations;
- (c) peaceful coexistence and non-alignment;
- (d) settlement of international disputes by peaceful means;
- (e) opposition to all forms of domination, racism, sectarianism and other forms of oppression and exploitation.

(2) Uganda shall actively participate in international and regional organisations that stand for peace and for the well-being and progress of humanity.

(3) Government ministries, departments and agencies shall promote regional and Pan-African cultural, economic and political cooperation and integration.

(4) A person or an agent of a foreigner shall not promote any foreign policy that contravenes subsection (1).

(5) The Minister, in consultation with Cabinet, may, by regulations, prescribe the procedure for adopting foreign policy that is in accordance with subsection (1).

10. Prohibition of Promotion of foreign policy of another country

(1) A person shall not engage in any activity, solicit, receive or obtain any assistance from a foreigner to sponsor or organise a meeting or any function with the aim of promoting foreign policy in Uganda that has not been adopted by Cabinet as Government policy.

(2) A person or an agent of a foreigner who engages in any activity, solicits, receives or obtains any assistance from a foreigner to sponsor or organise a meeting or any function with the aim of promoting foreign policy in Uganda that has not been adopted by Cabinet as Government policy commits an offence and is liable, on conviction –

- (a) in the case of a legal entity, to fine not exceeding two hundred thousand currency points; and
- (b) in the case of an individual, to a fine not exceeding one hundred thousand currency points or to imprisonment for a term not exceeding twenty years, or both.

11. Prohibition of interfering with electoral processes

(1) In accordance with Article 1(3) of the Constitution, the people of Uganda shall express their will and consent on who shall govern them and how they should be governed, through regular, free and fair elections of their representatives or through a referenda.

(2) The will and consent referred to in subsection (1) shall not be subject to any influence from an agent of a foreigner.

(3) An agent of a foreigner who influences the will and consent of any person to decide on how he or she shall be governed contrary to subsection (1) commits an offence and is liable, on conviction –

- (a) in the case of a legal entity, to a fine not exceeding two hundred thousand currency points; and
- (b) in the case of an individual, to a fine not exceeding one hundred thousand currency points or to imprisonment for a term of not exceeding twenty years, or both.

(4) This section shall not apply to a person who has been nominated by the Electoral Commission in accordance with the relevant Act of Parliament and is canvassing for votes in accordance with the Constitution and an Act of Parliament.

12. Prohibition of Interfering with operations of Government

(1) A person or an agent of a foreigner shall not engage in any activity, solicit or obtain or receive any assistance from a foreigner to sponsor or organise a meeting or any function with the aim of interfering with the operations of Government.

(2) A person or an agent of a foreigner who engages in any activity or solicits, receives or obtains any assistance from a foreigner to sponsor, organise a meeting or any function with the aim

of interfering with the operations of Government commits an offence and is liable, on conviction –

- (a) in the case of a legal entity, to fine not exceeding two hundred thousand currency points; and
- (b) in the case of an individual, to a fine not exceeding one hundred thousand currency points or to imprisonment for a term not exceeding twenty years or both.

13. Prohibition of economic sabotage

A person who publishes information or participates in any act or activity that weakens or damages the economic system or viability of the country, causing economic disruption, insecurity or instability, commits an offence of economic sabotage and is liable, on conviction –

- (a) in the case of a legal entity, to a fine not exceeding two hundred thousand currency points; and
- (b) in the case of an individual, to a fine not exceeding one hundred thousand currency points or to imprisonment for a term not exceeding twenty years, or both.

PART III — REGISTRATION OF AGENTS OF FOREIGNERS

14. Registration of agent of foreigner

(1) A person shall not act as an agent of a foreigner unless the person is registered with the Department and issued with a certificate of registration by the Minister.

(2) A person who acts as an agent of foreigner without being registered commits an offence and is liable, on conviction, to a fine not exceeding fifty thousand currency points or to imprisonment for a term not exceeding ten years, or both.

15. Application for registration as agent of foreigner

(1) A person who wishes to act as an agent of a foreigner shall apply to the Minister for registration in accordance with regulations made by the Minister.

(2) The application referred to in subsection (1) shall specify or be accompanied by –

- (a) the details of the applicant, including the name, principal business address, and all other business addresses in Uganda or elsewhere and residential addresses, if any;
- (b) the status of the applicant where it is an individual, nationality; where it is a partnership, name, residential address, and nationality of each partner and a true and complete copy of its registration documents; where it is an association, corporation, organisation, or any other combination of individuals, the name, residential addresses, and nationality of each director and officer and of each person performing the functions of a director or officer and a true and complete copy of its charter, articles of association, constitution, bylaws and amendments; thereto;
- (c) a complete list of the applicant's employees and a statement of the nature of the work of each employee; the name and address of every foreigner for whom the applicant is acting, assuming or purporting to act or has agreed to act; the character of the business or other activities of every such foreigner, and, if any such foreigner be other than a natural person, a statement of the ownership and control of each shareholding; and the extent, if any, to which each such foreigner is supervised, directed, owned, controlled, financed, or subsidised, in whole or in part, by any government of a foreign country or foreign political party, or by any other foreigner;

- (d) copies of each written agreement and the terms and conditions of each oral agreement, including all modifications of such agreements, or, where no contract exists, a full statement of all the circumstances, by reason of which the applicant is an agent of a foreigner; a comprehensive statement of the nature and method of performance of each such contract, and of the existing and proposed activity or activities engaged in or to be engaged in by the applicant as an agent of a foreigner for each such foreigner, including a detailed statement of any such activity which is a political activity;
- (e) the nature and amount of contributions, income, money or thing of value, if any, that the applicant has received within the preceding sixty days from each such foreigner, either as compensation or for disbursement or otherwise, and the form and time of each such payment and from whom received;
- (f) a detailed statement of every activity which the applicant is performing or is assuming or purporting or has agreed to perform for himself or herself or any other person, other than a foreigner, and which requires his or her registration, including a detailed statement of any such activity which is a political activity; and
- (g) any other information as the Minister may prescribe by regulations.

(3) The Minister may, by regulations, prescribe the procedure and requirements for the application for a certificate of registration as an agent of a foreigner.

16. Consideration of application for registration

(1) Where an application for registration is made to the Minister under this Act, the Minister shall forward the application to the

Department to conduct inquiries into the suitability of the application and the applicant and make a recommendation to the Minister.

(2) The Department may conduct the following inquiries to ascertain the suitability of the application and the applicant—

- (a) the identity, character, mental and physical health of the applicant, in the case of an individual, or the directors and principal officers in the case of a company or other legal entity;
- (b) whether the applicant or directors, in the case of company or legal entity have ever been convicted of an offence;
- (c) whether the applicant is not insolvent or bankrupt;
- (d) whether the applicant has the adequate facilities for handling the activities of a foreigner; and
- (e) any other matter as the Department may consider reasonable.

(3) The Department may, in the process of conducting the inquiries under subsection (2) require any person, department or agency of Government to furnish information to it regarding the suitability of the applicant for registration under this Act.

(4) The Department shall consult with the local authorities of the place where the applicant seeks to undertake the activities as a foreigner, to ascertain the suitability of the proposed site or premises.

(5) The head of the Department may, by written notice, require an applicant for registration to furnish to the Department additional information to enable the Department make a decision on the application.

17. Certificate of registration

(1) The Minister shall, upon receiving the recommendation of the Department, consider the application and may, if satisfied that the applicant meets the requirements, issue a certificate of registration to the applicant to act as an agent of a foreigner.

(2) The Minister may grant a certificate of registration subject to such conditions as the Minister may consider necessary and may, from time to time, add, vary or substitute the conditions as he or she deems appropriate.

(3) A certificate of registration granted under this Act, shall be valid for two years from the date of issue.

18. Refusal to grant certificate of registration

(1) The Minister may, where he or she is satisfied, after conducting an inquiry, that the applicant is not a fit and proper person to be registered as an agent of a foreigner, refuse to issue a certificate of registration.

(2) Where the Minister refuses to issue a certificate of registration in accordance with subsection (1), he or she shall issue in writing his or her refusal to the applicant, stating the reasons for refusal, within the time specified by regulations.

(3) A person aggrieved by the decision of the Minister, may apply to court of competent jurisdiction for legal redress in accordance with the applicable law.

19. Renewal of certificate of registration

(1) A certificate of registration issued under this Act is renewable, upon the holder of the certificate of registration showing evidence that the terms and conditions of the expired certificate of registration have been complied with.

(2) An application for renewal of a certificate of registration shall be made to the Minister, at least three months before the expiry of the certificate.

20. Suspension and revocation of certificate of registration

(1) The Minister may suspend or revoke a certificate of registration issued under this Act.

(2) Without prejudice to the general effect of subsection (1), the Minister may suspend or revoke a certificate of registration if satisfied that the holder of the certificate of registration—

- (a) gave false or misleading information at the time of applying for registration;
- (b) is not complying with the terms and conditions of registration;
- (c) is no longer a fit and proper person to hold a certificate of registration;
- (d) the holder of a certificate of registration or its principal officers have committed an offence under this Act;
- (e) has become insolvent or is under administration;
- (f) poses, or their activities pose, a security threat to national security and the surrounding community; or
- (g) engages in disruptive activities.

(3) The Minister may, by regulations, prescribe additional grounds for suspension or revocation of a certificate of registration and the procedure for suspending or revoking a certificate of registration.

PART IV—REGULATING FUNDING OF AGENTS OF
FOREIGNERS**21. Declaration of sources of funding**

(1) Subject to the provisions of the Anti-Money Laundering Act, an agent of a foreigner or other person receiving any funding from a foreigner shall submit a declaration of the source of funds to the Minister.

(2) A declaration submitted under subsection (1) shall be available for inspection at the offices of the Minister and the Department by any member of the public, upon payment of a fee prescribed under this Act.

(3) A person who makes a statement for the purpose of this section which is false or misleading commits an offence and is liable, on conviction, to a fine not exceeding seventy-two currency points or imprisonment for a term not exceeding five years, or both.

22. Restrictions on funding from foreigners

(1) A person or an agent of foreigner shall not directly or indirectly obtain, solicit or receive any financial support, donation, loan or other assistance from a foreigner, whether in cash or in kind in excess of twenty thousand currency points, within a period of twelve months without the written approval of the Minister.

(2) A person or an agent of foreigner who obtains, solicits or receives directly or indirectly funds, financial support, donations, loan or other assistance from a foreigner without written approval in accordance with subsection (1) commits an offence, and is liable, on conviction –

- (a) in the case of a legal entity, to fine not exceeding two hundred thousand currency points; and

- (b) in the case of an individual, to a fine not exceeding one hundred thousand currency points or to imprisonment for a term not exceeding twenty years, or both.

(3) Without prejudice to any other penalty imposed by the court under this Act, any money or other assistance obtained by the person or an agent of a foreigner contrary to this section shall be forfeited to the State by order of the court which convicts any person of a contravention of this section.

(4) The Minister may, by regulations, prescribe the procedure and requirements for obtaining the written approval referred to in this section.

23. Obtaining funds to engage in disruptive activities

(1) A person or an agent of foreigner who –

- (a) obtains, solicits, receives, demands, requests or accepts directly or indirectly, funds, financial support or other assistance from a foreign government, institution, body or person which or who has demonstrated an intention to overthrow the established Government of Uganda or to endanger the security of Uganda; or

- (b) obtains, solicits, receives, demands, requests or accepts directly or indirectly, funds, financial support or other assistance from a foreign government, institution, body or person to participate or recruit any person to participate in disruptive activities, commits an offence and is liable, on conviction, to a fine not exceeding one hundred thousand currency points or to imprisonment for a term not exceeding twenty years, or both.

(2) In addition to the penalty prescribed in subsection (1), any money, funds or other assistance received contrary to this section

shall be forfeited to the State by Order of the court convicting the person of the contravention of this section.

(3) Where an offence under this section is committed by a legal entity, any director or the executive head of the legal entity is deemed to have committed the offence.

24. Foreign funding to Government institutions

(1) Notwithstanding the provisions of any other written law, any funding, financial support, donation, loan or other assistance from a foreigner or an agent of a foreigner to a government institution or any other body where government has an interest shall be deemed to be public funds and shall be dealt with in accordance with the Public Finance Management Act.

(2) The Minister, in consultation with the Minister responsible for finance and the Minister responsible for foreign affairs may exempt the application of subsection (1) from any funding, financial support, donation, loan or other assistance from a foreigner or agent of a foreigner to a government institution or other body where government if he or she is satisfied that the foreign funding shall not be used for disruptive activities or to promote the interests of a foreign agent.

25. Reporting of foreign funding

(1) A supervised institution shall not pay out any money to an agent of a foreigner without the agent of a foreigner –

- (a) declaring the source of funds; and
- (b) submitting proof of the written authorisation of the Minister referred to in section 22 (2), where applicable.

(2) A supervised institution shall submit a monthly report to the Minister, relating to any funds transferred to an agent

of a foreigner through the supervised institution in accordance with regulations prescribed by the Minister.

(3) A supervised institution that pays out money to an agent of a foreigner without a declaration and proof of authorisation referred to in subsection (1) commits an offence and liable to pay to the Department, a civil penalty of two hundred thousand currency points

26. Submission of returns

(1) An agent of a foreigner shall submit returns to the Minister relating to the operations of the agent detailing the amount of funds received and the purpose for which the funds were used in accordance with regulations prescribed by the Minister.

(2) An agent of a foreigner who fails to submit returns to the Minister as required by subsection (1), commits an offence, and is liable, on conviction –

- (a) in the case of a legal entity, to a fine not exceeding two hundred thousand currency points; and
- (b) in the case of an individual, to a fine not exceeding one hundred thousand currency points or to imprisonment for a term not exceeding twenty years or both.

PART V – GENERAL

27. Assistance to Minister

All ministries, departments and agencies of Government shall afford the Minister and the Department all necessary assistance for purposes of giving full effect to this Act.

28. Inspection

(1) A person appointed by the Minister may, at any reasonable time, inspect the premises of an agent of a foreigner and

may request for any information that appears to him or her necessary for purposes of giving effect to this Act.

- (2) A person who –
- (a) without any lawful excuse denies an inspector access to any property, books of account, records, returns, documents or information requested for under this section;
 - (b) knowingly presents to the inspector a false or fabricated document or makes a false statement with intent to deceive or mislead the inspector; or
 - (c) without reasonable excuse, refuses or fails to comply with any order or direction of the inspector;

commits an offence and is liable, on conviction, to a fine not exceeding two thousand currency points or to imprisonment for a term not exceeding seven years, or both.

29. Regulations

(1) The Minister may make regulations for the further implementation of this Act.

(2) Without prejudice to the general effect of subsection (1), regulations made under this Act may prescribe a penalty for contravention of the regulations of a fine not exceeding two thousand currency points or to imprisonment for a term not exceeding seven years, or both.

(3) Regulations made under this Act shall be laid before Parliament for information.

30. Minister's power to amend Schedule

The Minister may, by statutory instrument, and with the approval of Cabinet amend the Schedule to this Act.

SCHEDULE

CURRENCY POINT

Section 1

A currency point is equivalent to twenty thousand shillings.

Cross References

Constitution of the Republic of Uganda, 1995

Anti-Money Laundering Act, Cap. 118

Diplomatic Privileges Act, Cap. 185

Public Finance Management Act, Cap. 171