

PARLIAMENT OF UGANDA

**DISSENT FROM THE DECISION OF THE MAJORITY OF THE JOINT
COMMITTEE ON LEGAL & PARLIAMENTARY AFFAIRS AND THE
COMMITTEE ON DEFENSE AND INTERNAL AFFAIRS COMMITTEE ON THE
PROTECTION OF SOVERIENITY BILL, 2026**

**PRESENTED BY: KIWANUKA ABDALLAH (MP),
MUKONO COUNTY NORTH**

MAY, 2026

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DISSENT FROM THE DECISIONS OF THE MAJORITY ON THE PROTECTION OF SOVEREIGNTY BILL, 2026

1.0. INTRODUCTION

On Wednesday 15th April, 2026, a Bill entitled “The Protection of Sovereignty Bill, 2026” was in accordance with Rule 134 of the Rules of Procedure of Parliament, read for a first time and referred for scrutiny to the joint Committees of Defense and Internal Affairs and the Committee on Legal and Parliamentary Affairs. The Committee of Defense and Internal Affairs was designated as the lead Committee.

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.

2.0. POINTS OF DISSENT

The minority has considered the decision of the majority and in accordance with Rule 215 of the Rules of Procedures of Parliament dissent from that decision for the reasons stated below-

- (1) insufficient consultation on the Bill by Government and the Committee;
- (2) The Bill inverts the constitutional concept of sovereignty in favor of the State in contravention of Article 1 of the Constitution;
- (3) The Bill is accompanied with a defective certificate of financial implication;
- (4) The Bill infringes various Articles of the Constitution;
- (5) The Bill does not cure any mischief and is therefore misconceived;
- (6) The amendments proposed by the Committee are excessive and disregard earlier precedents set by the House;
- (7) The Bill was rejected by the President and majority of stakeholders the Committee engaged with.

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3.0. Statement of reasons for dissent

This part of the report contains a statement on the reasons for dissent and the minority have, in this part, examined the Bill, the effect of the amendments, including the provisions' legality, effect and effectiveness in light of other provisions of any other law, existing public policy if any, Court decisions and the mischief it intends to cure.

3.1. Insufficient consultation on the Bill by Government and the Committee

The Minority find that the consultation conducted by the Government before introducing the Bill in the House and the consultation carried out by the Committee is insufficient, denies the public an opportunity to present their views, thereby infringing on the Sovereignty the Bill seeks to protect.

The minority note that the basis for public consultation in the enactment of legislation is based on recognition of the sovereignty of the people as enshrined in article 1 of the Constitution.

Article 1 of the Constitution of Uganda, makes the people of Uganda sovereign and provides that all power belongs to the people who shall exercise their sovereignty in accordance with this Constitution. Clause (4) of Article 1 requires that the people 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 referenda. Article 1(2) provides that-

“without limiting the effects of Clause (1) of this article, all authority in the State emanates from the people of Uganda; and the people shall be governed through their will and consent”

The National Objectives and Directive Principles of State Policy Principle 11(i) states that-

“The State shall be based on democratic principles which empower and encourage the active participation of all citizens at all levels in their own governance”.

Further still, Article 38 of the Constitution guarantees the civic rights of the people of Uganda to participate in the affairs of government, individually or through his or her representatives in accordance with the law and further, to participate in peaceful activities to influence the policies of government through civic Organisations.



The Minority note that Government and indeed the Committee, did not adhere to the above provisions of the Constitution in conceptualising the Bill and in the examination of the Bill by the Committee under Rules 135 of the Rules of Procedure of Parliament.

The minority note that whereas the Constitution has not guided the conduct of Public consultations, Government has formulated guidelines for the development of policy, which grant rights to citizens of Uganda to participate in the development of legislation and policy.

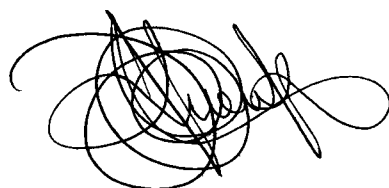
For instance, the Government of Uganda adopted the “Guide to Good Regulation” document for Policy Development which calls for a mandatory Regulatory Impact Assessment (RIA) of the National Policies, Laws and Regulations. This means that policy solutions adopted by the Government should address a maximum of economic and social issues causing a minimum burden on all the stakeholders.

According to the Guide to Good Regulation as adopted by Government, developing a national policy or legislation is justified only when the implementation of specific courses of actions help to prevent some imperfections of the market, adopt the least costly policy intervention, and when the net benefits of the policy developed are greater than costs of not developing one.

Therefore, undertaking a RIA is thus a Cabinet condition for passing of Policies, Laws and Regulations. The Minority note that in conducting a RIA, the line Minister is required to conduct consultations of the public and the relevant Ministries, Departments and Agencies of Government that have a regulatory role in the subject matter of the legislation.

The Minority note that Government did not conduct a RIA and indeed, the consultation on the Bill. This matter was attested to by the Governor Bank of Uganda, the Financial Intelligence Authority, the Bankers’ Association and many other stakeholders. The stakeholders observed that Government did not consult them before introducing the Bill and where surprised by the content of the Bill. Then the sponsors of the Bill were asked if they carried out public consultants, the movers indicated that the only consultation that was carried out was in cabinet in the NRM caucus and no debate was allowed on the Bill.

The Minority therefore find that Government failed to comply with its own procedures for conducting consultations before legislation is introduced, thereby contravening article 1 of the Constitution and denying the people the

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right to participate in development of policy and legislation under article 38 of the Constitution.

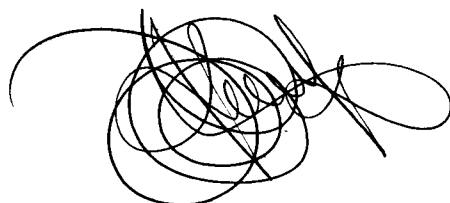
The Minority also note that whereas Rule 135 (2) of the Rules of Procedure of Parliament grants a committee the duty to examine the bill in detail and make all such inquiries in relation to the bill as the Committee considers expedient or necessary and report to the House within forty-five working days from the date the bill is referred to the Committee. The Minority also note that whereas the AG referred the Committee to other countries where a similar law exists, the Committee was not afforded avenue to undertake benchmarking visits.

In executing its mandate, the Committee invited the public, through an advertisement, to appear before it or send memoranda on the Bill. The advert appeared in the Daily Monitor and New Vision of 17th April, 2026 and granted the members of the Public up to the 24th April, 2026 to submit memoranda. The minority note that the time granted to stakeholders to prepare and submit to the Committee memoranda was insufficient since the Bill was read for the first time on Wednesday 15th April, 2026, the public invited on 17th April, 2026 the Committee started deliberations on 23 April, 2026 and concluded public consultations on 28th April, 2026, thereby considering the Bill for only 9 days.

The Minority note that the Committee rushed through public consultations, did not afford adequate time for stakeholders to prepare, send in their views and present them before the Committee and limited time, usually not exceeding 30 Minutes, to stakeholders who appeared before the Committee to put across their views and thereby rendering the public consultations conducted by the Committee meaningless and rushed.

The minority finds that Court, in ***Male Mabirizi and Others vs Attorney General Const. Appeal number 02 of 2018*** Court examined the issue of public participation and guided that the basis for the requirement for consultation of and participation of the public in the conduct of legislation is based on recognition of the sovereignty of the people as enshrined in article 1 of the Constitution. Court threw out provisions of the Bill which were not adequately consulted upon and we are afraid, the Bill or some of the provisions will suffer the same fate.

3.2. The Bill inverts the constitutional concept of sovereignty in favour of the State in contravention of Article 1 of the Constitution



The minority have examined the Bill and find that the Bill inverts the constitutional concept of sovereignty in favour of the State in contravention of Article 1 of the Constitution

The minority note that the Constitution designates the people of Uganda as the sovereign and empowers the people to 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 referenda.

The Bill has inverted this by making the State sovereign over the people of Uganda as follows-

- (a) The explanatory memorandum and the long title of the Bill provides, as one of the object of the Bill, the object of “provide for the protection of the sovereignty of Uganda”. This means that the Bill indirectly amended article 1 of the Constitution by expanding the sovereign provided therein to include the state;
- (b) the Bill subjects the exercise of the civic, political and association rights of citizens abroad to registration requirements and Ministerial discretion through obtaining of certificates and imposition of restrictions on funds transfer to Uganda from abroad as provided clauses 7, 8, 14, 15,16,17,18,19 and 20.

3.3. The Bill does not cure any mischief and is therefore misconceived

The Minority note with concern that the Bill is misconceived and does not cure any mischief.

The minority observe that the explanatory memorandum of the Bill provides, as the basis for enacting the Bill, defects in the existing law and provide that-

“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.'

The Minority note that the Bill is misconceived since the Bill is based on a wrong premise that-

(a) 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;

(b) No laws exist on the law book to regulate activities of civil society;

(c) No law regulates the use of online platforms;

The minority note that-

(a) the Constitution only guarantees the sovereignty of the people of Uganda and not the sovereignty of the country. No wonder the laws of Uganda are silent on the matter.

(b) there already exist laws that regulate activities of civil society, including the the Anti-Money Laundering Act, Cap. 118 (suspicious cross-border transactions and reporting) and the Non-Governmental



Organisations Act, (Cap 109), relating to registration, regulation and reporting by NGOs, including foreign-funded entities. Specifically section 42 of the NGO Act which specifically bars NGOs from-

- (i) Engaging in any act, which is prejudicial to the interests of Uganda and the dignity of the people of Uganda;
- (ii) Being non-partisan and not engage in fundraising or campaigning to support or oppose any political party or candidate for an appointive office or elective political office or propose or register a candidate for elective political office;

(c) There already exists law regulating the use of online platforms including the Penal Code Act and the Computer Misuse Act;

In addition, the Minority note that the Bill is further misconceived since it-

- (a) Restricts funds procured from abroad, thereby indirectly affecting the operations of financial institutions and the Bank of Uganda, including foreign direct investment, portfolio investment, diaspora remittances, export proceeds, trade finance, commercial loans, humanitarian assistance, technical assistance, grants, concessional financing, development assistance, or any other lawful foreign exchange inflow and related activities;
- (b) creates a regulatory arbitrage by extending the Bill to persons and institutions already regulated under other Acts of Parliament, including professionals, and other supervised institution or a person or institution regulated by a regulatory body under an Act of Parliament;
- (c) ignores the effect of the Bill on the operation of civil society organisations and the support services they provide to the people of Uganda;
- (d) extends the Act to activities undertaken by a person who is practising his or her profession or carrying on lawful occupation, trade or business and the activities are undertaken in the course of his or her profession, trade, business or occupation. This will affect many sectors including Banking, tourism, trade and the provision of essential professional services to persons for fear of being labelled an agent of a foreigner;

- (e) extends the Bill to lawful activities undertaken by any person in exercise of his or her rights and freedoms guaranteed under the Constitution, thereby infringing the Constitution;
- (f) unreasonably extends and restricts funds or remittances received from abroad for private, commercial, domestic, tourism, health, academic, research, cultural, religious or family purposes;
- (g) extends the application of the Bill to all licensing and regulatory authorities in Uganda, including BOU and FIA and development finance institutions thereby interfering or fettering with their independence;
- (h) extends the Bill to accountable persons listed in the Second Schedule to the Anti-Money Laundering Act, making the Act, thereby creating parallel registration, compliance and regulatory oversight, thereby creating regulatory arbitrage.
- (i) extends the application of the Bill to all licensing and regulatory authorities in Uganda, including BOU and FIA and development finance institutions thereby interfering or fettering with their independence;
- (j) extends the Bill to accountable persons listed in the Second Schedule to the Anti-Money Laundering Act, thereby creating parallel registration, compliance and regulatory oversight, thereby creating regulatory arbitrage;
- (k) extends the Bill to international or multinational organisation, including the United Nations, the African Union, the East African Community, the World Bank and the International Monetary Fund and other UN Bodies, which Uganda is party state. This will allow Uganda to deny, using its municipal law, treaty obligations, which will contravene the Vienna Convention on the Laws of Treaties, and will diminish Uganda's global standing.

The Minority also note that although the Bill seeks to safe guard the Sovereignty. of Uganda from external influence, the Bill grants agents of foreigners, once registered, to interfere with that Sovereignty. For instance an agent of a foreigner who registers with the Minister can-

- (a) implement government services under clause 6;

- (b) influence the development of policy under clause 7;
- (c) implement government policy under clause 8;
- (d) interfere with electoral processes under clause 11;
- (e) receive money in excess of 400 Million as long as he seeks approval of the Minister;

All the activities that are allowed for an agent of a foreigner under the Bill will affront article 1 in so far as they will infringe the Sovereignty of citizens of Uganda, by subjecting it to the influence of foreigners. The minority note that if the Bill had been conceptualised properly, the Bill would have tampered its application, rather than being overly vague and ambiguous in relation to its application and the activities it seeks to regulate.

3.4. The Bill infringes various Articles of the Constitution

The Bill has serious constitutional ramification if passed into law since it contravenes various Articles of the Constitution as explained below-

- (a) **The Bill inverts the constitutional concept of sovereignty in favour of the State in contravention of Article 1 of the Constitution.** This inversion of the constitutional sovereignty has the effect of amending Article 1 of the Constitution by introducing a new type of sovereignty in addition to the constitutionally recognised sovereignty in favour of the people.

The minority note that the inversion of the constitutional concept of sovereignty has the effect of amending the Constitution in a manner that contravenes Article 259 of the Constitution.

Article 259 of the Constitution empowers Parliament to amend by way of addition, variation or repeal, any provision of this Constitution in accordance with the procedure laid down in the Constitution. The provision further guides that the Constitution shall not be amended except by an Act of Parliament the sole purpose of which is to amend this Constitution and the Act has been passed in accordance with the requirements of chapter 18 of the Constitution.

The Minority aver that the requirements of article 259 are that Parliament may only amend the constitution directly and not by necessary implications and the amendment must be contained in a Bill whose sole purpose is to amend the Constitution.

The Minority have examined the Bill and found that the Bill contravenes article 259 in so far as not making direct amendments to the Constitution as well as not being solely introduced for the purposes of amending the

constitution. This type of Bill was described by Court as “Colorable legislation”. Colorable Legislation is a legal doctrine stating that a legislature cannot do indirectly what it is prohibited from doing directly. It refers to laws that appear valid in form but are actually designed to bypass constitutional limitations on a legislature's power, often termed "a fraud on the constitution.”

The doctrine of colorable legislation was discussed in the landmark decision in the case of **Paul K. Ssemogerere, Zachary Olum and Juliet Rainer Kafire vs. Attorney-General Constitutional appeal No. 1 of 2002**, in which the Supreme Court declared section 5 of the Constitution (Amendment) Act 2000 as unconstitutional since it had the effect of amending Articles 28, 41(1) and 44(c) of the Constitution by implication and infection. In the end, court declared the Constitution (amendment) Act, 2000 unconstitutional for having been passed without following the procedure prescribed under chapter 8 of the Constitution. However, court discussed the effect of section 5 of the Constitution (amendment) Act, 2000, which proposed to introduce new clauses, (2) and (3) of Article 97 with the intention of restricting a citizen's unhampered "access to information in the possession of the state or any other organ or agency of the State. In discussing the effect of amendment of the Constitution by infection, court observed that amendment of a **constitutional Article does not depend entirely on an express statement that the Article is being amended**. It depends on the effect of the amending legislation on the Article. Oder JSC observed that-

“Amendment of the Constitution is provided for by article 258 of the Constitution, the provisions of which are to the effect that the Constitution can only be amended if an Act of Parliament is passed for that purpose; the Act has the effect of adding to, varying or repealing any provision of the Constitution; and the Act has been passed in accordance with the provisions of Chapter Eighteen of the Constitution. To me, it follows that if an Act of Parliament has the effect of adding to, varying or repealing any provisions of the Constitution, then the Act must be said to have amended the affected article of the Constitution”

He further observed that-

“In view of my finding that Act 13/2000 is in conflict with the constitution, it is my considered opinion that Act 13/2000, was a "colourable" legislation. A colourable legislation occurs where a legislature lacking legislative power or subject to a constitutional prohibition may frame its legislation so as to make it appear to be



within the legislative power or to be free from the constitutional prohibition. Such a law is "colourable" legislation, meaning thereby that while pretending to be a law in the exercise of undoubted power, it is, in fact, a law on a prohibited field"

In the end, the judge held that-

"in the instant case, Act 13/2000, in my view, was a colourable legislation, by which Parliament sought to amend articles 28, 41, 44(c), 128 and 137 (1) and (3) of the Constitution without saying so. It did indirectly what it could not do directly, without complying with the Constitutional procedural requirements. For this reason and the others I have already given in this judgment, section 5 of Act 13/2000 is in conflict with the provisions of the Constitution in question, and is null and void."

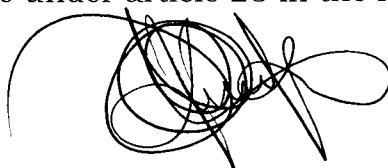
Therefore, there is need to bring a Constitutional amendment bill, failure of which, any attempt at amending the Constitution, not in a manner consistent with Article 259 (2) of the Constitution, would be challenged for being unconstitutional. Therefore, to allow the bill to proceed in its current form will amount to amending the Constitution by infection and would affront Article 259 of the Constitution, thereby making that bill a nullity.

(b) The Bill also infringes on the following articles of the Constitution, making the Bill unconstitutional in form and in effect. The minority find that several provisions of the Bill, as currently drafted, are incapable of being reconciled with the Bill of Rights in Chapter Four of the Constitution. For instance the Bill infringes-

(1) Article 29(1) (a) and (b) which provide that every person shall have the right to freedom of speech and expression, freedom of thought, conscience and belief. Clauses 5, 7, 8, 10, 12, 13 and the definition of "disruptive activities" in clause 1 directly criminalise expressive and associational conduct - including "influencing the public to oppose the policy of Government" (clause 2(2)(g)), "engaging or participating in a riot or unlawful demonstration or assembly" (definition of "disruptive activities"), and publishing information said to weaken the economic system (clause 13). These restrictions are neither demonstrably justifiable in a free and democratic society as provided for under Article 43(2)(c) which provides that public interest shall not permit any limitation of the enjoyment of the rights

and freedoms prescribed under the Constitution beyond what is acceptable and demonstrably justifiable in a free and democratic society.

- (2) Article 38(2) guarantees every citizen's right to participate in peaceful activities to influence the policies of Government through civic organisations. Clauses 7(3), 8(3), 8(4) and 12 substantially burden, and in places extinguish, that right by criminalising conduct that constitutes its core exercise.
- (3) Article 21(1) provides that all persons are equal before and under the law in all spheres of political, economic, social and cultural life and in every other respect and shall enjoy equal protection of the law. The definition of "foreigner" in clause 1 includes "a Ugandan citizen residing outside Uganda." This effectively converts members of the Ugandan diaspora into "foreigners" in their own country, and converts persons in Uganda who deal with them — family members, lawyers, business partners, returning students — into "agents of foreigners." This is a discrimination on the ground of place of residence inconsistent with Articles 21.
- (4) Article 27 provides for the right to privacy of person, home and property, and no person shall be subjected to unlawful search, or unlawful entry of the premises. Clause 28 confers on "a person appointed by the Minister" the power to inspect the premises of an agent of a foreigner "at any reasonable time" without judicial warrant. Clause 21(2) makes declarations of funding sources available to "any member of the public." Both provisions intrude on privacy and confidentiality without the safeguards required by Article 27.
- (5) Article 28 on the right to a fair hearing provides that in the determination of civil rights and obligations or any criminal charge, a person shall be entitled to a fair, speedy and public hearing before an independent and impartial court or tribunal established by law. Article 28(12) further provides that no person shall be convicted of a criminal offence unless the offence is defined and the penalty for it is prescribed by law. Several offences in the Bill (clauses 5(4), 6(4), 7(4), 8, 12 and 13) are framed in language so vague by using words such as "interests of Uganda," "operations of Government," "weakens or damages the economic system," "influencing the will and consent" - that they fail the test of legal certainty. A criminal offence must be defined with sufficient precision to enable a person of ordinary intelligence to know in advance what conduct is prohibited. The Bill departs from the legality principle under article 28 in the following respects-



(i) **“Interests of Uganda” (clauses 5, 7, 8, 9, 10)**

The Bill repeatedly refers to “the interests of Uganda” but does not define them. It is not clear whether “interests” means the policy of the Government of the day, the National Objectives and Directive Principles of State Policy, the long-term national interest as periodically articulated by Cabinet, or the interests as a citizen perceives them. The Bill in effect makes the Cabinet the sole arbiter of what is in the interests of Uganda, and criminalizes disagreement.

(ii) **“Agent of a foreigner” (clause 1)**

The definition is extraordinarily broad and It captures any person who acts “at the order, request, or under the direction or control” of a foreigner, or of a person whose activities are “directly or indirectly supervised, directed, controlled, financed, or subsidized” by a foreigner. The chain of “indirect” financing is, in modern economies, effectively unlimited. On a literal reading-

- an advocate retained by a foreign client (whether a multinational corporation, an embassy, a foreign individual or a Ugandan in the diaspora) is an “agent of a foreigner”;
- a Ugandan accountant whose firm has a regional partnership funded by a foreign parent is an “agent of a foreigner”;
- a researcher at Makerere University whose study is funded in part by an international grant is an “agent of a foreigner”;
- a Ugandan employee of a multinational telecommunications company is an “agent of a foreigner”;
- a journalist working for an international wire service is an “agent of a foreigner”;
- a clinician at a hospital substantially financed by international donors is an “agent of a foreigner.”
- a distributor of a brand of mobile phones, electronics, cookers, or such consumer goods from abroad is “an agent of a foreigner”

None of these persons can lawfully practice their occupation without first being registered, vetted and certified by the Department responsible for peace and security — on pain of a fine of 50,000 currency points (UGX 1 billion) or ten years’ imprisonment under clause 14(2). This is regulatory overreach of an extraordinary kind.



(iii) **“Foreigner” (clause 1)**

The definition includes “a Ugandan citizen residing outside Uganda,” “foreign government, consulate, high commission, embassy or other diplomatic mission,” “international or multinational organization” (which therefore captures the United Nations, the African Union, the East African Community, the World Bank and the International Monetary Fund) and any person, institution or body that the Minister may by statutory instrument declare to be a foreigner. The last subparagraph is an open-ended delegation of legislative power to the Minister and is unconstitutional.

The inclusion of Ugandans in the diaspora has particularly sharp consequences and no exception is made for Ugandans posted abroad by government. Such persons remit a substantial proportion of national income; they retain children, parents, businesses, properties and lawyers in Uganda; and they exercise constitutional rights as citizens. Re-classifying them as “foreigners” for the purpose of a criminal statute is, with respect, indefensible.

(iv) **“Disruptive activities” (clause 1)**

The definition encompasses, among other things, “engaging or participating in a riot or unlawful demonstration or assembly,” and “disrupting or interfering with the lawful activities, business operations, peace or human rights of any person.” These are already criminal under the Penal Code Act and the Public Order Management Act, where applicable. Their re-criminalization here, with a foreign-funding overlay, would expose lawyers advising on protest, demonstration and labour-relations matters to liability as “agents of foreigners.”

(v) **“Economic sabotage” (clause 13)**

The offence is committed by any 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.” Its breadth is breathtaking. A negative analyst note on Uganda’s sovereign credit, a critical academic article on monetary policy, a report by an international rating agency, a leaked audit, a press article on tax leakages —each could be characterized as “economic sabotage.” Lawyers advising clients on capital-market disclosure, restructuring, due diligence or



whistleblowing protections would be placed in a near-impossible position.

(6) Article 24 and Article 44(a) (freedom from cruel, inhuman or degrading treatment, non-derogable). The penalty structure of the Bill is, in our submission, indefensible and offences carry the following maximum penalties-

- clauses 5(4), 6(4), 7(4), 10(2), 11(3), 12(2), 22(2), 23(1), 26(2): up to UGX 4 billion (legal entity) and UGX 2 billion plus 20 years' imprisonment (individual);
- clause 14(2): up to UGX 1 billion plus 10 years' imprisonment
- clause 25(3): a civil penalty of UGX 4 billion on a supervised institution that pays out money to an agent of a foreigner without the prescribed declaration;
- clause 28(2): up to UGX 40 million plus 7 years' imprisonment for refusing access to an inspector;
- regulations made by the Minister under clause 29(2) may themselves prescribe penalties of up to UGX 40 million plus 7 years' imprisonment.

These penalties do not sit well with the framework of penalties for the most serious offences in the Penal Code, with the proportionality principle in Article 24 of the Constitution and Article 7 of the African Charter on Human and Peoples' Rights, and with comparative practice in jurisdictions which maintain foreign-agent registration regimes (where the typical maximum is a custodial term in the order of five years and a fine commensurate with the gravity of the misrepresentation).

(7) Article 79 (functions of Parliament) and Article 99 (executive authority of the President). Several clauses delegate to the Minister wide powers to declare persons or bodies to be "foreigners" (clause 1, definition of "foreigner", subparagraph (f)), to declare "any other activity" to be regulated conduct (clause 2(2)(i)), and to prescribe additional grounds for revocation (clause 20(3)). This is delegation of essential legislative power. By clause 29(3), regulations made under the Act are merely "laid before Parliament for information" — i.e. neither subject to negative nor affirmative resolution. This denudes parliamentary scrutiny.

3.5. The Bill is accompanied with a defective certificate of financial implication

The Minority have reviewed the certificate of financial implications issued for the Bill and found that the certificate is defective. The minority observe that the CFI was issued on the 15th day of April, 2026.

The Minority is aware that Section 74 of the Public Finance Management Act, Cap 171 and Rule 124 of the Rules of Procedure set out the form and content of a certificate of financial implications that must accompany every Bill to be introduced in Parliament. Section 74 is reproduced below-

“76. Cost estimates for Bills.

(1) Every Bill introduced in Parliament shall be accompanied by a certificate of financial implications issued by the Minister.

(2) The certificate of financial implications issued under subsection (1) shall indicate the estimates of revenue and expenditure over the period of not less than two years after the coming into effect of the Bill when passed.


(3) In addition to the requirements under subsection (2) the certificate of financial implications shall indicate the impact of the Bill on the economy.

(4) Notwithstanding sub sections (1), (2) and (3), a certificate of financial implication shall be deemed to have been issued after 60 days from the date of request for the certificate.”

Section 74 of the Public Finance Management Act is reinforced by Rule 118 of the Rules of Procedure of Parliament in similar words. The Minority finds that Section 74-

- (a) sets as a general rule that Every Bill introduced in Parliament must be accompanied by a certificate of financial implications issued by the Minister responsible for Finance;
- (b) Requires the certificate of financial implications to indicate-
 - (i) the estimates of revenue and expenditure over the period of not less than two years after the coming into effect of the Bill when passed; and
 - (ii) the impact of the Bill on the economy.

The Minority have examined the certificate of financial implications issued by the Minister for the Bill and finds that the certificate does not comply with the requirements of section 76 (3) of the Public Finance Management Act in so far

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as indicating with precision the impact of the Bill on the economy. In regard to the Impact to the Economy, the CFI noted that-

“The proposed Bill is expected to strengthen Uganda's policy autonomy and national security architecture, improve coherence in the management of foreign aid and foreign-funded activities, and support stability in governance and public order. These outcomes are expected to contribute to a more secure environment for implementation of Government programmes and long-term national development.”

The minority note that the above statement does not, with precision indicate the impact of the Bill on the economy in order to afford Parliament an opportunity to assess the effect of the Bill if enacted.

The Minority note that various stakeholders, especially BOU and civil society organisations noted with concern the impact of the Bill. The BOU noted the following concerns in relation to the economic effects of the Bill on the economy-

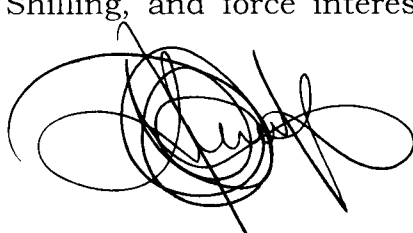
(a) The Bill has potential to destabilise Uganda's Balance of Payments (BoP)

BOU noted that in FY 2024/25, the overall BoP surplus of USD 1.5 billion was driven by a financial account surplus of USD 4.6 billion, including Foreign Direct Investment (FDI) of USD 3.4 billion and Portfolio investment of USD 2.1 billion.

The BOU further noted that in 2025, workers' remittances totalled USD 1.5 trillion and support to non-governmental organisations (NGOs) stood at USD 420.8 million. The BOU was concerned that clause 1's definition of a foreigner, includes Ugandan citizens residing abroad, meaning remittance recipients-who support household consumption, education, and micro-investments-could be classified as "agents of foreigners." Clause 14's registration requirement and Clause 22's funding cap may disrupt these inflows, reducing foreign-exchange liquidity and pressuring the Ugandan Shilling (UGX). The BOU also noted that during past FDI declines (e.g., 2010,2016), remittances remained stable, acting as a critical buffer; their restriction risks exchange-rate volatility and import cost spikes.

(b) The Bill will lead to sudden Capital Exit

BOU noted that Offshore investors currently hold 12% of government securities (2025). Clause 22's ministerial approval threshold acts as a capital control; experience shows such controls lead to the immediate exit of offshore investors, put pressure on the Shilling, and force interest rates up. Experience shows



such controls lead to the immediate exit of offshore investors, put pressure on the Shilling, and force interest rates up.

(c) Uncertainty Premium:

Debt servicing already consumes nearly 50% of government revenue. By criminalising economic research that identifies fiscal instability (Clause 13), the Bill destroys "price discovery" forcing investors to demand an "uncertainty premium" that increases the national debt burden.

(d) Financial Sector: De-risking and Operational Paralysis

BOU noted that the banking industry faces a systemic threat from financial de-risking and regulatory overlap as a result of the Bill. The Bank observed that the Bill has correspondent Banking Risk since global banks operate in a zero-failure compliance environment. If routine operations like capital injections or trade finance clearing require ministerial approval, international banks are likely to terminate relationships, isolating Uganda from the global payment system.

(e) Capital Requirements vs. Funding Cap

BOU has also concerned that the cap of UGX 400 million (USD 106,000) under Clause 22 is fundamentally incompatible with the banking sector's capital needs. The BOU noted that tier I has Capital Requirement of UGX 150 billion, tier III Capital Requirement UGX 10 billion and Tier IV Capital Requirement: UGX 0.5-1.5 billion. This cap would severely restrict capital injections, intercompany/shareholder loans, and correspondent banking facilities-all of which are essential for liquidity management and regulatory compliance.

(f) Policy Framework: Inconsistency and "Voluntary Shocks."

BOU noted that since the 1990s, Uganda's successful and sustained economic recovery has been built on policy predictability. The Bill introduces time and policy inconsistency that threatens the Tenfold Growth Strategy (target: USD 500 billion economy by 2040.) Achieving the USD 500 billion economy requires annual FDI to rise to USD 50 billion and domestic savings to surge to 40% of GDP. The administrative friction created by a cap of UGX 400M is fundamentally incompatible with these targets.

(g) the Bill is incompatible with Fin Tech needs

The Bill is also likely to impact on Uganda's digital economy, which currently have 36.3 million active mobile money accounts and 27 million transactions per day (late 2025), which relies on real-time APIs, a communication interface used as a method of communication between third parties and online banking systems. This integration allows banking services to be embedded into various

platforms and applications, providing customers with a seamless and convenient experience.

BOU noted that the manual ministerial reporting and approval processes (Clauses 25 and 26) are technically incompatible with the velocity of digital finance. Also BOU noted that the Bill also exposes FinTech to Vulnerability since most Ugandan FinTechs rely on foreign venture capital and international cloud infrastructure. Under Clause 1, these dependencies would classify them as agents of foreigner halting innovation and capital deployment.

Following the above noted challenges, BOU cautioned Parliament that the Bill as currently drafted, risks reversing three decades of successful financial development through Liberalization that has sustained economic growth and will therefore compromise the world-class financial infrastructure essential for Uganda's journey to a USD 500 billion economy. The Minority share the views and dire-consequences of the Bill on the economy of Uganda.

The Minority also note that since the CFI issued by the Minister is devoid of the impact on economy as required in section 74 (3) of the PFMA, the Bill is not rightly before Parliament and for those reasons Parliament should not proceed with such a nullity.

The minority wish to remind Parliament of the past precedent where various RAPEX Bills with defective certificates were withdrawn on the orders of the House and re-introduced after the defects had been remedied. We call upon the Speaker and the House to direct, like it was during the RAPEX processes, that this Bill, like the RAPEX Bills with defective certificates were withdrawn, be withdrawn and be re-introduced in future, with an appropriate certificate of financial implications.

(6) The amendments proposed by the Committee are excessive and disregard earlier precedents set by the House;

The minority have had the opportunity to look at the amendments proposed by the Committee, notwithstanding the manner in which those amendments were adopted during the meeting in Munyonyo, and find that the amendments are excessive, and affront the past precedents of the House in regard to the amount of amendments allowed to Bills.

The Minority are aware that the movers of the Bill proposed additional amendments to their own Bill and the Committee has adopted the same with additional amendments, resulting in an amendment to 24 out of 30 clauses in the Bill (87% amendment of the Bill). The nature and amounts of amendments

that are being proposed to the House of about 87% of the Bill is beyond the permissible amount of amendment that are allowed.

The Minority wish to refer the House to the past rulings of the presiding officers of this House on the amount of accepted amendments to the Bill, especially the precedent set during consideration of “The Public Service Pension Fund Bill, 2022” as reported in the Hansard of 23rd May, 2023. On that day, the Rt. Hon. Deputy Speaker directed the withdrawal of “The Public Service Pension Fund Bill, 2022” due to the amendments to over 60% of the Bill, and noted as follows-

“I have studied various precedents, including the Hansard of 19 February 2019, where the Presiding Officer then - the Rt Hon. Jacob Oulanyah - guided on the magnitude of proposals for amendments to a Bill.

In reference to “The Sexual Offences Bill, 2019”, which had been substantially amended, the Rt Hon. Jacob Oulanyah guided as follows:

“Any amendments to this magnitude would require the minister to withdraw the Bill and incorporate the proposals in the Bill and reintroduce it for first reading.”

In view of the fact that there are numerous proposed amendments to the Public Service Pension Fund Bill, 2023, I guide that, if the minister agrees with the majority of these amendments, then, the minister should move under rule 140 of the Rules of Procedure of Parliament to withdraw the Bill, incorporate the proposed amendments and have the Bill reintroduced for first reading.

The Attorney-General can act on behalf of the minister on such a matter – if he agrees with us – so that they withdraw this Bill, go and incorporate the proposed changes, gazette it, bring it for first reading and reintroduce it to the public for consultations. I have read it and noted that there are very



critical amendments made in regard to this Bill.”

The rationale for the above directive was to shield the Bill from being amended in a manner that substantially affects the subject matter of Bill. The Minority wish to note that the amendments proposed to the Bill go to the root of the subject matter of the Bill and the Minister should be asked to withdraw the Bill, study the Bill and the amendments and if agreeable, amend the Bill and re-introduce it in the House. The withdrawal of the Bill also affords Government to benefit from the views of the stakeholders, both in support and against and the report of the minority. Indeed, the Rt. Hon. Deputy Speaker, while directing for the withdrawal of “The Public Service Pension Fund Bill, 2022” noted that-

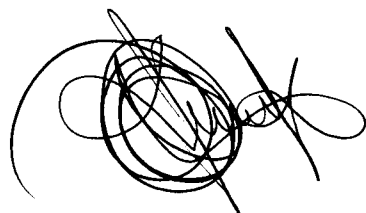
”Therefore, once we allow the minister, they will go back and incorporate both issues in the minority report and those in the majority report and we, again, subject them to the public. The biggest legislators are members of the public because we take their views and incorporate them into the clauses.

In light of the above ruling, the Minority calls upon the presiding officer to comply with the earlier precedents of the House, which, by virtue of Rule 8 (2) of the Rules of Procedures of Parliament which direct that Speaker’s rulings form part of the Rules of Procedure of Parliament until such a time when a substantive amendment to these Rules is made in respect to the ruling.

(8) The Bill was rejected by the President and majority of stakeholders the Committee engaged with.

The minority note that the Bill was rejected by all stakeholders that the Committee interacted with and was further disowned by the President in a letter to the Bazukulu on his official X account.

The Minority note that of the 224 stakeholders the Committee interacted with, only two stakeholders 2 stakeholders, being Mr. Assimwe John a resident of Fort portal and Hon. Nsibambi Yusuf, MP, Mawokota County South Constituency, Mpigi District supported the Bill in its current form.

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In addition, the Minority also note that H.E the President disowned the Bill in a letter addressed to his Bazukulu on his official X account, wherein the President-

- (a) characterized the recent public outcry relating to the Bill as orwaari (noise);
- (b) averred that the Bill that was initiated and approved by Cabinet-
 - (i) did not stop FDIs, support for religious bodies from abroad remittances from Ugandans working abroad etc;
 - (ii) only applied to Sovereignty relating to policy decision-making, relating to only political issues, social issues and economic issues, diplomatic issues,
 - (iii) prohibited funding groups or support of any nature to influence the decision of a country;
- (c) indicated that he spoke to the Chairpersons of the joint Committees and directed that the Bill concentrates on Sovereignty relating to policy decision-making, and not to meander in the areas of the Freedom of private enterprise transfers or private money transfers or church donations.

The denial by the President therefore throws the legitimacy of the Bill in doubt and poses the question as to whether the Minister exceeded his mandate in drafting the Bill since, contrary to the views expressed by H.E the President, the Bill makes provision for the very matters the President denied.



GENERAL CONCLUSION

The Minority recommend as follows-

- (1) The Protection of Sovereignty Bill, 2026” that was read for the first time and referred to the joint committee on Wednesday 15th April, 2026 be rejected for the reasons listed above.
- (2) The Protection of Sovereignty Bill, 2026 be withdrawn since it serves no purpose;
- (3) Government is encouraged to consider providing remedies for matters affecting real so
- (4) Government undertakes to take practical steps to protect the Sovereignty of the people from direct and indirect attacks to the Sovereignty.
- (5) The Rules of procedures should be amended to ensure that no legislation can be proposed by the President or processed by Parliament after a general election.

